

**IN THE IOWA DISTRICT COURT FOR POLK COUNTY**

**TODD P. HALBUR**, an individual,  
Plaintiff.

vs.

**STATE OF IOWA, IOWA  
DEPARTMENT OF COMMERCE –  
ALCOHOLIC BEVERAGES  
DIVISION and STEPHEN LARSON,  
Administrator of the Alcoholic  
Beverages Division, Individually and in  
his Official Capacity**  
Defendant.

**PETITION AT LAW AND JURY  
DEMAND**

COMES NOW the Plaintiff, Todd P. Halbur, as above captioned, and in support of his cause of action against the above-named Defendants states as follows:

**JURISDICTIONAL FACTS**

1. That Plaintiff, Todd Halbur, is an individual who at all material times hereto resided in Iowa.
2. That this action arises out of the wrongful termination of Plaintiff by Defendants on or about July 24, 2018.

**PROCEDURAL REQUIREMENTS**

3. On May 31, 2019, Plaintiff a state tort claim with the State Appeal Board.
4. On or about December 2, 2019, Plaintiff through counsel notified the State Appeal Board in writing that Plaintiff was withdrawing the claim from further consideration by the State Appeal Board pursuant to the specific provisions contained in Iowa Code Section 669.5(1).

5. That the amount in controversy exceeds the threshold requirements for small claims court.

**FACTUAL ALLEGATIONS**

6. That on or about April 20, 2015, Plaintiff was hired by Defendants to work as a Controller / Accountant 4 within the Alcoholic Beverages Division (ABD).
7. In the position of Controller / Accountant 4, Plaintiff was expected to plan, direct and oversee all accounting of ABD's estimated \$300,000,000.00 operation. He was expected to advise the Administrator and COO on all matters of cash management, inventory control, audit findings and adjustments. He was required to analyze trends in financial reports and advise on procedural change of action steps needed to ensure the Division meets the reversion expectations of REC and that the Division maintains the standards of accounting practices of the Department of Management, the Governor's office and GAAP.
8. In the position of Controller / Accountant 4, from the initiation of his employment to approximately October 2016, Plaintiff reported to Tim Iverson, COO. From approximately October 2016, Plaintiff reported to Stephen Larson, Administrator.
9. That Plaintiff complained internally about and refused to engage in illegal practices occurring within the ABD.

***EXCESSIVE MARKUP OF ALCOHOLIC LIQUOR***

10. In approximately August 2017, Plaintiff determined that ABD had been marking up the sale price of alcoholic liquor in violation of the law.
11. Plaintiff determined that Administrator Larson had been aware of the excessive markup since at least sometime in calendar year 2014.

12. Plaintiff thereafter took steps to bring the ABD into conformance with the law.
13. Plaintiff encouraged Administrator Larson to report the excessive markups, the corrective measures, and the potential impact of the corrective measures on the ABD's budget to the Iowa Alcoholic Beverages Commission, the Governor via the Annual Report required by Iowa Code 123.16, the Department of Management, the State of Iowa Auditor's Office, and the State of Iowa Attorney General's Office.

***PURCHASE FROM BEVERAGE MERCHANDISING, INC.***

14. In approximately August 2017, Administrator Larson entered into a contract with Beverage Merchandising, Inc. (BMI) on behalf of the State of Iowa for the purchase of website development services and a reporting database. Pursuant to the contract, BMI would develop a promotional discount website and reporting database for the Iowa Alcoholic Beverages Division.
15. A payment was made to BMI by the State of Iowa in approximately November 2017. The payment was for services provided by BMI during July, August, and September 2017.
16. In approximately June 2018, Plaintiff was asked by Larson to sign off on additional payments to BMI.
17. On or about July 4, 2018, Plaintiff refused to sign off on the payments to BMI. Plaintiff cited to the law that required a competitive bidding process before a State agency could enter into a contract with a third-party vendor.
18. On or about July 12, 2018, Plaintiff was called by Larson to a planning meeting. During the meeting, Larson explained that Plaintiff would be effectively demoted.

He would no longer report directly to Administrator Larson. Instead, he would report to Herb Sutton, who oversaw Business Operations for the Division.

19. On or about July 24, 2018, Plaintiff's employment was terminated effective immediately.
20. That Plaintiff was terminated because he complained about and/or refused to engage in illegal practices being perpetrated by Defendants including but not limited to Plaintiff's above-described actions relating to the excessive markup of alcoholic liquor and the BMI contract.

**COUNT 1: WRONGFUL DISCHARGE IN VIOLATION PUBLIC POLICY**  
**(Against STATE OF IOWA, IOWA DEPARTMENT OF COMMERCE –**  
**ALCOHOLIC BEVERAGES DIVISION and STEPHEN LARSON in his**  
**official capacity)**

COMES NOW the Plaintiff and in support of his cause of action against Defendant State of Iowa, Iowa Department of Commerce and Defendant Stephen Larson in his official capacity states as follows:

21. That Defendants State of Iowa, Iowa Department of Commerce and Stephen Larson terminated Plaintiff's employment in violation of the public policy of the State of Iowa.
22. That in terminating the Plaintiff's employment, Stephen Larson was acting within the scope of his employment.
23. That, as a cause of the unlawful conduct of Defendants, Plaintiff has sustained damages.
24. That as a direct result of the unlawful conduct of the Defendants, Plaintiff has been irreparably damaged and hereby makes claim for the following harms and losses:

- a. Back pay/ lost wages
- b. Front pay
- c. Emotional distress
- d. Any other element of loss recoverable under Iowa law as the result of the above-described tortious conduct but not specifically set forth herein.

WHEREFORE the Plaintiff hereby demands judgment against Defendant State of Iowa, Iowa Department of Commerce and Defendant Stephen Larson in his official capacity in an amount that will reasonably compensate Plaintiff for the damages sustained by him, together with interest as provided by law and the cost of this action. Damages shall include damages for lost wages and benefits, emotional distress and mental anguish, compensatory relief, court costs, with interest as provided by law, and such other relief as the Court deems just and equitable.

**COUNT 2: WRONGFUL DISCHARGE IN VIOLATION PUBLIC POLICY**  
**(Against STEPHEN LARSON in his individual capacity)**

COMES NOW the Plaintiff and in support of his cause of action against Defendant Stephen Larson in his individual capacity states as follows:

25. That Defendant Stephen Larson terminated Plaintiff's employment in violation of the public policy of the State of Iowa.
26. That in terminating the Plaintiff's employment, Stephen Larson was acting outside the scope of his employment.
27. That, as a cause of the unlawful conduct of Defendant Stephen Larson, Plaintiff has sustained damages.

28. That as a direct result of the unlawful conduct of Defendant Stephen Larson, Plaintiff has been irreparably damaged and hereby makes claim for the following harms and losses:

- a. Back pay/ lost wages
- b. Front pay
- c. Emotional distress
- d. Any other element of loss recoverable under Iowa law as the result of the above-described tortious conduct but not specifically set forth herein.

29. Because Defendant Stephen Larson acted with malice and/or reckless indifference for Plaintiff's rights, Plaintiff is entitled to punitive damages.

WHEREFORE the Plaintiff hereby demands judgment against Defendant Stephen Larson in an amount that will reasonably compensate Plaintiff for the damages sustained by him, together with interest as provided by law and the cost of this action. Damages shall include damages for lost wages and benefits, emotional distress and mental anguish, compensatory relief, punitive damages, court costs, with interest as provided by law, and such other relief as the Court deems just and equitable.

**COUNT 3: WRONGFUL DISCHARGE IN VIOLATION OF**  
**IOWA CODE 70A.28(2)**  
**(Against STATE OF IOWA, IOWA DEPARTMENT OF COMMERCE –**  
**ALCOHOLIC BEVERAGES DIVISION and STEPHEN LARSON in his**  
**official capacity)**

COMES NOW the Plaintiff and in support of his cause of action against Defendant State of Iowa, Iowa Department of Commerce and Defendant Stephen Larson in his official capacity states as follows:

30. That Defendants terminated Plaintiff's employment in violation of Iowa Code 70A.28(2).

31. That, as a cause of the unlawful conduct of Defendants, Plaintiff has sustained damages.

32. That as a direct result of the unlawful conduct of the Defendants, Plaintiff has been irreparably damaged and hereby makes claim for the following harms and losses:

- a. Back pay/ lost wages
- b. Front pay
- c. Emotional distress
- d. Any other element of loss recoverable under Iowa law as the result of the above-described tortious conduct but not specifically set forth herein.

WHEREFORE the Plaintiff hereby demands judgment against Defendant State of Iowa, Iowa Department of Commerce and Defendant Stephen Larson in his official capacity in an amount that will reasonably compensate Plaintiff for the damages sustained by him, together with interest as provided by law and the cost of this action. Damages shall include damages for lost wages and benefits, emotional distress and mental anguish, compensatory relief, attorney fees, court costs, with interest as provided by law, and such other relief as the Court deems just and equitable.

**COUNT 4: WRONGFUL DISCHARGE IN VIOLATION OF**  
**IOWA CODE 70A.28(2)**  
**(Against STEPHEN LARSON in his individual capacity)**

COMES NOW the Plaintiff and in support of his cause of action against Defendant Stephen Larson, individually, states as follows:

33. That Defendant Stephen Larson terminated Plaintiff's employment in violation of Iowa Code 70A.28(2).
34. That in terminating the Plaintiff's employment, Stephen Larson was acting outside the scope of his employment.
35. That, as a cause of the unlawful conduct of Defendant Larson, Plaintiff has sustained damages.
36. That as a direct result of the unlawful conduct of Defendant Larson, Plaintiff has been irreparably damaged and hereby makes claim for the following harms and losses:
  - a. Back pay/ lost wages
  - b. Front pay
  - c. Emotional distress
  - d. Any other element of loss recoverable under Iowa law as the result of the above-described tortious conduct but not specifically set forth herein.

WHEREFORE the Plaintiff hereby demands judgment against Defendant Stephen Larson in an amount that will reasonably compensate Plaintiff for the damages sustained by him, together with interest as provided by law and the cost of this action. Damages shall include damages for lost wages and benefits, emotional distress and mental anguish, compensatory relief, attorney fees, court costs, with interest as provided by law, and such other relief as the Court deems just and equitable.



Respectfully submitted,

HIGGINS LAW FIRM, P.L.L.C.

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ATTORNEY FOR PLAINTIFF

Original Filed.