

**IN THE CIRCUIT COURT OF COOK COUNTY, ILLINOIS
COUNTY DEPARTMENT - CHANCERY DIVISION**

CHRISTOPHER R. DANDROW)	
)	
Plaintiff,)	Case No. 2017-CH-09893
)	
v.)	
)	
DAVID ABRAMS, NOT PERSONALLY)	Calendar 14
BUT AS ASSIGNEE OF PURE METAL)	
RECYCLING, LLC)	
)	Judge Sophia H. Hall
Defendant)	

ORDER

This matter, having come before the Court to consider the relief requested in the *Joint Motion of Plaintiff and Defendant to Approve Settlement Agreement and Certain Procedures Related Thereto* (the “**Joint Motion**”); the Court having held a hearing on the date reflected below pursuant to an Agreed Order entered in connection with the Joint Motion on March 26, 2018 (the “**Initial Order**”); counsel for Plaintiff and Defendant having appeared before the Court today and informing the Court of the relief sought by the Joint Motion and the legal and factual basis for the entry hereof; the Court having considered all notices, filings, affidavits, and other indicia of notice to persons or entities effected by the Joint Motion and finding compliance with the Initial Order; and the Court otherwise being informed in the premises,

NOW THEREFORE IT IS HEREBY ORDERED:

1. All objections to the relief sought in the Joint Motion that: (a) have not been previously withdrawn or resolved, are hereby overruled; and (b) have not been asserted, are hereby waived;
2. The Settlement Agreement attached hereto as Exhibit 1, which is hereby expressly made a part hereof and incorporated herein, is approved and Plaintiff and Defendant are hereby authorized to implement the terms and conditions of the Settlement Agreement; 11:00
3. A status hearing shall be held on 9/19/18 at 10:00 a.m., 2018 for Plaintiff and Defendant to report on implementation of the Settlement Agreement and otherwise dispose of this litigation. Defendant is not required to file an answer or other responsive pleading until further order of Court

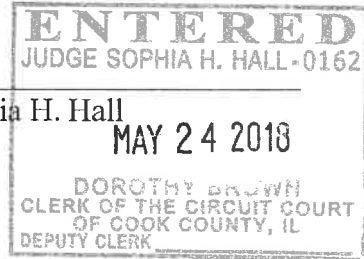
4. This Order is a final order, and there is no just reason for delaying either its enforcement or appeal, or both; and

5. The court having deemed notice of the Joint Motion to be adequate and proper under the circumstances, no further notice of matters pertaining to the Joint Motion is necessary.

Dated: May 24, 2018

ENTER:

Judge Sophia H. Hall



This Order Prepared By
Adam P. Silverman, Esq.
Adelman & Gettleman, Ltd.
53 West Jackson Blvd., Suite 1050
Chicago, Illinois 60604
(312) 435-1050
Attorney No. 12873

SETTLEMENT AGREEMENT

This Settlement Agreement (the "**Settlement Agreement**") dated May 2, 2018 (the "**Execution Date**"), is made by and between David Abrams, not individually, but solely in his capacity as Trustee-Assignee for the Benefit of Creditors of Pure Metal Recycling LLC ("**Assignee**") and Mr. Christopher R. Dandrow, an individual ("**Dandrow**"). Assignee and Dandrow are collectively referred to in this Settlement Agreement as the "**Parties**," and each, a "**Party**."

RECITALS

- A. **WHEREAS**, Pure Metal Recycling LLC ("**Pure**") is an Illinois limited liability company that previously operated as a processor and recycler of ferrous and non-ferrous scrap metals, including specialty foundry grades of steel, stainless steel, and red metal;
- B. **WHEREAS**, at all times relevant hereto, Dandrow held ninety-nine percent (99%) of the membership interests in and to Pure and was its Chief Executive Officer;
- C. **WHEREAS**, on December 10, 2015, all of the members of Pure authorized Pure to make an assignment for the benefit of creditors to Assignee pursuant to Illinois common law due to Pure's financial difficulties (the "**Assignment**");
- D. **WHEREAS**, Assignee accepted the Assignment and since the inception thereof proceeded to liquidate the assets of Pure for the benefit of Pure's creditors;
- E. **WHEREAS**, approximately one year prior to the Assignment, Pure and its affiliate, Pure Holdings, LLC ("**Pure Holdings**"), were organized to acquire the business of Acme Refining Company d/b/a Acme Refining Scrap Iron & Metal Company, Inc. ("**Acme**") pursuant to an *Asset Purchase Agreement* under which Pure and Pure Holdings acquired the vast majority of Acme's assets and assumed the vast majority of Acme's liabilities (the "**Acme Acquisition**");
- F. **WHEREAS**, the purchase price for the Acme Acquisition was approximately \$52.5 million, subject to a closing adjustment for subsequently ascertained accrued liabilities (the "**Acme Purchase Price**"). The Acme Purchase Price was comprised of cash at closing in the amount of \$20.3 million and the assumption by Pure of approximately \$32.2 million of Acme's liabilities;
- G. **WHEREAS**, to finance the Acme Acquisition and remit the cash component of the Acme Purchase Price, Pure was required to obtain two separate loans - one from North Mill Capital, LLC, a Delaware limited liability company ("**North Mill**"), and one from Loeb Term Solutions LLC, an Illinois limited liability company ("**Loeb**", and together with North Mill, the "**Secured Lenders**"). The loans extended by the Secured Lenders were subject to, among other things, an Intercreditor Agreement executed concurrently with the Acme Acquisition (the "**Intercreditor Agreement**"). In addition, North Mill required Dandrow to infuse his personal funds into the Acme Acquisition;

ELECTRONICALLY FILED
5/2/2018 12:07 PM
2017-CH-09893
PAGE 2 of 12

H. WHEREAS, at the time of the Acme Acquisition, Pure obtained an asset-based, revolving credit facility from North Mill with a dollar advance limit of Ten Million Dollars (\$10,000,000), as evidenced by a promissory note, security agreement, and various other loan documents (collectively, the “NMC Revolving Loan”). As security for the NMC Revolving Loan, Pure granted to NMC a security interest in, and lien upon, all of Pure's right, title, and interest in and to all assets of Pure (the “NMC Collateral”). North Mill perfected its liens and security interests in the NMC Collateral pursuant to, among other things, filing a UCC-1 Financing Statement with the Illinois Secretary of State on October 28, 2014, designated as Filing No. 019757102. The obligations of Pure under the NMC Revolving Loan were guaranteed by Dandrow and Pure Holdings pursuant to certain commercial guaranty documents;

I. WHEREAS, because availability under the NMC Revolving Loan was insufficient to finance the Acme Acquisition, NMC required Dandrow to use personal funds for the transaction as part of the NMC Revolving Loan. Accordingly, Dandrow purchased from North Mill a last-out junior participation interest in the NMC Revolving Loan by personally funding the NMC Revolving Loan in the original amount of One Million, One Hundred Twenty Five Thousand Dollars (\$1,125,000.00) pursuant to that certain *Junior Participation Agreement* dated November 13, 2014 (the “Junior Participation Agreement”). The Junior Participation Agreement would subsequently be amended on four different occasions to reflect additional loans from Dandrow to sustain Pure's operations, thus raising the principal amount of the Junior Participation Agreement to Four Million, Two Hundred Forty Thousand Dollars (\$4,240,000.00);

J. WHEREAS, Concurrently with obtaining the NMC Revolving Loan, Pure obtained a term loan from Loeb in the original principal amount of Twelve Million Two Hundred Fifty Thousand Dollars (\$12,250,000.00) as evidenced by a promissory note, security agreement, vehicle titles and various other loan documents (collectively, the “Loeb Term Loan”). As security for the Loeb Term Loan, Pure granted to Loeb a security interest in, and lien upon, all of Pure's right, title, and interest in and to all assets of Pure (the “Loeb Collateral”). Loeb perfected its liens and security interests in the Loeb Collateral pursuant to, among other things, filing a UCC-1 Financing Statement with the Illinois Secretary of State on October 30, 2014, designated as Filing No. 019764133. Loeb also obtained the certificates of title as collateral security for any registered vehicle owned by Pure. The obligations under the Loeb Term Loan were guaranteed by Dandrow and Pure Holdings, with Pure Holdings securing its obligations to Loeb in the form of mortgages on certain real estate owned by Pure Holdings (the “Pure Holdings Real Estate”);

K. WHEREAS, as a result of the Intercreditor Agreement, at the time of the Acme Acquisition, Loeb possessed (i) first priority mortgages on the Pure Holdings Real Estate; (ii) first priority liens and security interests in and to Pure's machinery, equipment, and vehicles; and (iii) second priority liens and security interests in all other assets of Pure. In turn, North Mill possessed first priority liens and security interests in all assets of Pure other than Pure's machinery, equipment, and vehicles, in which North Mill held liens junior to Loeb. North Mill did not have mortgages on the Pure Holdings Real Estate at the time of the Acme Acquisition but

would subsequently acquire junior mortgages thereon as Pure's operating revenue diminished and the Assignment was being contemplated;

L. WHEREAS, as a result of decreasing scrap metal prices from and after the Acme Acquisition, Pure suffered a shortage of operating funds. During this time, North Mill made a series of additional advances to Pure but also simultaneously insisted that Dandrow fund additional loan participations to cover a portion thereof. Accordingly, Dandrow agreed to fund an additional \$1.0 million on April 2, 2015 and \$875,000 on August 19, 2015 to cover borrowing base shortfalls. With each round of funding made by Dandrow, North Mill and Dandrow amended the Junior Participation Agreement and related documents. By the end of August 2015, less than a year after the Acme Acquisition, Dandrow had funded \$3 million of the NMC Revolving Loan;

M. WHEREAS, in connection with, and just prior to, the Assignment, Dandrow funded an additional \$240,000 for payroll, and then an additional \$1 million under the NMC Revolving Loan to pay for the prior week's payroll, certain employee benefits, and anticipated shortfalls under the NMC Revolving Loan. The last round of funding was evidenced by, among other things, a Fourth Amendment to Junior Participation Agreement, thus causing the principal amount of the NMC Revolving Loan allocable to Dandrow to be \$4,240,000 at the time of the Assignment;

N. WHEREAS, during the course of the Assignment, the Assignee was able to liquidate assets generating sufficient proceeds to pay the Loeb Term Loan in full and the North Mill portion of the NMC Revolving Loan. As a result of receiving its portion of the NMC Revolving Loan, North Mill issued that certain *Non-Recourse Assignment* to Dandrow (the "NMC Non-Recourse Assignment"), dated February 11, 2016, under which North Mill assigned all of its right, title and interest in the NMC Revolving Loan and NMC Collateral to Dandrow, as North Mill was required to do under the Junior Participation Agreement. By extension, the liens and security interests in the NMC Collateral inured to Dandrow on account of his portion of the NMC Revolving Loan and the attendant NMC Non-Recourse Assignment;

O. WHEREAS, after paying the Loeb Term Loan in full, the North Mill portion of the NMC Revolving Loan, and expenses incurred up-to-date in the Assignment, there is presently approx. \$5.5 million of net cash proceeds remaining (the "Assignment Estate"). Dandrow alleges that he is owed in excess of \$5.8 million on account of the NMC Revolving Loan and the NMC Non-Recourse Assignment; that his liens and security interests fully encumber the Assignment Estate; and that he is entitled to turnover of all of the funds comprising the Assignment Estate;

P. WHEREAS, Assignee acknowledges the validity, priority and extent of Dandrow's alleged liens and security interests but asserts that a portion of those liens *might* be avoidable or subject to re-characterization from debt to equity, which if successful, *could* render a portion of Dandrow's claim unsecured and ineligible for priority treatment;

Q. WHEREAS, as a result of the dispute between Assignee and Dandrow, on July 20, 2017, Dandrow filed a *Verified Complaint for Declaratory Judgment* against Assignee (the

ELECTRONICALLY FILED
5/2/2018 12:07 PM
2017-CH-09893
PAGE 3 of 12

ELECTRONICALLY FILED
5/2/2018 12:07 PM
2017-CH-09893
PAGE 4 of 12

“Complaint”) in the Circuit Court of Cook County, Chancery Division (the “Court”), designated Case No. 2017-CH-09893 (the “Litigation”). The Complaint contains a single count for declaratory judgment seeking (a) determination that Dandrow holds a first-priority perfected security interest in the funds comprising the Assignment Estate by virtue of the NMC Revolving Loan and the Junior Participation Agreement; (b) judgment in favor of Dandrow and against Assignee (not personally) in the amount of at least \$5.8 million; (c) turnover of funds in the Assignment Estate; (d) an Order decreeing that Dandrow has a valid deficiency claim; (e) attorneys’ fees; and (f) such other relief as is just;

R. WHEREAS, Dandrow and Assignee, having considered the parties’ respective legal arguments; the limited resources available to pursue such arguments; and the practicality of settlement under the circumstances particular to the Assignment, believe that further litigation will unnecessarily diminish the Assignment Estate to the detriment of all creditors of Pure. Accordingly, Assignee and Dandrow have agreed to resolve their dispute and permit Assignee to disburse funds from the Assignment Estate which may otherwise constitute cash collateral of Dandrow, as set forth in that certain *Joint Motion to Approve Settlement* (the “Joint Motion”) filed in the Litigation;

S. WHEREAS, at the initial hearing on the Joint Motion in the Litigation, the Court entered an Order (1) authorizing a methodology to notify unsecured creditors of the settlement proposed herein and the relief sought by way of the Joint Motion; (2) setting an objection deadline to file written opposition to the relief sought in this Joint Motion; and (3) establishing a final hearing to consider the substance of the Joint Motion, and to the extent approved, entering a proposed “Final Order” (as defined therein, such definition being incorporated into this Settlement Agreement) approving this Settlement Agreement, among other things.

T. WHEREAS, Should the Court approve the Joint Motion and enter the Final Order, Dandrow has agreed, in full satisfaction of all of his claims against Assignee and the Assignment Estate, to: (1) accept an initial payment of \$3.5 million; (2) permit the Assignee to use remaining funds in the Assignment Estate to pay former employees of Pure in accordance with applicable law; (3) permit the Assignee to use remaining funds in the Assignment Estate to pay expenses necessary to complete the administration of the Assignment; and (4) receive the balance of funds remaining in the Assignment Estate thereafter, if any, on the second anniversary after the initial payment to Dandrow, or sooner in the sole and absolute discretion of Assignee; and

U. WHEREAS, the effectiveness of Agreement is expressly subject to, and conditioned upon, approval by the Court of the Joint Motion and entry the Final Order in form and substance satisfactory to Assignee and Dandrow in their respective sole and absolute discretion.

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. **Recitals.** The recitals set forth above constitute an integral part of this Settlement Agreement, evidencing the intent of the parties in executing this Settlement Agreement and

describing the circumstances surrounding its execution. Accordingly, said recitals are by express reference made a part hereof, and this Settlement Agreement shall be construed in the light thereof.

2. Settlement Amount and Payments.

(a) Fixed Payment to Dandrow. Within five (5) business days after the Final Order becomes a Final and Non-Appealable Order (as defined below), Assignee shall remit to Dandrow from the Assignment Estate an initial payment of Three Million Five Hundred Thousand Dollars (\$3,500,000.00) (the “Fixed Payment”) in partial satisfaction of Dandrow’s claims against the Assignment Estate, provided however, that neither this Settlement Agreement nor remittance of the Fixed Payment shall be deemed an admission of any kind or nature made by either of the Parties with respect to the Litigation. Assignee shall pay the Fixed Payment in the form of a wire transfer or certified check at the direction of Dandrow.

(b) Payment by Assignee to Former Employees. No sooner than five (5) business days after remittance of the Fixed Payment to Dandrow, and no later than thirty-five (35) business days after remittance of the Fixed Payment to Dandrow, Assignee shall be authorized to commence the process of paying all former employees of Pure the amount of their accrued but unpaid claims for vacation and other wage-type claims, as evidenced by the books and records of Pure and/or applicable law, as determined by Assignee in his sole and absolute discretion (the “Employee Payment”). Dandrow shall be deemed to have released his liens, claims, interests, and encumbrances in and to the NMC Collateral and proceeds thereof comprising the Assignment Estate with respect to all funds used to remit the Employee Payment without further act, deed, or Order of Court.

(c) Further Administrative Expenses and Payment of Balance of Assignment Estate. In addition to remitting the Fixed Payment and the Employee Payment, Assignee is hereby authorized to use the remaining cash comprising the Assignment Estate for the purpose of concluding the administration of the Assignment in his sole and absolute discretion. On the 730th day after remittance of the Fixed Payment, or earlier in the sole and absolute discretion of Assignee, Assignee shall remit any then-remaining cash comprising the Assignment Estate, if any, to Dandrow (the “Contingent Payment”). During the period of time between remittance of the Fixed Payment and the Contingent Payment: (i) Dandrow shall be deemed to have released his liens, claims, interests, and encumbrances in and to the NMC Collateral and proceeds thereof comprising the Assignment Estate with respect to all funds used by Assignee to conclude administration of the Assignment without further act, deed, or Order of Court; (ii) Abrams shall provide monthly reports of disbursements from the Assignment Estate to Dandrow, together with a cumulative report of funds remaining in the Assignment Estate; and (iii) Dandrow shall be permitted to inspect all books and records in the possession of Assignee at Dandrow’s sole cost and expense upon reasonable notice to Assignee. Assignee shall pay the Contingent Payment, if any, in the form of a wire transfer or certified check at the direction of Dandrow.

(d) Notwithstanding anything contained in this Settlement Agreement to the contrary, the obligations of Assignee to remit the Fixed Payment, the Employee Payment, any payments necessary to conclude the administration of the Assignment, and the Contingent Payment are

ELECTRONICALLY FILED
5/2/2018 12:07 PM
2017-CH-09893
PAGE 5 of 12

expressly subject to and conditioned upon Assignee's receipt of the Pure Holdings Sale Proceeds (defined below), pursuant to Sections 5(e) and 6(e) of this Settlement Agreement.

3. **Conditional Nature of this Settlement Agreement.** The effectiveness of this Settlement Agreement is expressly conditioned upon, and subject to, granting of the Joint Motion by the Court, entry of a Final Order in form and substance acceptable to the Parties in their respective sole and absolute discretion, the Final Order becoming a Final and Non-Appealable Order, and the absence of any intervening litigation, court order, or administrative proceeding which may adversely impact, or otherwise prevent implementation of, the relief sought herein (collectively, the "**Conditions Precedent**"). Absent satisfaction of the Conditions Precedent in a timely manner, this Settlement Agreement shall be null and void and of no force or effect. The term "**Final and Non-Appealable Order**" as used in this Settlement Agreement shall mean (a) the passing of any deadline to seek reconsideration, rehearing, appeal, and/or any other form of review of the Final Order, as established by applicable law, without such relief being sought; and (b) in the event reconsideration, rehearing, appeal, or other form of review of the Final Order is sought, then in such event, the adjudication thereof and the subsequent passing of any deadline to seek further reconsideration, rehearing, appeal, or other form of review of any subsequent order entered in connection therewith.

4. **Releases.**

(a) Upon the execution hereof, and without any further act, deed, or contingency, Dandrow for himself and his wife Julie Dandrow, and for his current and former representatives, affiliates (including but not limited to Pure Holdings), agents, attorneys, heirs, successors and assigns, as the case may be (collectively, the "**Dandrow Releasers**"), hereby immediately and unconditionally, absolutely, and irrevocably release and discharge (i) Assignee, in his capacity as Assignee; (ii) David Abrams in his individual capacity; (iii) Abrams & Jossel Consulting, Inc.; and (iv) Pure, and with respect to those parties listed in subparagraphs (i) through (iv), all of their collective and respective current and former members, managers, representatives, affiliates, employees, officers, directors, agents, attorneys, predecessors, successors and assigns, as the case may be (collectively, the "**Assignee-Pure Releasees**"), from and against all manner of claims, controversies, actions, causes of action, demands, debts, liens, contracts, agreements, promises, representations, torts, damages, losses, attorneys' fees, moneys due on account, obligations, judgments, or liabilities whatsoever in law or in equity, whether presently known or unknown, liquidated or unliquidated, direct or indirect, due or to become due, contingent, inchoate, or otherwise, that the Dandrow Releasers have, ever had, may have had, or can, shall, or may ever have in the future against the Assignee-Pure Releasees, for, based upon, arising from, arising under, relating to, or contained in, or by reason of any matter, cause, or thing whatsoever occurring in connection with Pure and the Assignment, including but not limited to the administration of the Assignment by the Assignee and his representatives, the NMC Revolving Loan, NMC Collateral and proceeds thereof, Junior Participation Agreement, and NMC Non-Recourse Assignment (collectively, the "**Dandrow Released Claims**"), it being the intention of the Dandrow Releasers to reserve nothing hereunder relating to the Dandrow Released Claims and to assure each and every one of the Assignee-Pure Releasees their peace and freedom from all Dandrow Released Claims, with the exception that nothing contained in or incorporated into this paragraph may be deemed or construed to be a release, waiver, or discharge of: (i) the terms

ELECTRONICALLY FILED
5/2/2018 12:07 PM
2017-CH-09893
PAGE 6 of 12

or conditions of this Settlement Agreement; or (ii) the liens, claims, interests, or encumbrances in favor of Dandrow in and to the NMC Collateral and proceeds thereof comprising the Assignment Estate, other than as set forth in this Settlement Agreement.

(b) The Parties hereby agree that to the extent any of the Assignee-Pure Releasees are not a Party to this Settlement Agreement, such Assignee-Pure Releasees are intended third party beneficiaries of the release provisions set forth in the foregoing paragraph 4(a) as if such Assignee-Pure Releasees are a Party to this Settlement Agreement, and all such Assignee-Pure Releasees shall have the right to enforce the release contemplated by paragraph 4(a) above against the Dandrow Releasors, subject to the exceptions described therein.

(c) Subject to and conditioned upon the effectiveness of the full and complete release by the Dandrow Releasors in and to the Dandrow Released Claims, Assignee: (i) for himself, as Assignee; and (ii) for Pure, to the fullest extent of Assignee's right, title and interest in and to all claims of Pure against Dandrow Releasees (as defined below) vesting in Assignee by nature of the Assignment, and with respect to those parties listed in subparagraphs (i) and (ii), all of their collective and respective current and former members, managers, representatives, affiliates, employees, officers, directors, agents, attorneys, predecessors, successors and assigns, as the case may be (collectively, the "**Assignee-Pure Releasors**"), hereby unconditionally, absolutely, and irrevocably release and discharge Dandrow, his wife Julie Dandrow, and his current and former personal representatives, affiliates (including but not limited to Pure Holdings), agents, attorneys, heirs, successors and assigns, as the case may be (collectively, the "**Dandrow Releasees**"), from and against all manner of claims, controversies, actions, causes of action, demands, debts, liens, contracts, agreements, promises, representations, torts, damages, losses, attorneys' fees, moneys due on account, obligations, judgments, or liabilities whatsoever in law or in equity, whether presently known or unknown, liquidated or unliquidated, direct or indirect, due or to become due, contingent, inchoate, or otherwise, that the Assignee-Pure Releasors have, ever had, may have had, or can, shall, or may ever have in the future against the Dandrow Releasees, for, based upon, arising from, arising under, relating to, or contained in, or by reason of any matter, cause, or thing whatsoever occurring in connection with Pure, the Assignment, the NMC Revolving Loan, NMC Collateral and proceeds thereof, Junior Participation Agreement, and NMC Non-Recourse Assignment (collectively, the "**Assignee-Pure Released Claims**"), it being the intention of the Assignee-Pure Releasors to reserve nothing hereunder relating to the Assignee-Pure Released Claims and to assure each and every one of the Dandrow Releasees their peace and freedom from all Assignee-Pure Released Claims, with the exception that nothing contained in or incorporated into this paragraph may be deemed or construed to be a release, waiver, or discharge of the terms or conditions of this Settlement Agreement, or in and to the Pure Holdings Sale Proceeds (other than as set forth herein).

(d) The Parties hereby agree that to the extent any of the Dandrow Releasees are not a Party to this Settlement Agreement, such Dandrow Releasees are intended third party beneficiaries of the release provisions set forth in the foregoing paragraph 4(c) as if such Dandrow Releasees are a Party to this Settlement Agreement, and all such Dandrow Releasees shall have the right to enforce the release contemplated by paragraph 4(c) above against the Assignee-Pure Releasors, subject to the exceptions described therein.

ELECTRONICALLY FILED
5/2/2018 12:07 PM
2017-CH-09893
PAGE 7 of 12

ELECTRONICALLY FILED
5/2/2018 12:07 PM
2017-CH-09893
PAGE 8 of 12

5. **Representations, Warranties and Covenants of Dandrow.** Dandrow, in order to induce Assignee to enter into and execute this Settlement Agreement, and acknowledging that Assignee is relying hereon, represents and warrants as follows:

(a) Dandrow is an individual currently residing in Naperville, Illinois and has full power, capacity, and authority to execute, deliver, and perform this Settlement Agreement;

(b) The execution, delivery, or performance of the terms and conditions of this Settlement Agreement will not, by the lapse of time, the giving of notice, or otherwise, constitute a violation of any applicable law or a breach of any agreement, instrument, or document to which Dandrow is now a party, or by which Dandrow is or may become bound;

(c) Dandrow: (i) has performed such due diligence, investigation, and other analysis as he deems necessary and advisable in connection with this Settlement Agreement; and (ii) has had the benefit of counsel, of his sole choosing, in the drafting and consideration of this Settlement Agreement; and

(d) Dandrow is the lawful owner and sole holder of the Dandrow Released Claims (and specifically including all rights arising under the NMC Revolving Loan, NMC Collateral and proceeds thereof, Junior Participation Agreement, and NMC Non-Recourse Assignment), and any and all rights thereunder; no Dandrow Released Claims have been assigned absolutely or for collateral purposes, in whole or in part; and all Dandrow Released Claims are free and clear of any liens, claims, encumbrances, or interests of any kind or nature.

(e) Dandrow shall cause to be executed, in a reasonable and timely manner, any and all reasonably necessary applicable documentation to release the proceeds from the sale of the Pure Holdings Real Estate presently held in escrow with 1st Source Bank, South Bend, Indiana (the "Pure Holdings Sale Proceeds") and direct said Pure Holdings Sale Proceeds at the direction of the Assignee to be used consistent with the terms and conditions of this Agreement.

6. **Representations, Warranties and Covenants of Assignee.** Assignee, in order to induce Dandrow to enter into and execute this Settlement Agreement, and acknowledging that Dandrow is relying thereon, represent and warrant as follows:

(a) Assignee, pursuant to terms of the agreement creating the Assignment, has full power, capacity and authority to execute, deliver, and perform this Settlement Agreement;

(b) The execution, delivery, or performance of the terms and conditions of this Settlement Agreement will not, by the lapse of time, the giving of notice, or otherwise, constitute a violation of any applicable law or a breach of any agreement, instrument, or document to which Assignee is now a party, or by which it is or may become bound;

(c) Assignee has (i) performed such due diligence, investigation, and other analysis as he deems necessary and advisable in connection with this Settlement Agreement; and (ii) has had the benefit of counsel, of his sole choosing, in the drafting and consideration of this Settlement Agreement; and

ELECTRONICALLY FILED
5/2/2018 12:07 PM
2017-CH-09893
PAGE 9 of 12

(d) Assignee is the lawful owner and sole holder of the Assignee-Pure Released Claims, and the rights thereunder have not been assigned absolutely or for collateral purposes, in whole or in part, and are free and clear of any liens, claims, encumbrances, or interests of any kind or nature, except as may arise under the NMC Revolving Loan, Junior Participation Agreement, and NMC Non-Recourse Assignment.

(e) Abrams shall cause to be executed, in a reasonable and timely manner, any and all reasonably necessary applicable documentation to release the Pure Holdings Sale Proceeds and accept said Pure Holdings Sale Proceeds for disbursement consistent with the terms and conditions of this Agreement.

7. **Notice.** Any notice or documentation required to be given under this Settlement Agreement shall conclusively be deemed made at the time of service if such notice is provided by personal service or overnight delivery as follows:

If notice or documentation is required to be sent to Dandrow, then as set forth below:

Christopher R. Dandrow
3563 Scottsdale Circle
Naperville, IL 60564

With a copy to:

Peter A. Clark, Esq.
Kevin C. Driscoll, Jr., Esq.
Barnes & Thornburg LLP
One North Wacker Drive, Suite 4400
Chicago, IL 60606

If notice or documentation is required to be sent Assignee, then as set forth below:

David Abrams
Abrams & Jossel Accounting, Inc.
100 Tri-State International, Suite 215
Lincolnshire, IL 60069

With a copy to:

Howard L. Adelman, Esq.
Adam P. Silverman, Esq.
Adelman & Gettleman, Ltd.
53 W. Jackson Blvd., Suite 1050
Chicago, IL 60604

8. **Further Assurances.** The Parties, and each of them, covenant and agree that, subject to satisfaction of the Conditions Precedent, they shall, from time to time, execute and deliver any and all documents and instruments as are reasonably necessary or requested by the other Parties to carry out the intent of this Settlement Agreement.

9. **Non-Waiver.** No Party shall be deemed to have waived any of its rights under this Settlement Agreement unless such waiver is given in writing and executed by that Party. The failure of any Party to insist upon strict compliance with any of the terms, covenants, or conditions hereof will not be deemed a waiver of such term, covenant, or condition, nor will any waiver or relinquishment of any right or power hereunder at any one time or more times be deemed a waiver or relinquishment of such right or power at any other time or times.

10. **Construction of Terms; Interpretation.** This Settlement Agreement has been drafted jointly by the Parties in full consultation with their respective attorneys, and no ambiguity in this Settlement Agreement may be deemed or construed against any of the Parties. It is understood and agreed that this Settlement Agreement is made in compromise of disputed claims, and that the considerations given are not to be construed as an admission of liability on the part of any Party hereto, and that each Party denies any such liability and intends hereby merely to avoid litigation and buy their peace.

11. **No Confidentiality.** The Parties recognize that the Litigation is a public proceeding, and that the Joint Motion contemplates full disclosure of this Settlement Agreement. As such, each Party agrees that it has no expectation of confidentiality of the matters contained herein.

12. **Costs and Attorneys' Fees.** Each of the Parties agrees to be solely responsible for their own respective attorneys' fees and expenses incurred in connection with the subject matter hereof and the preparation and performance of this Settlement Agreement, except that in the event that any dispute between the Parties relating to this Settlement Agreement should result in any action or proceeding, the losing party shall reimburse the prevailing party for all reasonable costs and attorneys' fees, including but not limited to attorneys' fees incurred in the course of appeal.

13. **Entire Agreement.** This Settlement Agreement constitutes the entire agreement among the Parties relating to the subject matter hereof and is the final and complete expression of their intent. No prior or contemporaneous negotiations, promises, agreements, covenants, or representations of any kind or nature, whether made orally or in writing, have been made or relied upon by the Parties, or any of them, in negotiations leading to this Settlement Agreement or relating to the subject matter hereof, which are not expressly contained herein, or which have not become merged and finally integrated herein; it being the intention of the Parties hereto that in the event of any subsequent litigation, controversy, or dispute concerning the terms of this Settlement Agreement, no party shall be permitted to offer or introduce oral or extrinsic evidence concerning the terms and conditions hereof that are not included or referred to herein and not reflected in writing. This Settlement Agreement can only be changed, modified, or discharged if consented to in writing executed by each of the Parties. No conditions exist as to the legal effectiveness of this Settlement Agreement.

ELECTRONICALLY FILED
5/2/2018 12:07 PM
2017-CH-09893
PAGE 11 of 12

14. **Survival.** The representations, warranties, and covenants contained herein will survive the execution and delivery of this Settlement Agreement, and will remain in full force and effect until a claim based thereon is barred by any applicable statutes of limitations.

15. **Binding Effect.** This Settlement Agreement will be binding upon, and inure to the benefit of, the Parties and their respective agents, heirs, legal representatives, successors, or assigns, as the case may be.

16. **Headings.** The paragraph headings used in this Settlement Agreement are for convenience only and are not intended to affect the interpretation of any provision of this Settlement Agreement.

17. **Governing Law and Jurisdiction.** This Settlement Agreement shall be deemed to have been made in the City of Chicago, Illinois, and shall be governed and controlled by the laws of the State of Illinois as to interpretation, enforcement, validity, construction, effect, choice of law, and in all other respects. The Parties agree that any disputes concerning or relating to this Settlement Agreement must be brought in the state or federal courts in Cook County, Illinois.

18. **Counterparts.** This Settlement Agreement may be executed in one or more counterparts, each of which shall be deemed an original and together constitute one and the same instrument. Any Party may execute and deliver a counterpart of this Settlement Agreement by delivering by email or facsimile transmission a signature page of this Settlement Agreement signed by such Party to counsel for the other Parties. Upon request of the transmitting Party, counsel for the receiving Party or Parties shall confirm receipt of any signature page transmitted via email or facsimile transmission, and such confirmation will be conclusive evidence of receipt of such signature page by the respective Party or Parties. A signature page transmitted by email or facsimile as provided herein will be treated in all respects as having the same effect as an original signature.

**DAVID ABRAMS, NOT INDIVIDUALLY,
BUT SOLELY IN HIS CAPACITY AS
TRUSTEE-ASSIGNEE FOR THE
BENEFIT OF CREDITORS OF PURE
METAL RECYCLING LLC**



Name: David Abrams, Assignee

CHRISTOPHER R. DANDROW

Name: Christopher R. Dandrow, Individually

ELECTRONICALLY FILED
5/2/2018 12:07 PM
2017-CH-09893
PAGE 12 of 12



14. **Survival.** The representations, warranties, and covenants contained herein will survive the execution and delivery of this Settlement Agreement, and will remain in full force and effect until a claim based thereon is barred by any applicable statutes of limitations.

15. **Binding Effect.** This Settlement Agreement will be binding upon, and inure to the benefit of, the Parties and their respective agents, heirs, legal representatives, successors, or assigns, as the case may be.

16. **Headings.** The paragraph headings used in this Settlement Agreement are for convenience only and are not intended to affect the interpretation of any provision of this Settlement Agreement.

17. **Governing Law and Jurisdiction.** This Settlement Agreement shall be deemed to have been made in the City of Chicago, Illinois, and shall be governed and controlled by the laws of the State of Illinois as to interpretation, enforcement, validity, construction, effect, choice of law, and in all other respects. The Parties agree that any disputes concerning or relating to this Settlement Agreement must be brought in the state or federal courts in Cook County, Illinois.

18. **Counterparts.** This Settlement Agreement may be executed in one or more counterparts, each of which shall be deemed an original and together constitute one and the same instrument. Any Party may execute and deliver a counterpart of this Settlement Agreement by delivering by email or facsimile transmission a signature page of this Settlement Agreement signed by such Party to counsel for the other Parties. Upon request of the transmitting Party, counsel for the receiving Party or Parties shall confirm receipt of any signature page transmitted via email or facsimile transmission, and such confirmation will be conclusive evidence of receipt of such signature page by the respective Party or Parties. A signature page transmitted by email or facsimile as provided herein will be treated in all respects as having the same effect as an original signature.

DAVID ABRAMS, NOT INDIVIDUALLY, BUT SOLELY IN HIS CAPACITY AS TRUSTEE-ASSIGNEE FOR THE BENEFIT OF CREDITORS OF PURE METAL RECYCLING LLC	CHRISTOPHER R. DANDROW
	
Name: David Abrams, Assignee	Name: Christopher R. Dandrow, Individually