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

Those Characters from Cleveland, LLC	)	Case Number: 24-cv-11490
Plaintiff,	)	
v.	)	
The Partnerships and Unincorporated Associations Identified on Schedule A,	)	Hon. Rebecca R. Pallmeyer
Defendants.	)	

DEFENDANT'S REPLY IN SUPPORT OF MOTION TO COMPEL

I. Defendant Does Not Seek Relief Under Rule 60(b).

Plaintiff attempts to reframe Defendant's Motion as a Rule 60(b) motion. Defendant does not seek to vacate the Final Judgment entered February 13, 2025. Doc. 67. Defendant instead seeks equitable relief based on Plaintiff's post-judgment conduct, namely, Plaintiff's transfer of Defendant's PayPal funds after representing that those funds would be released at settlement. This distinction is important. Rule 60(b) applies where a party seeks relief from the judgment itself, (not where the dispute concerns subsequent conduct). *See Kemp v. United States,* 142 S. Ct. 1856, 1861 (2022); *Liljeberg v. Health Servs.*

Acquisition Corp., 486 U.S. 847, 863 & n.11 (1988).

Here, Defendant does not challenge the validity of the Final Judgment. Rather, Defendant challenges Plaintiff's conduct after filing a Satisfaction of Judgment and making settlement representations. Accordingly, Rule 60(b) and Rule 60(c)(1)'s one-year limitation are inapplicable.

II. The Settlement Agreements Are Not Clear and Contain Material Ambiguities Construed Against The Plaintiff.

Plaintiff's assertion that the Settlement Agreements are "concise and clear" is contradicted by the agreements. *See* Plaintiff's Response at pgs. 7-11. Instead, the agreements contain material ambiguities regarding the disposition of restrained funds. Plaintiff replies on Paragraph 10 which purports to provide for the forfeiture of funds transferred pursuant to Final Judgment. Yet other provisions impose obligations on Plaintiff that are inconsistent with forfeiture.

To wit, Paragraph 3:

> "Upon receipt of the Damage Amount and within fourteen (14) days of such receipt, Plaintiff shall instruct the platform or payment processor to release the account." *See* Doc. 85-1 at 10 and 18.

And Paragraph 5:

> "Upon the full execution of this Agreement and Plaintiff's receipt of the Settlement Amount, Plaintiff will dismiss its claims against Defendant with prejudice.... Plaintiff agrees that Defendant is no longer bound by

any orders issued by the Court in the Lawsuit once Defendant is dismissed from the Lawsuit." *See* Doc. 85-1 at 10 and 18.

Such clear language requires release of accounts and termination of court restraints, which cannot be reconciled with a simultaneous forfeiture of all funds within those same accounts.

Alternatively, and at a minimum, this creates a material ambiguity on whether Defendant's PayPal funds were to be released or forfeited. This ambiguity is compounded by the agreements' failure to distinguish between different financial accounts (Alibaba, Alipay, and PayPal), instead referring broadly to "accounts."

Under principles of contract interpretation, ambiguities are construed against the drafter. *Tranzact Techs., Ltd. v. Evergreen Partners, Ltd.,* 366 F.3d 542, 546 n.2 (7th Cir. 2004). Here, Plaintiff drafted the Settlement Agreements and controlled the language used. Accordingly, any ambiguity regarding the treatment of Defendant's PayPal funds should be resolved for Defendant.

III. The Dispute Is Between Defendant and Plaintiff–Not Prior Counsel.

Next, Plaintiff's attempt to shift responsibility to Defendant's former counsel is misplaced. *See* Plaintiff's Response at 11. The issue before the Court is straightforward: whether Plaintiff may transfer $64,720 from Defendant's PayPal account after: (1) representing that those funds would be released upon payment, and (2) filing a Satisfaction of Judgment declaring the judgment "fully and completely satisfied". Doc. 81. Accordingly, this dispute properly lies between Defendant and Plaintiff.

IV. Defendant Has Not Received the Requested Relief.

Plaintiff's assertion that Defendant has received the requested relief is mistaken. *See* Plaintiff's Response at 13. In fact, Defendant has not received the requested relief. Instead, Plaintiff took the funds from Defendant's PayPal account after the satisfaction OF JUDGEMENT was entered on November 26, 2025. Doc.81.

On November 26, 2025, following the first Settlement Agreement, Defendant paid $1,500 and Plaintiff filed a Satisfaction of Judgment. The Satisfaction of Judgment expressly provides that Plaintiff: "acknowledges payment of an agreed upon damages amount… and hereby fully and completely satisf[ies] the same" and acknowledges "full and complete satisfaction of said judgment." Doc. 81.

In light of these representations, Defendant reasonably understood that no portion of the Final Judgment remained outstanding and that its accounts including Alibaba, Alipay, and PayPal would be released accordingly. Yet Plaintiff's subsequent conduct is irreconcilable with those representations. Having declared the judgment "fully and completely satisfied" in its

Satisfaction of Judgment, Plaintiff cannot thereafter take additional funds of $64,720 from Defendant's PayPal account pursuant to that same Final Judgment. Doc 67.

In sum, this is not enforcement of a judgment—it is collection beyond a judgment Plaintiff has already declared "fully and completely satisfied" in its Satisfaction of Judgment. Doc.81. The Court should not permit such an inequitable result.

CONCLUSION

For the foregoing reasons, Defendant respectfully requests the Court grant its Motion to Compel, order the return of the PayPal funds, and grant such further relief as justice requires.

Respectfully submitted,

s/ Christopher Keleher

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CERTIFICATE OF SERVICE

The undersigned attorney hereby certifies that on April 20, 2026, a true and correct copy of the foregoing document was filed electronically with the Clerk of the Court and served on all counsel of record.

Respectfully submitted,

s/ Christopher Keleher

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