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

In re:	)	Chapter 11
	)	
Integrity Investment REO Holdings, LLC,	)	Case No. 26-01589
	)	
	)	
Debtor.	)	

BYLINE BANK'S OBJECTION TO
DEBTOR'S MOTION FOR EXTENSION OF TIME TO FILE SCHEDULES AND OTHER REQUIRED DOCUMENTS

Byline Bank ("Byline"), by and through its attorneys, Taft Stettinius & Hollister LLP, hereby objects to the Motion for Extension of Time to File Schedules and Other Required Documents (the "Motion") filed by Integrity Investment Fund, LLC (the "Debtor"), and states in support as follows:

A. The Bankruptcy Filing

On January 29, 2026 (the "Petition Date"), the Debtor filed a petition (the "Petition") for relief under Chapter 11 of the United States Bankruptcy Code ("Code"). The Debtor filed the Petition on the day of the hearing on the Motion to Appoint Receiver that Byline filed in an Illinois State Court case against the Debtor and, *inter alia*, its affiliates.

B. Byline's Secured Claims

On or about August 26, 2021, the Debtor, among others, borrowed $17,500,000.00 from Byline (the "Loan") for business purposes to purchase delinquent real estate taxes owed with respect to certain properties by bidding at public tax sales conducted by various counties in Illinois (primarily in Cook County) and in a few other states (the "Tax Sales"). When the Debtor was the successful bidder at the Tax Sales, the Debtor received tax certificates (collectively, the "Tax Certificates") evidencing the Debtor's ownership of the tax liens that it successfully purchased.

The Loan was evidenced by, among other loan documents, a Revolving Note executed by, *inter alia*, the Debtor, in favor of Byline, dated August 26, 2021, in the original principal amount of $17,500,000.00.

The Loan is also evidenced by a Loan and Security Agreement dated August 26, 2021 (as amended, the "Loan and Security Agreement"), by and between, *inter alia*, the Debtor and Byline. Pursuant to the terms of the Loan and Security Agreement, and to secure the Loan, the Debtor granted to Byline a security interest in virtually all of the Debtor's business assets, including, but not limited to, all of the Tax Certificates that the Debtor purchased and currently owns (the "Collateral").

The Loan was extended from time to time. The Loan matured on November 5, 2025, and it remains unpaid. Byline is owed approximately $11,400,000.00 as of the Petition Date.

C. The Petition and Required Filings

On the Petition Date, the Debtor filed only the Petition. Two weeks later, the Debtor filed its Schedules D, E, and F, which listed its secured and unsecured creditors. However, despite the passage of more than three weeks since the Petition Date, the Debtor has still not filed, among other things, any of the other required schedules to the Petition, a motion seeking authority to use cash collateral pursuant to 11 U.S.C. § 363[1], or an application for retention and approval of its counsel pursuant to 11 U.S.C. § 327. The Debtor also has not sought leave to retain special counsel to prosecute a lawsuit that the Debtor filed in the District Court for the Southern District of Illinois against most of the Counties in Illinois and the Illinois Attorney General based on the alleged

[1] Debtor's counsel has represented to Byline's attorney that the Debtor is not operating and thus is not using any of Byline's cash collateral. Nevertheless, this should now be memorialized in a court order pursuant to a motion filed by the Debtor.

unconstitutionality of the Illinois Property Tax Code. Also, on information and belief, the Debtor has not established its Debtor-in-Possession bank account.

II. The Motion

Instead of filing these necessary and fundamental motions and all of the Schedules to the Petition, the Debtor filed the Motion seeking an extension of time to file its remaining schedules and other required documents by February 20, 2026. In support of the Motion, the Debtor claims that its schedules are "very complex" and "due to the magnitude of information that needs to be included in the schedules, the undersigned has been unable to complete the schedules and needed to seek out assistance from the help desk of bankruptcy software." The Debtor further claims that the extension of time will not prejudice any of the creditors.

February 20, 2026, has come and gone. Yet, the Debtor still has not filed any additional schedules or any motions.

An additional extension of time beyond February 20, 2026, will be unduly prejudicial to Byline. Byline is the senior secured creditor of the Debtor whose Collateral continues to be jeopardized by the Debtor's inaction and failure to comply with its obligations under the Code. Most notably, the Debtor has failed to provide Byline with evidence that none of the Tax Certificates, which constitute Byline's collateral, will not expire due to statutory lapse. Counsel for the Debtor has promised counsel for Byline on several occasions that such evidence will be produced, but the documentation has not been provided. Each day that passes without evidence that Byline's collateral is adequately protected increases the risk that Byline's secured position will be materially and irreparably harmed. This risk is heightened because, as Byline's counsel has explained to Debtor's counsel, based on certain "tolling orders" that the Debtor provided to

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Byline before the Petition was filed, it appears that certain of the Tax Certificates will expire, and thereafter become worthless, on February 28, 2026.

In addition, without the Debtor's filing of all of the Schedules, Byline (along with the U.S. Trustee) does not have a complete and accurate accounting of how many Tax Certificates the Debtor owns and when they expire. Without the filing of the required Schedules, Byline is effectively in the dark, unable to assess the true condition of the Collateral or the true nature of the Debtor's financial affairs. Informal and unsupported discussions between counsel cannot substitute for sworn schedules, court-authorized procedures, or compliance with the Code.

In short, the Debtor has not filed a single motion or the required Schedules in this case. The Debtor cannot simultaneously disregard mandatory statutory requirements and then claim that this extension of time will cause no harm to creditors. Under these circumstances, additional delay only exacerbates the risk to Byline's Collateral.

For all of the foregoing reasons, the Motion should be denied in its entirety because the Debtor has failed to comply with its most fundamental obligations under the Code, has not demonstrated reasonable cause for additional time, and has failed to adequately protect the Collateral. Alternatively, if the Court does grant an extension, then Byline respectfully requests that such relief should be strictly conditioned upon: (i) the immediate turnover to Byline of all original Tax Certificates in the possession of the Debtor, along with a sworn accounting identifying each Tax Certificate that the Debtor owns, the status of each Tax Certificate, and proof of all applicable expiration deadlines for each Tax Certificate; (ii) the prompt filing of motions to approve counsel pursuant to 11 U.S.C. § 327 and to authorize use of cash collateral pursuant to 11 U.S.C. § 363; and (iii) such other interim protections as are necessary to adequately protect Byline's secured position.

Respectfully submitted,

BYLINE BANK

By: *<u>/s/ William J. Serritella, Jr.</u>*
One of its Attorneys

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