

**UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF ILLINOIS  
EASTERN DIVISION**

IFC CREDIT CORPORATION,	)	
an Illinois corporation,	)	
	)	
Plaintiff,	)	Case No. 07 C 4351
v.	)	
	)	Honorable Judge Filip
TISSUE PRODUCTS TECHNOLOGY	)	
CORPORATION, a Wisconsin corporation,	)	Magistrate Judge Cole
ECO-FIBRE, INC., A Wisconsin Corporation,	)	
PARTNERS CONCEPTS DEVELOPMENT,	)	
INC., a Wisconsin Corporation, OCONTO	)	
FALLS TISSUE, INC., a Wisconsin Corporation,	)	
RONALD H. VAN DEN HEUVEL, an individual,	)	
SPIRIT CONSTRUCTION SERVICES, INC., a	)	
Delaware corporation,	)	
	)	
Defendant.	)	

**DEFENDANTS' ANSWER TO IFC CREDIT  
CORPORATION'S COMPLAINT**

Defendants, Tissue Products Technology Corporation ("TPTC"), Eco Fibre, Inc. ("Eco Fibre"), Partners Concepts Development, Inc. ("PCDI"), Oconto Falls Tissue, Inc. ("Oconto"), Ronald H. Van Den Heuvel ("Van Den Heuvel") and Spirit Construction Services, Inc. ("Spirit Construction"), states as follows for their answer to Plaintiff IFC Credit Corporation's ("IFC") Complaint:

**THE PARTIES**

1. Plaintiff, IFC Credit Corporation ("IFC"), is a corporation incorporated under the laws of the State of Illinois, having its principal place of business of 8700 Waukegan Road, Suite 100, Morton Grove, Illinois.

**ANSWER:** Defendants admit the allegations contained in Paragraph 1.

EXHIBIT EE

2. Defendant, Tissue Products Technology Corp. ("TPTC"), is a corporation incorporated under the laws of the State of Wisconsin, having its principal place of business in the State of Wisconsin. TPTC is a party to a certain Settlement Agreement, as more fully described below, which is the subject of this lawsuit, as well as a certain Master Lease Agreement and Continuing Pledge Agreement, also described more fully below.

**ANSWER:** Defendants admit the allegations contained in Paragraph 2.

3. Defendant, Eco-Fibre, Inc. (f/k/a Re-Box Paper, Inc.) ("Eco-Fibre"), is a corporation incorporated under the laws of the State of Wisconsin, having its principal place of business in the State of Wisconsin. Eco-Fibre is a party to a certain Settlement Agreement, as more fully described below, which is the subject of this lawsuit.

**ANSWER:** Defendants admit the allegations contained in first sentence of Paragraph

3. Defendants admit that Eco Fibre was a party to the referenced settlement agreement but was fully released under the terms of that agreement.

4. Defendant, Partners Concepts Development, Inc. ("PCDI"), is a corporation incorporated under the laws of the State of Wisconsin, having its principal place of business in the State of Wisconsin. PCDI is a party to a certain Settlement Agreement, as more fully described below, which is the subject of this lawsuit, as well as a certain Master Lease Agreement and Continuing Pledge Agreement, also described more fully below.

**ANSWER:** Defendants admit the allegations contained in Paragraph 4.

5. Defendant, Oconto Falls Tissue, Inc. ("OCONTO"), is a corporation incorporated under the laws of the State of Wisconsin, having its principal place of business in the State of Wisconsin. OCONTO is party to a certain Settlement Agreement, as more fully described below, which is the subject of this lawsuit.

**ANSWER:** Defendants admit the allegations contained in first sentence of Paragraph

5. Defendants admit that Oconto was a party to the referenced settlement agreement but was fully released under the terms of that agreement.

6. Defendant, Ronald H. Van Den Heuvel ("Van Den Heuvel"), is a citizen of the State of Wisconsin and resides in Wisconsin. Van Den Heuvel owns and/or operates TPTC, PCDI, Eco-Fibre and OCONTO and, on information and belief, is an officer, director and majority shareholder of the four corporate RVDH Defendants identified above. In addition, Van Den Heuvel is also a party, individually, to a certain Settlement Agreement, which is the subject of this lawsuit, as well as a Guarantor under a certain Personal Guaranty, as more fully described below.

**ANSWER:** Defendants admit the allegations contained in the first sentence of Paragraph 6. Defendants deny that Van Den Heuvel owns TPTC, PCDI, Eco Fibre and Oconto and admit that Van Den Heuvel is an officer of all of the referenced entities. Defendants admit the allegations contained in third sentence of Paragraph 6.

7. Defendant, Spirit Construction Services, Inc. ("Spirit"), is a corporation incorporated under the laws of the State of Delaware, having its principal place of business in the State of Georgia. Defendant Spirit is a general contractor that has engaged TPTC and PCDI as subcontractors, pursuant to certain "Fixed Price Engineering, Procurement and Construction Agreements" in connection with four (4) constructions projects, as more fully described below. TPTC and PCDI, pursuant to a Continuing Pledge Agreement, pledged and assigned to IFC their right to receive, and interest in, certain payments from Spirit in connection with these construction projects, and Spirit agreed pursuant to an "Acknowledgment and Consent to Assignment" not to make any payments to TPTC and/or PCDI until IFC notified Spirit that it has been paid the full amount it is owed by TPTC and/or PCDI. On information and belief, Spirit has not violated its obligation to IFC under the "Acknowledgement and Consent to Assignment," and Spirit is named herein solely in connection with Plaintiff's claim for a Preliminary Injunction based, in part, on the Continuing Pledge Agreement.

**ANSWER:** Defendants admit the allegations contained in the first and fourth sentences of Paragraph 7 and that TPTC and PCDI pledged and assigned their right to receive, and interest in, certain payments from Spirit in connection with certain construction projects. Defendants deny the remaining allegations in Paragraph 7.

#### **JURISDICTION AND VENUE**

8. This court has jurisdiction of this action pursuant to 28 U.S.C. §1332(a)(1), in that the matter in controversy exceeds, exclusive of interest and cost, the sum of \$75,000 and is between citizens of different states. Venue is proper pursuant to 28 U.S.C. §1391(a)(a). Additionally, the Settlement Agreement at issue herein (specifically, Paragraph 20), as well as the related agreement executed by the RVDH Defendants and the Personal Guaranty of Van Den Heuvel, all of which are the subject matter of this suit, contain forum-selection clauses designating this judicial district as the exclusive jurisdiction and venue for this action.

**ANSWER:** Defendants admit the allegations contained in Paragraph 8.

**ALLEGATIONS APPLICABLE TO ALL COUNTS**

9. On or about September 30, 2005, IFC, as lessor, entered into Master Lease Agreement No. 801070 (hereinafter, the “Initial Master Lease”) and certain Lease Schedules (collectively the “Initial Lease Schedules” unless identified individually) with TPTC and Eco-Fibre, jointly and severally, as co-lessees (collectively “the Initial Afterdryer Lease”) for the lease of sixteen (16) industrial after-dryers, along with related equipment and attachments (hereinafter, the “Afterdryer Equipment”).

**ANSWER:** Defendants admit the allegations contained in Paragraph 9.

10. Van Den Heuvel, PCDI, and OCONTO each executed an unconditional written guaranty of TPTC’s and Eco-Fibre’s obligations under the Initial Master Lease and Lease Schedules (the “Initial Master Lease Guaranties”).

**ANSWER:** Defendants admit the allegations contained in Paragraph 10.

11. IFC thereafter sold, assigned, and transferred to the George Washington Savings Bank (the “GWSB”) certain rights it had in and to certain specified lease payments under one of the Lease Schedules to the Initial Master Lease (the assigned Lease Schedule covered seven (7) Afterdryers of the sixteen (16) Afterdryers that comprise the Afterdryer Equipment), (the “GWSB Afterdryer”), as well as certain of IFC’s rights to the Initial Master Lease Guaranties, all pursuant to a Master Lease Receivable Sales Agreement between IFC and GWSB.

**ANSWER:** Defendants are without knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 11.

12. TPTC and Eco-Fibre subsequently defaulted under the terms of the Initial Master Lease by, *inter alia*, failing to make the lease payments required under the Initial Lease Schedules from approximately February 2006 through August of 2006. TPTC and Eco-Fibre failed to cure their defaults.

**ANSWER:** Defendants deny the allegations contained in Paragraph 12 as stated and state the fact to be that IFC’s failure to fund in full excused performance.

13. In August of 2006, IFC filed a lawsuit in the United States District Court for the Northern District of Illinois, Eastern Division, against RVDH Defendants, Case No. 06 C 4618 (the “IFC Lawsuit”), asserting claims against TPTC and Eco-Fibre for breach of the Initial Master Lease and the related Initial Lease Schedules; for breach of the Initial Master Lease Guaranties (Counts II-IV), as well as a claim for injunctive relief for return of the Afterdryer Equipment (Count V).

**ANSWER:** Defendants admit the allegations contained in Paragraph 13 and further state that counterclaims were asserted by defendants.

14. GWSB had also filed a lawsuit in the United States District Court for the Northern District of Illinois, Eastern Division, against the RVDH Defendants, Case No. 06 C 3956 (the "GWSB Lawsuit"), as an assignee of IFC, and in an Amended Complaint asserted claims against TPTC and Eco-Fibre concerning the GWSB Afterdryers for breach of the Initial Master Lease and one Initial Lease Schedule, and for breach of the Initial Master Lease Guaranties.

**ANSWER:** Defendants admit the allegations contained in Paragraph 14.

15. On IFC's motion, filed in September of 2006, the IFC Lawsuit was consolidated into the GWSB Lawsuit, and all of IFC's claims against the RVDH Defendants were asserted.

**ANSWER:** Defendants are without knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 15.

16. For the next several months, IFC and GWSB on the one hand, and the RVDH Defendants, on the other, negotiated separate settlement agreements in an attempt to resolve all claims asserted against the RVDH Defendants. The RVDH Defendants essentially agreed to pay all monies owed on the Initial Master Lease, but sought time from IFC and GWSB (and the Court) to obtain funds to finance the settlement. The RVDH Defendants were expected to receive such financing in late December, 2006, from their receipt of money raised from a public offering of stock in certain of the RVDH business entities. Because the RVDH Defendants were unable to obtain the financing necessary to pay the amount to be paid to GWSB within the expected time period, the Court entered a judgment on March 28, 2007 in favor of the GWSB and against the RVDH Defendants in the amount of approximately \$2.7 million.

**ANSWER:** Defendants deny the allegations of Paragraph 16 as stated and state the facts to be that IFC and GWSB, on the one hand, and the RVDH Defendants, on the other hand, concurrently negotiated separate but related settlement agreements in an attempt to resolve all claims. Defendants deny that the RVDH Defendants were expected to receive financing in late December 2006 from their receipt of money raised from a public offering of stock in certain of the RVDH business entities. Defendants admit the remaining allegations of paragraph 16.

17. On or about April 13, 2007, IFC and the RVDH Defendants entered into a Settlement Agreement dated effective March 28, 2007, resolving all claims then pending by and among IFC and the RVDH Defendants. A copy of said Settlement Agreement (hereinafter, the "Settlement Agreement") is attached hereto as Exhibit "A". Pursuant to the Settlement Agreement, the RVDH Defendants agreed to pay IFC a Total Settlement Amount of approximately \$23,400,000.00 (the "Total Settlement Amount") in exchange for IFC agreeing to transfer all rights, title and interest in the sixteen (16) Afterdryers to the RVDH Defendants. Approximately \$20 million of the Total Settlement Amount was paid to IFC on or about April 16, 2007, from the proceeds of the financing that the RVDH Defendants finally obtained in mid-

April, 2007. At the request of the RVDH Defendants, IFC agreed that the remaining \$3.4 million to be paid could be paid in monthly installments pursuant to a new Master Lease Agreement No. 801109, as discussed more fully below, with IFC retaining all rights and interests in the sixteen (16) Afterdryers until the full balance of the Total Settlement Amount was paid.

**ANSWER:** Defendants admit the allegations of Paragraph 17 except that they deny that at the request of RVDH Defendants, IFC agreed that the remaining \$3.4 million to be paid could be paid in monthly installments pursuant to a new Master Lease Agreement No. 801109, as discussed more fully below, with IFC retaining all rights and interests in the 16 Afterdryers until the full balance of the Total Settlement Amount was paid. Further answering, Defendants state that (i) the funds paid to IFC on or about April 17, 2007 were not proceeds of any public offering of stock in RVDH business entities, and (ii) the new Master Lease Agreement and its terms were part of the negotiated settlement. Additionally, while the terms of the settlement agreement speak to what occurred, Fortress Credit Corporation's Lease was paid in full in the amount of approximately \$17,300,000 with IFC receiving a portion of the monies. Additionally, approximately \$2.7 million of the total settlement amount was paid to GWSB leaving approximately \$3.4 million to be subsumed by the new Master Lease.

18. As part of the Settlement Agreement by and between IFC and the RVDH Defendants, and pursuant to Paragraph 1(d) of that Agreement, the RVDH Defendants agreed, *inter alia*, to "pay IFC \$3.4 million in ten (10) equal and consecutive monthly payments of \$340,000 each (hereinafter, the 'Series Payments')," pursuant to a new Master Lease Agreement.

**ANSWER:** Defendants admit the allegations contained in Paragraph 18 except that Defendants deny that the referenced Settlement Agreement and Master Lease Agreement constitute the entire agreement between the parties relating to the referenced payment of \$3.4 million.

19. In connection with the Settlement Agreement, on or about April 18, 2007, IFC lent PCDI and TPTC, an additional \$440,000.00, pursuant to a Master Amendment Agreement to said Master Lease No. 801109. A copy of the Master Amendment Agreement is attached hereto as Exhibit "B."

**ANSWER:** Defendants admit the allegations contained in Paragraph 19.

20. In addition, as party of the Settlement Agreement by and between IFC and the RVDH Defendants, and pursuant to Paragraph 5 of the Settlement Agreement, TPTC and PCDI executed a Continuing Pledge Agreement dated March 28, 2007 (hereinafter, the "Pledge Agreement"). A copy of the Pledge Agreement is attached hereto as Exhibit "C." Pursuant to the Pledge Agreement, TPTC and PCDI pledged and assigned their right to receive, and interest in, payments that the two (2) companies are to receive from Defendant Spirit in connection with four (4) separate construction projects, as more fully described in the Pledge Agreement. TPTC and PCDI pledged and assigned any and all rights to payment of up to \$390,222.00 per month, and in the aggregate the amount of \$3,902,220.00." The Pledge Agreement further stated that "IFC shall have the first and paramount rights to receive payment under those contracts."

**ANSWER:** Defendants admit the allegations contained in Paragraph 20.

21. In connection with the Pledge Agreement, on or about March 28, 2007, Defendant Spirit acknowledged to IFC in an Acknowledgment and Consent to Assignment that TPTC and PCDI "are subcontractors in connection with" the "four (4) Fixed Price Engineering, Procurement and Construction Agreements," (hereinafter, the "EPC Contracts") and "that substantial sums of money in excess of \$3,902,220.00 will become owing to them pursuant to said contracts." Defendant further agreed that until and unless it received written notice from IFC that TPTC and/or PCDI had fully paid the amount owed to IFC, Spirit "will pay all amounts due or to become due by us to TPTC or PCDI, up to \$390,222.00 per month and in the aggregate amount of \$3,902,220.00 under the EPC Contracts to [IFC]..." A copy of the Acknowledgment and Consent to Assignment as executed by Defendant Spirit is attached to the Pledge Agreement, which has been previously identified herein as part of Exhibit "C."

**ANSWER:** Defendants admit the allegations contained in Paragraph 21.

22. As part of the Settlement Agreement, on or about December 22, 2006, PCDI and TPTC, jointly and severally, entered into Master Lease No. 801109 with IFC, pursuant to which IFC leased to PCDI and TPTC ten (10) of the Afterdryers previously leased under the Initial Master Lease, including ten (10) Lease Schedules, with amendments (hereinafter referred to collectively as "Master Lease No. 801109). A copy of said Master Lease No. 801109 with the controlling Lease Schedules is attached hereto as Group Exhibit "D."

**ANSWER:** Defendants admit the allegations contained in Paragraph 22 but deny that the referenced lease became effective immediately upon its execution.

23. Pursuant to Paragraph 9 of the Settlement Agreement, the After Dryer Equipment that remained in the possession of the RVDH Defendants, (and which was not covered by the Master Lease No. 801109), was deemed to be bailment property, with the RVDH Defendants retaining possession of the After Dryer Equipment "not as lessee," but as "IFC's bailee." According to Paragraph 9 of the Settlement Agreement, the "bailment shall be terminated immediately without notice upon the default by PCDI or TPTC of the 801109 Afterdryer Lease."

**ANSWER:** Defendants admit the allegations contained in Paragraph 23.

24. On April 19, 2007, the GWSB Lawsuit was dismissed with prejudice pursuant to the Settlement Agreement; the RVDH Defendants having satisfied the \$2.7 million judgment entered in favor of the GWSB in that lawsuit, and having paid IFC approximately \$20 million of the Total Settlement Amount of \$23.4 million to be paid.

**ANSWER:** Defendants admit the allegations contained in Paragraph 24.

**COUNT I**  
**BREACH OF SETTLEMENT AGREEMENT BY ALL RVDH DEFENDANTS**

25. As and for paragraph 25 of Count I of its Complaint, IFC realleges and reincorporates, as if fully set forth herein, the allegations of paragraphs 1 through 24 of its Complaint.

**ANSWER:** Defendants restate and incorporate by reference each and every answer to the allegations set forth in Paragraphs 1 through 24. above.

26. The RVDH Defendants, and in particular, TPTC, PCDI, and Van Den Heuvel, have each breached and defaulted upon their obligations pursuant to the Settlement Agreement in that they have refused and failed to pay IFC any of the monthly Series Payments owed pursuant to Paragraph 1(d), having failed to make any of the consecutive monthly payments of \$340,000 that were due beginning January 20, 2007.

**ANSWER:** Defendants deny the allegations contained in Paragraph 26.

27. IFC has made repeated demands upon the RVDH Defendants to perform their obligations under the Settlement Agreement, including a letter sent by IFC dated June 25, 2007 to counsel for the RVDH Defendant wherein IFC made demand on the RVDH Defendants to come current on the monthly payments then past due. A copy of said letter dated June 25, 2007 is attached hereto as Exhibit "E." To date, the RVDH Defendants have failed and refused to make any of the payments due, and/or otherwise perform their obligations under the Settlement Agreement, and they remain in default of same.

**ANSWER:** Defendants admit that IFC sent a letter dated June 25, 2007 to counsel for certain defendants in which IFC made certain demands. Defendants admit that a copy of that letter is attached to IFC's complaint. Defendants deny the remaining allegations contained in Paragraph 27.

28. The RVDH Defendants' default of the Settlement Agreement has remained uncured for more than ten (10) days following IFC's written notice of default.

**ANSWER:** Defendants deny the allegations contained in Paragraph 28.

29. Pursuant to paragraph 14 of the Settlement Agreement, as a result of the RVDH Defendants' failure to timely cure their default, all monies to be paid to IFC under the Settlement Agreement, including the ten (10) monthly Series Payments, are now "immediately due and owing."

**ANSWER:** Defendants deny the allegations contained in Paragraph 29.

30. Pursuant to Paragraph 9 of the Settlement Agreement, the bailment of the seven (7) Afterdryers is terminated, and IFC is entitled to obtain the immediate return of such equipment from the RVDH Defendants.

**ANSWER:** Defendants deny the allegations contained in Paragraph 30.

WHEREFORE, Defendants respectfully request that this Court enter judgment in their favor and against IFC, dismiss IFC's complaint with prejudice and award Defendants any further relief that the Court deems just and proper.

**COUNT II**  
**BREACH OF MASTER LEASE NO. 801109 BY PCDI AND TPTC**

31. As and for paragraph 31 of Count II of its Complaint, IFC realleges and reincorporates, as if fully set forth herein, the allegations of paragraphs 1 through 24 of its Complaint.

**ANSWER:** Defendants restate and incorporate by reference each and every answer to the allegations set forth in Paragraphs 1 through 24 above.

32. In connection with the Settlement Agreement, on or about April 18, 2007, IFC lent PCDI and TPTC, an additional \$440,000.00, pursuant to the Master Amendment Agreement to said Master Lease No. 801109, which has been previously identified herein as Exhibit "B."

**ANSWER:** Defendants admit the allegations contained in Paragraph 32.

33. TPTC and PCDI have breached and defaulted upon their obligations pursuant to Master Lease No. 801109 in that they have failed and refused to make any of the monthly rental payments owed pursuant to said Master Lease No. 801109 and the Lease Schedules. By their continued failure and refusal to make the monthly rental payments due pursuant to Master Lease No. 801109 beginning February, 2007 (Schedules No. 1 through 9) and June, 2007 (Schedule No. 10), Defendants, PCDI and TPTC (the "Lessees"), jointly and severally, are in default of said Master Lease No. 801109.

**ANSWER:** Defendants deny the allegations contained in Paragraph 33.

34. Pursuant to Paragraph 17 of said Master Lease No. 801109, IFC has the right upon the Lessees' default to, *inter alia*, "(b) declare all sums due and to become hereunder immediately due and payable...(d) without terminating the Lease, to directly or by its agent, and without notice and liability or legal process enter upon any premises where the Equipment may be located, take possession of such Equipment, and either store it on said premises without charge or remove same...(e) without terminating the Lease, sell any or all of the Equipment at public or private sale, with or without notice to Lessee..."

**ANSWER:** Defendants admit that the selectively chosen language quoted in Paragraph 17 is contained in the referenced Master Lease. Defendants deny the remaining allegations contained in Paragraph 17.

35. By letter dated June 25, 2007, which has been previously identified herein as Exhibit "E," IFC notified the Lessees that, as a result of the Lessees' default, it was declaring all sums due and to become due under said Master Lease No. 801109 immediately due and payable.

**ANSWER:** Defendants admit that IFC sent a letter dated June 25, 2007 to counsel for Defendants and that said letter contained the referenced allegations and demands but deny that the allegations contained in the June 25, 2007 letter are correct.

36. As a result of IFC's accelerating all lease payments due under said Master Lease No. 801109, said Lessees, and each of them, owe IFC the principal sum of \$3,902,220.00, plus late fees for the amount due, as of July 27, 2007, of \$4,121,286.81.

**ANSWER:** Defendants deny the allegations contained in Paragraph 36.

37. In addition, IFC is entitled, pursuant to Paragraph 18 of said Master Lease No. 801109, to recover all costs of recovering said Leased Equipment and enforcing its rights under said Master Lease No. 801109, including late charges, collection fees, attorneys' fees and other costs.

**ANSWER:** Defendants deny the allegations contained in Paragraph 37.

38. IFC has fully performed its obligations under said Master Lease No. 801109.

**ANSWER:** Defendants admit the allegations contained in Paragraph 38.

39. The continued, daily use by the Lessees' of IFC's Afterdryers and the Afterdryer Equipment (hereinafter, the "Leased Equipment") and/or its neglect by the Lessees will cause additional depreciation and possible damage to the Leased Equipment.

**ANSWER:** Defendants deny the allegations contained in Paragraph 39.

40. IFC has the right under the Master Lease No. 801109 to take immediate possession of the Leased Equipment without legal process, but has attempted to cooperate with the RVDH Defendants so as to avoid the necessity of repossession. The Lessees' repeated failure to honor their obligations under the Master Lease No. 801109 and the Settlement Agreement leave IFC with no option but to now enforce its rights under the Master Lease No. 801109, including its right to repossess the Leased Equipment.

**ANSWER:** Defendants deny the allegations contained in Paragraph 40.

41. Moreover, under Illinois law, which is controlling, IFC has more than satisfied the requirements of obtaining a preliminary injunction: 1) IFC has a clear right to the Leased Equipment that it owns, and its rights and interest in that equipment are at risk of loss based on the Lessees' continued, daily use of such equipment and/or neglect of said equipment; 2) the Lessees can assert no rights to or in the Leased Equipment, having failed to make even a single monthly lease payment; 3) the statements made by the RVDH Defendants' officers regarding the financial condition of the RVDH business entities and the Lessees' continued failure to make the monthly lease payments establish that IFC can not look to the entry of a money judgment for satisfaction of its rights and interest in the Leased Equipment, and therefore, IFC has no adequate remedy at law, and; 3) IFC has a strong likelihood of prevailing on the merits of its claims. The balancing of harm favors IFC, as it is the owner of the Leased Equipment, and the Lessees' have forfeited any rights they have as Lessees by their failure to make even a single monthly lease payment.

**ANSWER:** Defendants deny the allegations contained in Paragraph 41.

42. Therefore, pursuant to Paragraph 16, 17, and 18 of the Master Lease No. 801109, as amended, IFC has the right to disconnect the Leased Equipment to prevent its further use and depreciation and to obtain the immediate return of the Leased Equipment from the Lessees.

**ANSWER:** Defendants deny the allegations contained in Paragraph 42.

WHEREFORE, Defendants respectfully request that this Court enter judgment in their favor and against IFC, dismiss IFC's complaint with prejudice and award Defendants any further relief that the Court deems just and proper.

**COUNT III**  
**BREACH OF GUARANTY BY VAN DEN HEUVEL**

43. As and for paragraph 43 of Count III of its Complaint, IFC realleges and reincorporates, as if fully set forth herein, the allegations of paragraphs 1 through 24 of its Complaint and Paragraphs 31 through 42 of Count II.

**ANSWER:** Defendants restate and incorporate by reference each and every answer to the allegations set forth in Paragraphs 1 through 24 above.

44. In connection with the Settlement Agreement, and Master Lease Agreement No. 801109, Van Den Heuvel executed a Guaranty of all lease obligations of TPTC and PCDI (hereinafter, referred to as the "Van Den Heuvel Guaranty") under said Master Lease Agreement No. 801109. A copy of the Van Den Heuvel Guaranty is attached hereto as Exhibit "F."

**ANSWER:** Defendants admit that Van Den Heuvel executed a guaranty which is attached to IFC's complaint. Van Den Heuvel admits the remaining allegations contained in Paragraph 44 to the extent that they are consistent with the guaranty and denies any remaining allegations.

45. IFC has performed all of its obligations under the terms of said Master Lease No. 801109, and under the terms of the Van Den Heuvel Guaranty.

**ANSWER:** Defendants admit the allegations contained in Paragraph 45.

46. Under the terms of said Guaranty, Van Den Heuvel's obligations to IFC are "primary," and IFC has no obligation to proceed first against the Lessees to collect the monies owed to it under said Master Lease No. 801109.

**ANSWER:** Defendants admit that Van Den Heuvel executed a guaranty which is attached to IFC's complaint. Van Den Heuvel admits the remaining allegations contained in Paragraph 46 to the extent that they are consistent with the guaranty and denies any remaining allegations.

47. IFC has demanded that Van Den Heuvel satisfy all indebtedness, liabilities, and obligations of the Lessees under Master Lease No. 801109 and under the terms of the Van Den Heuvel Guaranty.

**ANSWER:** Defendants admit the allegations contained in Paragraph 47.

48. Van Den Heuvel has failed and refused to satisfy any or all of the indebtedness, liabilities, and obligations of the Lessees under Master Lease No. 801109 and under the terms of the Personal Guaranty.

**ANSWER:** Defendants deny the allegations contained in Paragraph 48.

49. Van Den Heuvel's actions constitute a breach and default of the Van Den Heuvel Guaranty, and as a consequence of said breach and default, IFC is entitled to recover its costs and expenses incurred in collection the amounts owed by the Lessees and Van Den Heuvel, including, without limitation, Plaintiff's court costs and attorneys' fees.

**ANSWER:** Defendants deny the allegations contained in Paragraph 49.

WHEREFORE, Van Den Heuvel respectfully requests that this Court enter judgment in their favor and against IFC, dismiss IFC's complaint with prejudice and award Van Den Heuvel any further relief that the Court deems just and proper.

**COUNTY IV**  
**PRELIMINARY INJUNCTION AGAINST ALL DEFENDANTS**

50. As and for paragraph 50 of Count IV of its Complaint, IFC realleges and reincorporates, as if fully set forth herein, the allegations of paragraphs 1 through 49 of its Complaint.

**ANSWER:** Defendants restate and incorporate by reference each and every answer to the allegations set forth in Paragraphs 1 through 49, above, as if fully rewritten herein.

51. Plaintiff has the right to obtain the immediate possession of the sixteen (16) Afterdryers pursuant to and as a consequence of the RVDH Defendants' default of the Settlement Agreement, the Master Lease No. 801109, and the Van Den Heuvel Guaranty.

**ANSWER:** Defendants deny the allegations contained in Paragraph 51.

52. Moreover, on information and belief, TPTC and PCDI have begun or will soon begin performing, their work pursuant to the EPC Contracts. This will, in turn, trigger TPTC's PCDI's and Spirit's respective obligations under the Continuing Pledge Agreement, and IFC's right to receive the payments due to TPTC and PCDI for the work they perform pursuant to the EPC Contracts.

**ANSWER:** Defendants are without knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 52.

WHEREFORE, Defendants respectfully request that this Court enter judgment in their favor and against IFC, dismiss IFC's complaint with prejudice and award Defendants any further relief that the Court deems just and proper.

Dated: September 6, 2007

TISSUE PRODUCTS TECHNOLOGY  
CORPORATION, ECO FIBRE, INC., PARTNE  
CONCEPTS DEVELOPMENT,  
INC., OCONTO FALLS TISSUE, INC.,  
RONALD H. VAN DEN HEUVEL and SPIRIT  
CONSTRUCTION SERVICES, INC.

By: /s/ Steven E. Cyranoski  
One of Their Attorneys

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**CERTIFICATE OF SERVICE**

I, Steven E. Cyranoski, an attorney, certify that on September 6, 2017, I filed the foregoing **Defendants' Answer to IFC Credit Corporation's Complaint** with the Clerk of the District Court, using the CM/ECF system which will send electronic notification of such filing to the following counsel of record:

Edward J. Underhill, Esq.  
Gerald L. Morel, Esq.  
Masuda, Funai, Eifert & Mitchell, Ltd.  
203 North LaSalle Street, Suite 2500  
Chicago, Illinois 60601-1262

/s/ Steven E. Cyranoski