

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE NORTHERN DISTRICT OF ILLINOIS  
EASTERN DIVISION**

|                        |   |                    |
|------------------------|---|--------------------|
| In re:                 | ) | Chapter 11         |
|                        | ) |                    |
| DARRYL F. SKRINE, JR., | ) | Case No. 20-18807  |
|                        | ) |                    |
| Debtor.                | ) | Hon. Janet S. Baer |

**AGREED ORDER RESOLVING CHAPTER 11 CASE**

THIS MATTER coming to be heard upon the *Motion of Balanced Bridge Funding, LLC to (i) Dismiss to the Bankruptcy Case and Bar the Debtor from Refiling, or Alternatively to (ii) Convert the Bankruptcy Case to Chapter 11 and Appoint a Trustee* (Dkt. 50); Balanced Bridge Funding LLC (“**BBF**”) gave proper notice of the Motion to Chapter 11 Trustee Ronald R. Peterson (the “**Trustee**”), the United States Trustee, all creditors of the estate (the “**Estate**”) of Darryl F. Skrine, Jr. (the “**Debtor**”), and the Debtor; BBF, the Trustee, the Debtor, South River Capital, LLC (“**SRC**”), and Genesis Equities, LLC (collectively referred to herein as the “**Stipulating Parties**”) each has consented to the terms and conditions of this Agreed Order; and the Court having jurisdiction over this core proceeding and the constitutional and statutory authority, including under 11 U.S.C. § 363(b), to enter this Agreed Order on a final basis and being otherwise fully advised in the premises;

**IT IS STIPULATED AND AGREED:**

A. On October 16, 2020 (the “**Petition Date**”), the Debtor filed a voluntary petition for relief under chapter 7 of the Bankruptcy Code in the above-captioned case before this Court. Thereafter, Ronald R. Peterson was appointed chapter 7 trustee for the Estate.

B. Before the Petition Date, the Debtor was indebted to BBF and SRC. On November 3, 2020, BBF filed a complaint against SRC in the U.S. District Court for the Eastern District of

Pennsylvania (Case No. 20-cv-05490”) (the “**Pennsylvania Lawsuit**”) seeking damages against SRC for purportedly tortiously interfering with BBF’s contract with the Debtor.

C. On December 14, 2020, BBF moved to dismiss or convert the Debtor’s chapter 7 case (Dkt. 14) and filed an adversary proceeding (Adv. No. 20-00416) (the “**Adversary Proceeding**”) seeking an injunction restraining the Debtor from spending, transferring or otherwise dissipating his post-petition earnings and requiring the Debtor to account for and turn over his post-petition earnings to the Trustee (Dkt. 51). SRC filed a joinder to BBF’s motion to dismiss or convert the Debtor’s chapter case (Dkt. 52) on December 17, 2020.

D. On December 21, 2020, the Court entered a temporary restraining order (the “**TRO**”) requiring the Debtor to turn over all of his post-petition earnings (less a \$12,500 weekly cash allowance for basic living expenses) to the Trustee pending the Court’s ruling on BBF’s motion to dismiss or convert the Debtor’s case. (Adv. Dkt. 15). On January 14, 2021, the Court issued a preliminary injunction (the “**Preliminary Injunction**”) containing substantially the same turnover requirements as the TRO. (Adv. Dkt. 20).

E. On December 22, 2020, the United States Trustee moved to convert the Debtor’s chapter 7 case to a case under chapter 11 of the Bankruptcy Code and for the appointment of a chapter 11 trustee (Dkt. 57).

F. As of February 10, 2020, the Trustee held total funds of \$1,498,588.40 comprising \$1,450,588.40 turned over by the Debtor and \$48,000 in proceeds from the sale of the Debtor’s 2019 Range Rover. The Trustee anticipates that he will sell the Debtor’s two Rolex watches for \$59,000.00. The Trustee believes he can sell the Debtor’s 2012 Jeep Wrangler for an additional \$10,000.00. The Trustee does not dismiss the possibility that there may be additional recoveries. Consequently, the Trustee currently anticipates that he will have a total of approximately

\$1,567,588.40 or more to pay under the terms of this Order, after reducing the Estate's remaining assets to cash.

G. The Stipulating Parties have agreed to resolve the Debtor's chapter 11 case on the terms set forth below.

H. The Court finds that the compromises and settlements made herein are fair and reasonable and not by any means forbidden by law.

**IT IS HEREBY ORDERED:**

1. The Trustee is authorized to use any funds delivered to him by the Debtor, including, without limitation, under the TRO or Preliminary Injunction, to make the payments set forth in this Order.

2. After reducing any remaining tangible property of the Estate to cash, the Trustee is authorized to pay such funds as follows:

*First*, to pay reasonable compensation to Ronald Peterson for his services as Trustee in an amount equal to 3% of the Estate's funds notwithstanding the provisions of 11 U.S.C. § 326;

*Second*, to pay reasonable compensation to the Trustee's retained professionals in a total amount not to exceed \$177,500.00, inclusive of any amounts paid as compensation to the Trustee;

*Third*, to satisfy each allowed claim filed or scheduled as undisputed in the Debtor's bankruptcy case, excluding any claim of BBF or SRC, by paying \$57,411.16 *pro rata* to the creditors—this approximates a 35% recovery for each creditor; and

*Fourth*, to pay BBF \$1,400,000.00; provided, however, in the event that the Estate's remaining funds are not sufficient to pay BBF \$1,400,000.00: (a) the Trustee shall pay BBF as much as the Estate's funds permit but in no event less than \$1,367,587.67; and (b) the Debtor shall pay BBF any shortfall between the amount paid to BBF by the Trustee and \$1,400,000.00.

3. Other than payments to himself or his retained professionals, the Trustee is authorized to make the payments set forth in paragraph 3 of this Order without further order of the Court.

4. The Trustee and his retained professionals shall file and serve final fee applications (the “**Final Fee Applications**”) on or before February 24, 2021. The Trustee’s counsel shall schedule a hearing on the Final Fee Applications on 21 days’ notice.

5. Any objection to a Final Fee Application must be filed and served on counsel for the Stipulating Parties and the U.S. Trustee within 14 days before the hearing. Any response to an objection must be filed at least 7 days before the hearing.

6. In the absence of an objection to the Final Fee Applications, the fees and expenses requested in each Final Fee Application shall be deemed allowed on a final basis and the Trustee shall be authorized to pay himself and his retained professionals as set forth in paragraph 3 of this Order without further order of the Court.

7. SRC shall not receive any distribution from the Trustee or the Debtor’s Estate under this Order, but instead will look to the future earnings and assets of the Debtor. In connection therewith, the Debtor shall execute and deliver to SRC those certain Business Entity Affidavit, Promissory Note in the original principal amount of \$2,000,000.00, Loan and Security Agreement, Memo of Settlement, UCC financing statement, and letter of direction from the Debtor to the Chicago Bears Football Club (collectively, the “**Modified SRC Loan Documents**”), in the forms provided by SRC’s counsel to the Debtor’s counsel via email on January 25, 2021, pursuant to which SRC’s outstanding loan shall be modified and extended as set forth therein. The Debtor shall execute and deliver to SRC the Modified SRC Loan Documents immediately upon entry of this Order, with such Modified SRC Loan Documents to become effective immediately and without further action or order. On the date of entry of this Order or as soon as practicable thereafter (not to exceed seven (7) days), the Debtor shall, without limitation, comply with Section 10 of the SRC Loan and Security Agreement requiring the Debtor to purchase and deliver to SRC the Insurance Policy (as defined therein). The Debtor and SRC each release any and all claims,

causes of action or defenses they have against one another arising prior to the entry of this Order; *provided, however*, that the Debtor shall be and continue to be liable and otherwise obligated to SRC as expressly set forth herein and the Modified SRC Loan Documents.

8. The Debtor's chapter 11 case is dismissed and the automatic stay under 11 U.S.C. § 362(a) is lifted.

9. For the avoidance of doubt, except as provided in paragraph 11, nothing in this Order shall constitute a release of any right, claim, or cause of action against the Debtor

10. Upon BBF's timely receipt of \$1,400,000.00 total from the Trustee and/or the Debtor: (a) BBF and the Debtor shall each release any and all claims and causes of action they have against one another relating to or arising out of the subject loan, this bankruptcy proceeding, and *Balanced Bridge Funding, LLC. v. Daryl F. Skrine, Jr.*, case number CASE-20-008144, Circuit Court of Seventeenth Judicial Circuit, Broward County, Florida (the "Florida Action"), and (b) BBF shall dismiss with prejudice the Florida Action with the parties to bear their own costs.

11. Upon BBF's receipt of funds from the Trustee pursuant to paragraph 3 above: (a) BBF, SRC and James Plack shall each release any and all claims and causes of action they have against one another relating to or arising out of any transactions with the Debtor, his bankruptcy case or the Pennsylvania Lawsuit; and (b) within seven days thereafter, BBF shall voluntarily dismiss the Pennsylvania Lawsuit against SRC and James Plack, with prejudice, with the parties to bear their own costs.

12. For cause shown under 11 U.S.C. § 349, the Debtor shall not file another case under title 11 of the United States Code on or prior to December 31, 2021, and the dismissal of this bankruptcy case shall not revert the property of the Estate in the entity in which such property was vested immediately before the commencement of this bankruptcy case. For the avoidance of

doubt, the terms of this Agreed Order and the payments made by the Trustee hereunder shall remain effective notwithstanding the dismissal of this bankruptcy case.

13. Each of the Trustee and the Debtor is authorized and empowered to take execute, delivery or file such documents and take such actions as may be necessary and appropriate to implement the terms of this Order.

14. Except as otherwise provided in this Order, the terms and conditions of this Order shall be immediately effective and enforceable upon its entry.

15. This Court shall retain jurisdiction to hear and determine all matters arising from the implementation this Order.

*[Signatures on following page]*

**AGREED AS TO SUBSTANCE AND FORM:**

DARRYL F. SKRINE, JR.

By: David E. Cohen  
One of His Attorneys

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RONALD R. PETERSON, not individually but  
as Trustee for the chapter 11 estate of Darryl F. Skrine, Jr.

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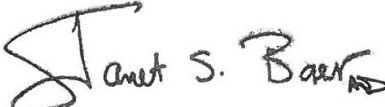
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DATED: February 18, 2021

ENTER:

Handwritten signature of Janet S. Barts in black ink.

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United States Bankruptcy Judge