

Jeremy Burkhardt Sues SpeakerCraft, Nortek

Written by Bob Snyder
28. 01. 2013



Maybe you [remember the story?](#)

Now former SpeakerCraft owner and president **Jeremy Burkhardt** says SpeakerCraft and parent Nortek Inc., are trying to enforce an illegal non-compete—and he says Nortek owes him \$1 million.

The \$1 million was allegedly promised to him by former Nortek chairman Richard Bready who asked Burkhardt to reinvest in Nortek after SpeakerCraft was acquired. Burkhardt lost that investment when Nortek declared bankruptcy in 2009 but alleges Bready agreed to compensate him for the loss. Nortek, says Burkhardt, “repudiated” that agreement after Bready retired in 2011.

Now listen to what Burkhardt has recently posted in Facebook:

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Really exciting walking around CES and seeing so many friends. Also heard a lot of noise about Nortek and my non-compete I honored that as promised and it expired long ago. I'll be back and they can't stop me. I'm serious enough that Jeff Francisco and I have sued Nortek in Orange County to clear out the nonsense. Details on the CA courts website, case id 30-2012-00610919-CU-NP-CJCnon-compete. We tried to settle but they want to screw off try and out spend us and not do the right thing. I hope to tell you about the company we are buying real soon. Some people think Nortek sucks. We will take market share from them as we'll as share all their mis doings with the industry and press. I pledge my every last dollar to righting their misdeeds.

Burkhardt sold his SpeakerCraft manufacturing company to Linear, LLC, a Nortek subsidiary, in July 2003 for \$58 million. The purchase agreement includes a non-compete and non-solicitation provision but Burkhardt insists the non-compete was unenforceable to begin with and—as it is 9 years old now—it would have expired anyways.

He says in the lawsuit Nortek insists the non-compete is legal. The corporation is threatening to sue if Burkhardt competes at this time.

And judging by the surfacing of this court case, Burkhardt (and his Twitter) now wants to compete. Burkhardt is forcing the court by lawsuit to determine whether he can “lawfully compete with the Defendants.”

More bad blood: when Bready retired in 2011, as recounted in the lawsuit, SpeakerCraft informed Burkhardt it would not renew his employment contract and substantially reduced Burkhardt's compensation and bonus opportunities. So Burkhardt resigned his employment with SpeakerCraft, effective May 2012. (Now you see how our original article in our sister publication *European Custom Installer* was more correct in its assessment than any other press at the time. Most press ran a happy company press release about a contented Burkhardt retiring on good terms.)

Burkhardt wants punitive damages and a preliminary injunction (then a permanent injunction after winning the trial) that stops Speakercraft and Nortel from suing if Burkhardt jumps back into the marketplace. Which he will.

The company—even if it wins—can only hold Burkhardt back until sometime in 2015. Even if they would lose, it may be worth money for them to slow down Burkhardt’s entry and drag the case out. After all, Burkhardt has declared in his Twitter that whatever he intends to buy or run will “take market share from Nortek.”

Normally an individual suffers in these battles against companies with company lawyers and deeper pockets, but Burkhardt has enough money to play the game and what looks to us like a winning hand going in.

Go [Background: Jeremy Burkhardt “Retires”](#)

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