

**UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF WISCONSIN**

PSK COLLECTIVE, LLC
450 Fashion Avenue, Suite 2100
New York, New York 10123

Plaintiff,

v.

KOHL'S CORPORATION d/b/a KOHL'S, INC.
N56 W17000 Ridgewood Drive
Menomonee Falls, WI 53051

c/o Registered Agent
Corporate Creations Network, Inc.
301 S. Bedford St., Ste 1
Madison, WI 53703

Defendant.

Case No.

JURY DEMAND

COMPLAINT

PSK Collective, LLC ("PSK" or "Plaintiff") alleges, as against Kohl's Corporation d/b/a Kohl's, Inc. ("Kohl's" or "Defendant"), the following:

PARTIES

1. PSK Collective, LLC is a limited liability company organized under the laws of Delaware with its principal place of business at 450 Fashion Avenue, Suite 2100, New York, New York 10123. PSK Collective, LLC has 2 members who reside in the following states: Delaware and New Jersey.

2. Defendant Kohl's is a Wisconsin corporation with offices at N56 W17000 Ridgewood Drive, Menomonee Falls, WI 53051. The registered agent for Kohl's is Corporate Creations Network, Inc., 301 S. Bedford Street, Suite 1, Madison, Wisconsin 53703.

JURISDICTION AND VENUE

3. Jurisdiction is proper under 28 U.S.C. § 1332, because the parties are citizens of

diverse states and the amount in controversy exceeds \$75,000, exclusive of interest and costs.

4. Venue is proper in this district under 28 U.S.C. § 1391(b)(1) & (2), because Defendant resides in this district and a substantial part of the events or omissions giving rise to the claims occurred in this district. Moreover, venue is proper in this district because the contract contains a venue provision permitting the action to be filed in this court.

FACTS

5. PSK is a global designer and wholesale apparel production company that specializes in leisure and activewear apparel brand development.

6. Principals of The Powell Companies Real (“TPCR”), along with Ms. Phaidra S. Knight, created the PSK brand in 2020.

7. The PSK brand is a sustainably sourced activewear line founded and inspired by Zahra Bahari, an experienced businesswoman in women's apparel, and legendary World Rugby Hall of Famer, Phaidra S. Knight.

8. PSK strives for the empowerment and equality of women. The clothing line is a bold fusion of streetwear and athletic apparel that speaks to all body shapes and sizes.

9. PSK has committed to donating fifteen percent (15%) of its annual net profits from the PSK brand to organizations that are dedicated to advancing the lives of girls and women through sports and other physical activity.

10. PSK had an extraordinarily successful launch, receiving orders from many of the nation's largest retailers, including Walmart, Target, Nordstrom, Nordstrom Rack, JCPenney, TJX, Kohl's, Macy's, Bloomingdale's, Neiman Marcus, Zumiez, and Hudson Bay Canada and others.

11. On October 28, 2020, PSK entered into a standard vendor agreement with Kohl's

(“Agreement”).

12. The Agreement incorporated the terms and conditions governing all purchase orders (“Purchase Order Terms and Conditions”).

13. The parties projected ten million dollars (\$10,000,000) in annual PSK sales at wholesale cost.

14. Upon executing the Agreement, Kohl’s capitalized on the new relationship by marketing PSK publicly, including extensively on its website.

15. For instance, in April 2021, Kohl’s launched on Kohls.com an assortment of PSK branded items with substantial marketing.

16. Upon information and belief, when PSK launched at Kohl’s, it was among very few, if any, other black, woman-owned brands offered for sale at any of Kohl’s 1,100 plus stores.

17. Kohl’s further used the PSK relationship to publicly announce that it was a great supporter of women and minority-owned businesses. The first purchase order was executed on March 24, 2021.

18. Thereafter, the purchase orders increased consistently to about 600 purchase orders being executed by approximately September, 2022.

19. With the large ordering volume and Kohl’s public and private statements in support of the brand, PSK borrowed money and invested heavily in inventory, staff, marketing and manufacturing to fulfill these orders. PSK also turned down numerous requests for exclusive business relationships from other national retailers.

20. Given the initial e-commerce success, Kohl’s launched the PSK brand in Kohl’s stores in or around December 2021 and promised to market the brand extensively.

21. PSK (at Kohl’s direction) continued to invest heavily in marketing, including

securing endorsements from several world-famous women athletes of color, who praised Kohl's.

22. Kohl's, however, did not fulfill its promises to provide in-store support for the PSK brand, which promised support was a principal reason that PSK declined the exclusivity requests of several other retailers.

23. Despite Kohl's failure to support the brand as promised, PSK continued to execute and perform under the Purchase Order Terms and Conditions.

24. From April 2021 through September 2022, Plaintiff issued approximately 1,500 invoices to Kohl's in connection with approximately 600 purchase orders.

25. Plaintiff acquired the referenced goods and shipped them either to Plaintiff's warehouses or directly to Kohl's.

26. In total, Plaintiff purchased more than six hundred thousand (600,000) units from factories and vendors to fulfill Kohl's orders.

27. Despite these purchases and despite receiving written notice from PSK of its failure to pay, Kohl's has failed and refused to pay the invoices.

28. A variety of Kohl's employees offered a myriad of excuses for its non-payment, with internal logistical and record-keeping problems among the most frequently cited.

29. Making things even more difficult was Kohl's refusal to appoint a single executive to resolve the non-payment issue with PSK.

30. Kohl's continued to make excuses and ask for back-up documentation for more than two years in an effort to make Plaintiff believe that the invoices would eventually be paid.

31. Ultimately, Kohl's refused to pay the invoices, despite PSK having provided Kohl's with the following:

- Purchase Orders issued by Kohl's through SPS Commerce for at least \$7.8M;

- Bills of Lading for pick-ups by Kohl's;
- Bills of Lading for deliveries to Kohl's by third-parties;
- Deliveries verified by emails with photographs from Kohl's; and
- Invoices to Kohl's.

32. In addition to the Bills of Lading, the packing lists are stamped on most boxes that Kohl's received, and PSK and Kohl's each have copies of the packing lists.

33. Kohl's own agents signed these Bills of Lading, including for those shipments which Kohl's itself picked up.

34. Kohl's has not disputed the validity of these Bills of Lading and their corresponding shipments.

35. Kohl's also did not express dissatisfaction with the quality of the merchandise it received from PSK.

36. Given this clear documentation and the history of non-payment, it is clear that Kohl's never intended to pay the invoices.

37. At the time the Agreement was executed, Kohl's falsely represented that it would pay PSK pursuant to the purchase orders, when, in reality, it had no intention of doing so.

38. The lack of present intent is evidenced by Kohl's bad-faith conduct in stringing Plaintiff along with empty promises and never-ending excuses, with it ultimately refusing to pay Plaintiff approximately eight million dollars (\$8,000,000) that was and remains owed under the fulfilled purchase orders.

39. Kohl's intended to use the PSK brand to bolster its public image and improve its financial performance with investors without paying for the marketing or merchandise that was provided by PSK.

COUNT I
BREACH OF CONTRACT

40. Plaintiff incorporates by reference all the foregoing allegations as if set forth at length herein.

41. Plaintiff and defendant entered into a binding Agreement and Defendant issued roughly 600 purchase orders for the purchase of PSK merchandise under the Agreement.

42. The purchase orders contained the same form language, which included an obligation that Kohl's pay for the merchandise.

43. The purchase orders each contained a section titled: "**PAYMENT**". Under this section, all purchase orders were subject to net 60 days dating.

44. Plaintiff promptly invoiced Kohl's for payment under each invoice as required by the "**PAYMENT**" clause in the purchase orders.

45. Kohl's materially breached the Agreement and purchase orders by receiving but not paying for almost eight million dollars (\$8 million) in merchandise.

46. As a direct and proximate result of Kohl's material breach, Plaintiff has suffered substantial damages.

COUNT II
WIS. STATS. §§ 895.446 (CIVIL REMEDY)
and 943.20(1)(A) AND (D) (THEFT BY FRAUD)

47. Plaintiff repeats and realleges each of the foregoing paragraphs of the Complaint as if set forth at length herein.

48. Prior to and as a material inducement for executing the Agreement and each purchase order issued thereunder, Kohl's falsely represented that it would pay Plaintiff for merchandise procured pursuant to purchase orders executed under the Agreement.

49. Kohl's knew that the representation was false.

50. Kohl's made that representation with the intent to deceive and defraud the Plaintiff by obtaining almost eight million dollars (\$8 million) in merchandise without paying for it and also by securing free marketing based on false representations that Kohl's would market and grow the relationship.

51. Plaintiff reasonably relied on these promises in executing the purchase orders and fulfilling same.

52. As a result of these false promises, Kohl's received almost eight million dollars (\$8 million) in inventory.

53. As a direct and proximate result of Kohl's material and intentional misrepresentations, Plaintiff seeks actual damages caused by the fraud, including but not limited to the retail or replacement value of the merchandise; all costs of investigation and litigation that were reasonably incurred, including the value of the time spent by any employee or agent of the Plaintiff; and exemplary damages of 3 times the damages awarded.

COUNT III
INTENTIONAL MISREPRESENTATION
FRAUD IN THE INDUCEMENT

54. Plaintiff repeats and realleges each of the foregoing paragraphs of the Complaint as if set forth at length herein.

55. As alleged above, Kohl's knowingly made false statements of fact to, and omitted or concealed true statements of fact from, Plaintiff as an inducement to get Plaintiff to sign and fulfill the Agreement and each purchase order issued thereunder.

56. These representations included, but were not limited to, promising that it would pay for the merchandise that was delivered pursuant to purchase orders and that it would market

and grow the relationship.

57. These representations were knowingly false when made.

58. Kohl's had no intention of paying for the merchandise it received or marketing the PSK brand as it promised it would do.

59. As intended, Kohl's did not market the PSK brand or pay for the almost eight million in merchandise that it received from April 2021 through September 2022.

60. Incredibly, Kohl's refused to pay approximately 1,500 invoices in connection with approximately 600 purchase orders, relying on ever-changing excuses from different Kohl's employees.

61. Plaintiff reasonably and justifiably believed the false statements, or believed that no facts existed inconsistent with Defendant's omissions and concealments, and reasonably acted in reliance upon those beliefs, to its detriment.

62. As a result of Plaintiff's detrimental reliance on Kohl's material misrepresentations, Plaintiff seeks to rescind the agreement and be restored to the position it was in prior to the Agreement.

63. Kohl's did not heretofore rescind the Agreement because Kohl's strung Plaintiff along with promises that the invoices would be paid if Plaintiff could prove the merchandise was delivered.

64. Plaintiff believed these promises, and for a period of over two years, Plaintiff worked, in good-faith, to get the invoices paid.

65. Plaintiff believed that Kohl's intended to perform under the contract.

66. What Plaintiff did not know at the time was that Kohl's was not acting in good-faith and that Kohl's never intended to perform.

67. At the end of 2024, Plaintiff finally discovered the truth when Kohl's, through counsel, refused to pay for the merchandise, falsely claiming that the one-year contractual statute of limitations had run.

68. Kohl's ultimate reliance on a statute of limitations that is designed for loss, damage or claims related to the merchandise is further evidence of its fraudulent scheme.

69. This shortened statute of limitations has nothing to do with an action related to the non-payment of invoices.

70. Plaintiff did not receive any value or benefit from the Agreement, and thus, there is nothing to offer to return or actually return to Kohl's.

71. Indeed, Kohl's has received, without paying for, almost eight million dollars (\$8,000,000) in merchandise.

72. On information and belief, Kohl's had an approximate 70% retailer price markup, resulting in an approximate \$17 million net profit.

73. Kohl's acted with malice and/or with reckless disregard as to the rights of Plaintiff, thereby entitling Plaintiff to an award of punitive damages.

COUNT IV CONVERSION

74. Plaintiff repeats and realleges each of the foregoing paragraphs of the Complaint as if set forth at length herein.

75. Defendant's actions constitute conversion under Wisconsin law, including Wis. Stat. §893.51, and common law principles.

76. In 2021 and 2022, Plaintiff shipped nearly eight million dollars (\$8,000,000) worth of PSK apparel to Defendant Kohl's Inc.

77. Defendant took physical possession of the merchandise and proceeded to offer it

for sale both in retail stores and online.

78. Defendant failed to remit to plaintiff the vast majority of the payments it received from its customers for the merchandise it obtained from PSK and sold to those customers.

79. Plaintiff has repeatedly requested payment, but Defendant has refused to pay.

80. Defendant's retention, use, and sale of Plaintiff's goods without payment constitutes a wrongful exercise of dominion and control over Plaintiff's personal property, without Plaintiff's consent.

81. Plaintiff has suffered damages as a direct and proximate result of Defendant's conduct, including the loss of eight million dollars (\$8 million) worth of merchandise.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff demands judgment against the Defendant and a determination by the Court as follows:

- A. Enter an order against Defendant on Count I of the Complaint for breach of contract, including direct and consequential damages in an amount to be proven at trial, pre-judgment interest, court costs and such other relief as to the Court seems just and proper;
- B. Enter an order against Defendant on Count II of the Complaint for statutory misrepresentation under Wis. Stat. §§ 895.446 (civil remedy) and 943.20(1)(d) (theft by fraud) in an amount to be proven at trial, exemplary damages, reasonable attorney's fees, pre-judgment interest, court costs and such other relief as to the Court seems just and proper; and
- C. Enter an order against Defendant on Count III for fraudulent

inducement fraudulently inducing Plaintiff to enter the Agreement and purchase orders, including rescinding those agreements, awarding compensatory, punitive damages and such other relief as to the Court seems just and proper.

- D. Enter an order against Defendant on Count IV for Conversion in an amount to be proven at trial, exemplary damages, reasonable attorney's fees, pre-judgment interest, court costs and such other relief as to the Court seems just and proper.

JURY DEMAND

Plaintiff demands a trial by jury of 12 persons.

Dated this 13th day of August 2025.

Respectfully submitted,

THE ROSE GROUP, S.C.

By: /s/ Jennifer G. Baumann
Jennifer G. Baumann
WI State Bar No. 1034916
Kaitlynn E. Ebben
WI State Bar No. 1112777
1134 N. 9th Street, Suite 220
Milwaukee, WI 53233
Phone: (414) 274-1400
Fax: (844) 273-1311
Email: jgb@rosegrouplaw.com
kee@rosegrouplaw.com

Attorneys for Plaintiffs