NOTICE
Decision filed 09/02/26. The text of this decision may be changed or corrected prior to the filing of a Petition for Rehearing or the disposition of the same.

2026 IL App (5th) 260579-U

NO. 5-26-0579

IN THE

APPELLATE COURT OF ILLINOIS

FIFTH DISTRICT

NOTICE
This order was filed under Supreme Court Rule 23 and is not precedent except in the limited circumstances allowed under Rule 23(e)(1).

PHOSPHORUS DERIVATIVES, INC.,	)	Appeal from the
	)	Circuit Court of
Plaintiff-Appellee,	)	St. Clair County.
	)	
v.	)	No. 25-LA-729
	)	
FLEXSYS AMERICA, LP,	)	Honorable
	)	Kevin T. Hoerner,
Defendant-Appellant.	)	Judge, presiding.

JUSTICE SHOLAR delivered the judgment of the court.
Justices Hackett and Bollinger concurred in the judgment.

ORDER

¶ 1 *Held*: The circuit court erred in its appointment of a receiver and order for continued production, because the appointment of a receiver was overly broad and beyond the scope of the contractual agreement between the parties.

¶ 2 Defendant, Flexsys America, LP (Flexsys), appeals the order of the circuit court of St. Clair County, specifically, the order of June 10, 2026, order appointing a receiver and the June 18, 2026, order compelling continued production. On appeal, Flexsys argues the circuit court erred by granting the request of plaintiff, Phosphorus Derivatives, Inc. (PDI), for the appointment of a receiver over Flexsys' property, personnel, and business operations. Flexsys also argues the court abused its discretion by compelling Flexsys to continue production of phosphorus pentasulfide (P2S5) for PDI's benefit. For the reasons that follow, we reverse the circuit court's June 10, 2026, order appointing a receiver and its June 18, 2026, order compelling continued production.

¶ 3 I. BACKGROUND

¶ 4 This action concerns a P2S5 manufacturing facility located in Sauget, Illinois. On November 4, 2005, PDS and Solutia, Inc. (Flexsys' predecessor) entered into a Toll Manufacturing Agreement (Agreement) for the production of P2S5, a chemical product. As successor to Solutia, Flexsys began manufacturing and delivering P2S5 to PDI at Flexsys' chemical manufacturing plant in Sauget in 2021. Flexsys operates the P2S5 facility and manufactures, fabricates, packages, and supplies P2S5 according to the quantities specified in PDI's weekly purchase orders. Flexsys employees operate the P2S5 facility under regulatory permits issued to Flexsys, and Flexsys is paid by PDI for the production and delivery of P2S5.

¶ 5 Relevant to this appeal, section 2.01 of the Agreement provided that,

> "During the Term hereof Manufacturer [(Flexsys)] hereby agrees to manufacture, fabricate, package and supply Product exclusively for Purchaser [(PDI)] in quantities and at the time specified in the weekly Purchase Orders submitted pursuant to Article 8 hereof and to package and load the Product *** for delivery to Purchaser [(PDI)] in accordance with Article 5."

¶ 6 Section 1.15 of the Agreement defined "P2S5 Assets" as "the tangible assets, including building, machinery and equipment owned by Solutia [(Flexsys)] and used exclusively in the manufacture of Product at the P2S5 Unit pursuant to the terms of this Agreement." Section 1.16 defined "P2S5 Unit" as "the physical plant located at the Manufacturing Site that produces and packages the Product and the ancillary areas necessary or appropriate for the production, packaging, shipping and loading of the Product and unloading and storage of Raw Materials and Packaging Supplies."

¶ 7 Section 3.01 provided that the "Term" of the Agreement "shall be twenty-five (25) years from the Commencement Date; provided, however, that either party may terminate this Agreement upon eighteen (18) Months' prior written notice to the other party." Section 3.02 provided that

> "each party shall have the right to terminate this Agreement at any time 'for cause' upon written notice to the other party in the event of breach by the other party of any of the representations, warranties, covenants, indemnities, terms or conditions of this Agreement which is either (a) not curable by the breaching party's admission, or (b) if curable, is not cured within sixty (60) Working Days after such written notice thereof has been provided to the breaching party."

Section 3.03 of the Agreement provided that

> "In the event that [PDI] terminates this Agreement for any reason other than pursuant to Section 3.02 hereof [for cause], or [Solutia (Flexsys)] terminates this Agreement pursuant to Section 3.02, [PDI] shall reimburse [Flexsys] for *** (iii) at [PDI]'s sole costs and expense, the Demolition to Grade of the P2S5 Unit, or, at [PDI]'s option, (x) [Flexsys] shall transfer ownership of the P2S5 Assets and lease the Land to [PDI] pursuant to a mutually acceptable lease agreement, or (y) [PDI] shall relocate, at [PDI]'s sole cost and expense, the P2S5 Assets and Demolish to Grade."

¶ 8 On June 30, 2025, PDI filed a verified complaint against Flexsys, alleging that Flexsys materially breached the Agreement. PDI alleged, *inter alia*, that Flexsys failed to supply product in quantities ordered, failed to timely transfer possession of personal property, and failed to provide a ground lease to real estate. PDI also alleged that the P2S5 Unit operated below target rates and did not meet industry standards. The complaint asserted three causes of action: specific performance, replevin, and breach of contract.

¶ 9 On August 6, 2025, PDI filed an emergency motion for replevin and brief in support. PDI's emergency motion for replevin stated, "The present emergency motion arises from Flexsys' refusal to transfer to PDI personal property that rightfully belongs to PDI under the terms of the Agreement as of April 2025." The motion alleged that in February 2025 PDI issued a written notice of termination for cause to Flexsys for Flexsys' failure to timely deliver contractually required quantities of P2S5. PDI also alleged that Flexsys "otherwise materially breached the Agreement by failing to submit to an audit and overbilling PDI." PDI alleged the material breaches could not be cured, and "pursuant to Section 3.04 of the Agreement, PDI elected *** to have Flexsys transfer the P2S5 Assets to PDI (and execute a ground lease with PDI for the associated real property)."

PDI's emergency motion for replevin requested the circuit court to enter an emergency order granting PDI possession of the P2S5 Assets.

¶ 10 On August 19, 2025, Flexsys filed a motion to dismiss count II of PDI's complaint for failure to state a claim pursuant to 735 ILCS 5/2-615 (West 2024). On the same day, Flexsys filed a response to PDI's emergency motion for replevin along with a verified answer, affirmative defenses, and counterclaim to PDI's complaint. Flexsys' motion to dismiss and response argued, *inter alia*, that PDI's count for replevin "fail[ed] to plead any immediate possessory interest in the property and instead simply and cynically tries to use the replevin statute as a weapon to obtain what it contends is specific performance of contract terms." Flexsys argued: "The Court must necessarily determine the contractual rights and obligations of the parties as a precursor to determining whether or when any transfer of assets must occur."

¶ 11 On September 22, 2025, the circuit court issued an order denying PDI's emergency motion for replevin. In denying PDI's motion for replevin, the court stated: "PDI has failed to demonstrate that it currently has a *prima facie* superior right to possession of the property in question, and/or PDI has failed to demonstrate a probability that it will ultimately prevail on its underlying claim to possession as a result of breach." The court further stated: "PDI has failed to demonstrate based upon the evidence before this Court that it will ultimately prevail on its underlying claim to possession, as required by 735 ILCS 5/19-107." The court also stated that it could not grant PDI the relief it sought under the replevin statute because the court cannot "order the sheriff to tag the disputed property and leave it on Flexsys's land" as requested by PDI.

¶ 12 On December 12, 2025, PDI filed a motion for leave to amend its complaint, which the circuit court granted on January 14, 2026. The amended complaint removed the claim for replevin and added counts for tortious interference, conversion, and willful and wanton conversion.

¶ 13 On December 31, 2025, PDI filed a motion to appoint a receiver and a brief in support thereof pursuant to section 2-415 of the Code of Civil Procedure (735 ILCS 5/2-415 (West 2024)) and section 6 of the Illinois Receivership Act (Pub. Act 104-34, § 6, (eff. Jan. 1, 2026) (adding 765 ILCS 1090/6)). The motion to appoint a receiver argued Flexsys "is currently in possession and control of the P2S5 Plant, which remains subject to PDI's contractual rights under the [Agreement]." PDI alleged that Flexsys "significantly disrupted PDI's normal business operations by failing to complete timely production deliveries and failing to maintain its workforce, leading to reputational damage to PDI and the loss of PDI's valuable customer relationships." PDI argued that the "ongoing misconduct and mismanagement threaten immediate and irreparable loss of PDI's property, customer relationships, and goodwill." PDI argued it "has no adequate remedy at law" and the appointment of a receiver "is necessary to preserve the *status quo*, prevent further waste and diversion, stabilize the business, and protect PDI's property pending adjudication of this action."

¶ 14 In its prayer for relief in the motion to appoint a receiver, PDI requested the circuit court (1) appoint a receiver over Flexsys; (2) authorize the receiver to take immediate possession and control of the P2S5 plant and secure and preserve P2S5 assets and the plant; (3) permit the receiver to manage the manufacturing line, production, and supply of the P2S5 plant to prevent shutdown and asset loss; (4) direct the receiver to oversee the management, hiring, and deployment of workforce required for manufacturing operations and ensuring operation safety; and (5) grant such other and further relief as the court deems just and equitable.

¶ 15 On January 23, 2026, Flexsys filed a response in opposition to PDI's motion to appoint a receiver. In its response, Flexsys argued that (1) PDI does not have a clear or apparent right to or interest in the P2S5 facility; (2) the P2S5 facility is not in danger of waste, loss, dissipation, or

impairment; and (3) PDI's proposed receivership raises, as opposed to alleviates, significant safety, environmental, and operational concerns. Flexsys requested that the circuit court deny PDI's motion to appoint a receiver.

¶ 16 On May 27, 2026, the circuit court held a hearing on PDI's motion to appoint a receiver. PDI called Cole Hoffman, a senior engineer for PDI, as a witness. Hoffman testified that as of the date of the hearing, "the [P2S5] plant was not operational."

¶ 17 PDI next called Gregory Souders as a witness and PDI's proposed receiver. Souders testified as to his background and qualifications, noting that he was an operations leader for a department production facility producing sodium tripolyphosphate. Souders testified that he worked with his current company for 45 years. Souders testified he felt he had the appropriate background and experience to supervise the day-to-day operations of the P2S5 plant as receiver. The circuit court took the motion to appoint a receiver under advisement.

¶ 18 On June 10, 2026, the circuit court entered an order appointing Souders as receiver. The court found that the Agreement "requires Flexsys to transfer the personal property related to the production and supply of P2S5 (the 'P2S5 Assets') and to execute a lease with PDI for the associated real property upon termination of the Agreement as PDI elected that option." The court stated that because "Flexsys is required to transfer ownership of the P2S5 Assets to PDI under either scenario [of termination of the Agreement], the Court need not make any findings with respect to that issue in the context of PDI's Motion to Appoint a Receiver." The court opined that "PDI has demonstrated, at a minimum, an apparent right, title, or interest in the P2S5 Plant and related receivership property, sufficient to warrant protection under 765 ILCS 1090/6(a)(1), (4)."

¶ 19 In its order appointing a receiver, the circuit court stated, "The receivership ordered herein is limited to protecting PDI's apparent right, title, or interest in the P2S5 Plant and related

receivership property from the danger of waste, loss, dissipation, or impairment; maintaining safe *status quo* operations as appropriate; and protecting all parties' interests pending further order of the Court." The court appointed Gregory Souders as the receiver "over the P2S5 Plant." The court stated, "Based on the questioning, it appears that Mr. Souders has the necessary experience to act in this role in an unbiased matter [*sic*]."

¶ 20 In its order appointing a receiver, the circuit court defined the scope of the receiver's authority. The court stated:

> "The Receiver is a neutral officer of the Court and does not serve as agent, employee, representative, or fiduciary of PDI or Flexsys. The Receiver shall act for the benefit of all parties and the Receivership Property as later defined, subject only to this Order and further orders of the Court."

The court continued: "The Receiver is authorized to manage and oversee the manufacturing line to the extent necessary to prevent unscheduled shutdown, degradation, or safety incidents." The court defined the "Receivership Property" as

> "the P2S5 Plant and all property directly related to, used in, or necessary to preserve, inspect, maintain, secure, and safely operate the P2S5 Plant pending further order of the Court, including all real and personal property, equipment, machinery, spare parts, packaging materials, fixtures, manufacturing and production lines, inventory, raw materials, digital or physical systems, books and records, and personnel, reasonably necessary to safely operate the P2S5 Plant and otherwise carry out this Order, including, but not limited to, standard operating procedures, maintenance, inspection and environmental records, training and qualification records, control-system and production data, alarm and historical data, and quality records. The Receivership Property does not

include Flexsys's assets, operations, business records, customer relationships, or facilities at the P2S5 that are not used in or directly related to the production and supply of P2S5 and the P2S5 Plant pursuant to the Agreement."

The court continued, "The Receiver shall have full and unrestricted access to all areas of the P2S5 Plant, including, but not limited to, the premises, buildings, structures, manufacturing and production facilities, storage areas, and any associated equipment or records located therein."

¶ 21 With respect to the receiver's authority, the circuit court stated:

"The Receiver's authority is limited to the following acts unless further authorized by the Court: (a) to collect, control, manage, conserve, protect, preserve, inspect, inventory, maintain, and secure the Receivership Property; (b) to operate, maintain, and manage the Receivership Property and any business operations constituting receivership property, including continuing, performing, or causing the performance of contracts, purchase orders, vendor arrangements, utility arrangements, maintenance arrangements, supply arrangements, logistics arrangements, safety arrangements, environmental arrangements, and other ordinary-course obligations relating to the Receivership Property; (c) to coordinate with and between Flexsys and PDI, as contemplated under the Agreement, to enable PDI to assist with P2S5-related activities including inspections, production, shipping, and other plant logistical matters, and operation efficiencies including maintenance, repair, and raw material supply; (d) to enter the premises for purposes of inspection, inventory, preservation, maintenance, repair, operation, and securing the Receivership Property; (e) to document the condition of the Receivership Property; (f) to arrange for reasonable and necessary maintenance, repair, operation, or preservation of the Receivership Property to prevent waste, loss, dissipation, or impairment, including

providing access to the Receivership Property; (g) to secure the Receivership Property against unauthorized removal, transfer, encumbrance, concealment, damage, or interference; (h) to take custody or control of the Receivership Property only to the extent necessary to preserve, operate, maintain, and safeguard it; (i) to retain, with Court approval if required, qualified professionals for inspection, maintenance, operation, production, safety, environmental, regulatory, accounting, and preservation services related to the Receivership Property and for the production and supply of P2S5; (j) to seek and obtain instructions from the Court concerning the Receivership Property, the exercise of the Receiver's powers, and the performance of the Receiver's duties; and (k) to provide oversight in employment matters and third-party communications relating to any of the above-identified acts, provided that such oversight shall be limited to matters relating to the Receivership Property and the Receiver's duties under this Order."

¶ 22 The circuit court continued:

"The Receiver's authority also includes, but is not limited to, the authority to implement operational measures reasonably necessary to preserve the Receivership Property and maintain status quo operations, including maintenance schedules, safety checks, inventory controls, production schedules, personnel coordination, and quality preservation measures. *** These actions may include measures relating to the timely production of P2S5 pursuant to the Agreement, to the extent necessary to preserve the Receivership Property and prevent waste, loss, dissipation, or impairment."

The court stated: "The Receiver shall have operational command and control over the Receivership Property, but only to the extent necessary to protect, preserve, operate, maintain, and safeguard the

Receivership Property, and to prevent waste, loss dissipation, or impairment of the Receivership Property, or interruption of safe status quo operations."

¶ 23 Also relevant to this appeal, in its order appointing a receiver, the circuit court stated: "The Receiver is further prohibited from interfering with or exercising authority over any assets, properties, or operations of Flexsys that are not directly related to the inspection, maintenance, preservation, or security of the P2S5 Plant, and the production and supply of P2S5, as specified in this Order."

¶ 24 On June 17, 2026, Flexsys filed a motion to stay enforcement and for clarification of the circuit court's June 10, 2026, order appointing a receiver. Flexsys also filed a motion to terminate or modify the receivership. On June 18, 2026, the court entered a handwritten order which stated: "Under further order of the Court, P2S5 production shall continue as specified in the Toll Manufacturing Agreement, or until all matters before the Court in this action are fully resolved. Matter may be revisited by the court." On June 26, 2026, the court entered an order denying Flexsys' motion to terminate or modify and Flexsys' motion to stay and clarify the order appointing a receiver.

¶ 25 On July 6, 2026, Flexsys filed a notice of interlocutory appeal pursuant to Illinois Supreme Court Rule 307(a)(1), (2) (eff. Nov. 1, 2017).

¶ 26 II. ANALYSIS

¶ 27 On appeal, Flexsys argues that the circuit court erred in its June 10, 2026, order appointing a receiver and abused its discretion in its June 18, 2026, order compelling Flexsys to continue production of P2S5. Specifically, Flexsys argues the court erred by appointing a receiver because (1) the receivership included Flexsys' real property, personnel, operations, and services where PDI's property interest is limited by the terms of the Agreement to the tangible P2S5 Assets;

(2) PDI does not have an apparent property interest in the tangible P2S5 Assets because any possible future property interest depends upon the parties successfully entering into a "mutually acceptable lease"; and (3) PDI failed to demonstrate that the P2S5 Assets are in danger of imminent waste, loss, dissipation, or impairment so as to warrant the drastic remedy of receivership. Flexsys argues the court abused its discretion by compelling Flexsys to continue production of P2S5, because (1) the court failed to apply or analyze the factors required for the issuance of an injunction, (2) the injunctive order is not sufficiently specific and detailed, and (3) injunctive relief is inappropriate to compel performance of the Agreement. In response, PDI argues that the circuit court acted within its discretion in appointing a receiver and that the June 18, 2026, order was a proper exercise of the court's receivership authority. For the reasons that follow, we find the court erred in its June 10, 2026, order appointing a receiver and abused its discretion in its June 18, 2026, order compelling Flexsys to continue production of P2S5

¶ 28 A. June 10, 2026, Order Appointing Receiver

¶ 29 We first address Flexsys' argument that the circuit court erred in its appointment of a receiver. In response, PDI argues that the circuit court acted within its discretion in appointing a receiver.

¶ 30 Initially, we note that the parties dispute the standard of review. Flexsys argues that the appropriate standard of review is a bifurcated standard, because the circuit court was tasked with interpreting section 6(a) of the Illinois Receivership Act (765 ILCS 1090/6(a) (West 2024)) as well as the language of the Agreement itself. Flexsys argues this court should review the circuit court's statutory and contractual interpretations *de novo* and review the circuit court's factual findings for an abuse of discretion. PDI argues the circuit court's decision to appoint a receiver is reviewed under an abuse of discretion standard.

¶ 31 Questions of law, including statutory and contract interpretation, are reviewed *de novo*. *Gallagher v. Lenart*, 226 Ill. 2d 208, 219 (2007); *In re Jerome S.*, 2012 IL App (4th) 100862, ¶ 9. "An application for the appointment of a receiver is addressed to the sound discretion of the trial court, although the standards by which the court exercises its discretion are stringent." *Witters v. Hicks*, 335 Ill. App. 3d 435, 440 (2002). The circuit court's decision to appoint a receiver is reviewed using an abuse of discretion standard. *Id.* at 441. The issue before this court is whether the circuit court erred in its appointment of a receiver. We therefore agree with Flexsys that a bifurcated standard of review is appropriate. As such, we review the court's interpretation of the Receivership Act and the language of the Agreement *de novo* but review the court's decision to appoint a receiver under the abuse of discretion standard.

¶ 32 Turning to the merits, effective January 1, 2026, the Illinois General Assembly enacted the Illinois Receivership Act (Pub. Act 104-34 (eff. Jan. 1, 2026) (adding 765 ILCS 1090/1 *et seq.*)) Section 6 of the Illinois Receivership Act provides, in pertinent part:

> "(a) The court may appoint a receiver:
>
> (1) before judgment, to protect a party that demonstrates an apparent right, title, or interest in property that is the subject of the action, if the property or its revenue-producing potential:
>
> (A) is being subjected to or is in danger of waste, loss, dissipation, or impairment; or
>
> (B) has been or is about to be the subject of a voidable transaction;
>
> * * *
>
> (4) in an action in which a receiver may be appointed by law or on equitable grounds[.]" 765 ILCS 1090/6(a)(1)-(4) (West 2024).

¶ 33 "The appointment of a receiver is an extraordinary and drastic remedy and is appropriate only in cases of urgent necessity when there is a present danger to the interests of the investors, consisting of a serious suspension of the business and an imminent danger of waste or dissipation of corporate assets." *Witters*, 335 Ill. App. 3d at 440 (citing *Poulakidas v. Charalidis*, 68 Ill. App. 3d 610, 614 (1979)). "It is well recognized that the appointment of a receiver is an extraordinary and drastic remedy to be exercised with great caution." *Poulakidas*, 68 Ill. App. 3d at 614. "Even where the appointment of a receiver is temporary and for the limited purpose of preserving property and continuing the business until the dispute between the parties can be resolved, these rigid standards must be applied." *Id.* (citing *Firebaugh v. McGovern*, 404 Ill. 143, 150 (1949)). The appointment of a receiver is warranted only where there is no other adequate remedy or means of accomplishing the desired outcome. *Steinwart v. Susman*, 94 Ill. App. 2d 471, 476 (1968).

¶ 34 In the case at hand, in its June 10, 2026, order appointing a receiver, the circuit court found that "appointment of a limited receiver is necessary and appropriate under 765 ILCS 1090/6(a)(1) and the Court's inherent authority." The court stated:

> "The Receiver can address the concerns identified by both Flexsys and PDI. The receivership ordered herein is limited to protecting PDI's apparent right, title, or interest in the P2S5 Plant and related receivership property from the danger of waste, loss, dissipation, or impairment; maintaining safe *status quo* operations as appropriate; and protecting all parties' interests pending further order of the Court."

¶ 35 Pursuant to section 1.15 of the Agreement, the "P2S5 Assets" are defined as "the tangible assets, including building, machinery and equipment owned by Solution [(Flexsys)] and used exclusively in the manufacture of Product at the P2S5 Unit pursuant to the terms of this Agreement."

¶ 36 Section 3.01 of the Agreement provides that the "Term" of the Agreement "shall be twenty-five (25) years from the Commencement Date; provided, however, that either party may terminate this Agreement upon eighteen (18) Months' prior written notice to the other party."

¶ 37 Section 3.03 of the Agreement provides:

> "In the event that [PDI] terminates this Agreement for any reason other than pursuant to Section 3.02 hereof [for cause], or [Solutia (Flexsys)] terminates this Agreement pursuant to Section 3.02, [PDI] shall reimburse [Flexsys] for *** (iii) at [PDI]'s sole costs and expense, the Demolition to Grade of the P2S5 Unit, or, at [PDI]'s option, (x) [Flexsys] shall transfer ownership of the P2S5 Assets and lease the Land to [PDI] pursuant to a mutually acceptable lease agreement, or (y) [PDI] shall relocate, at [PDI]'s sole cost and expense, the P2S5 Assets and Demolish to Grade."

¶ 38 Flexsys argues that the circuit court erred because the "receivership order exceeded the scope of any arguable property interest held by PDI under the Agreement in that it granted the receiver control over Flexsys's personnel, business operations, and production of P2S5—none of which are included in 'P2S5 Assets' as defined in the operative Agreement." Flexsys also argues that "PDI *had no apparent property interest* protectable by receivership in even the tangible P2S5 Assets themselves, because any *possible future interest* is contingent upon the parties later agreeing on a mutually acceptable lease." We agree with Flexsys that the receivership order exceeded the scope of PDI's property interest under the Agreement.

¶ 39 The Receivership Act expressly requires PDI to demonstrate an "apparent right, title, or interest in property that is the subject of the action." 765 ILCS 1090/6 (West 2024). Here, that property is strictly limited to the "P2S5 Assets" as defined in section 1.15 of the Agreement: "the tangible assets, including building, machinery and equipment owned by Solutia [(Flexsys)] and

used exclusively in the manufacture of Product at the P2S5 Unit pursuant to the terms of this Agreement." Whether PDI has an apparent present interest in those tangible assets remains disputed. Flexsys contends that PDI possesses no present ownership interest unless and until a "mutually acceptable lease" is executed. In terminating the Agreement, PDI elected the option under section 3.03(x) that requires both transfer of the P2S5 Assets *and* a mutually acceptable lease. The parties have not agreed upon any such lease. PDI's own termination notice specifically contemplated a lease. Without it, PDI cannot take ownership or control of the Assets while they remain affixed to Flexsys' real property. Any claimed property interest is therefore contingent and beyond the scope of a proper receivership order.

¶ 40 Even assuming *arguendo* that PDI demonstrated an apparent interest in the tangible P2S5 Assets, the June 10, 2026, order was overly broad, because it granted the receiver authority that exceeded the PDI's interest and the plain terms of the Agreement. The order defined "Receivership Property" to include "all real and personal property, equipment, machinery, *** and personnel, reasonably necessary to safely operate the P2S5 Plant," and it authorized the receiver to exercise "operational command and control," to oversee employment matters, to continue productions schedules, and to manage business operations. That property, including Flexsys' real property, personnel, broader business operations, and services are not "P2S5 Assets" under the Agreement. Further, PDI could have elected option (y) under section 3.03 of the Agreement and chose to relocate the Assets and demolish the site to grade, but it did not do so. The receivership order instead conferred on the receiver control over real property and personnel that neither the Agreement nor the Receivership Act authorizes.

¶ 41 Under the circumstances, a narrowly tailored receivership order limited strictly to the safe physical preservation and security of the tangible P2S5 Assets pending final adjudication, or the

execution of a mutually acceptable lease, may have been appropriate. However, the circuit court's June 10, 2026, order was overly broad and as such, transformed a limited remedy into *de facto* operational control over Flexsys' manufacturing activities for PDI's benefit.

¶ 42 For the reasons stated above, the circuit court erred in its June 10, 2026, order appointing a receiver.

¶ 43 B. June 18, 2026, Production Order

¶ 44 Flexsys also argues that the circuit court abused its discretion in entering its June 18, 2026, order compelling Flexsys' continued production of P2S5 pursuant to the Agreement. In response, PDI argues the June 18, 2026, production order was a proper exercise of the circuit court's receivership authority.

¶ 45 The parties agree to the standard of review but for different reasons. Flexsys asserts the decision to grant or deny a preliminary injunction is generally reviewed for an abuse of discretion. *Ebulon Finance Group, LLC v. Politanska*, 2025 IL App (1st) 240948, ¶ 28. PDI argues a circuit court's exercise of its equitable authority over an existing receivership is reviewed for abuse of discretion. *REEF-PCG, LLC v. 747 Properties, LLC*, 2020 IL App (2d) 200193, ¶ 32.

¶ 46 An abuse of discretion occurs when the decision was " 'clearly against logic.' " *In re Marriage of Munger*, 339 Ill. App. 3d 1104, 1107 (2003) (quoting *State Farm Fire & Casualty Co. v. Leverton*, 314 Ill. App. 3d 1080, 1083 (2000)). "[T]he question is whether the trial court made an arbitrary decision, without using conscientious judgment, or whether, in view of all of the circumstances, the trial court overstepped the bounds of reason, ignored the law, and thereby caused substantial prejudice to the appellant." *Id.* An abuse of discretion occurs only when the trial court's ruling is arbitrary, fanciful, or unreasonable, or where no reasonable person would take the view adopted by the trial court. *In re Marriage of Hluska*, 2011 IL App (1st) 092636, ¶ 61.

¶ 47 In its June 18, 2026, order, the circuit court stated: "Under further order of the Court, P2S5 production shall continue as specified in the Toll Manufacturing Agreement, or until all matters before the Court in this action are full resolved. Matter may be revisited by the Court." Flexsys argues the court's order operated as a mandatory injunction that requires Flexsys and its employees to continue to operate under a terminated Agreement and produce P2S5 for PDI's benefit. Flexsys argues the order was "essentially entered *sua sponte*, as such injunctive relief was never requested, no hearing on injunctive relief was held, and the circuit court failed to perform any analysis of the requirements for an injunction." PDI argues the June 18, 2026, order did not grant new relief but rather answered Flexsys' questions about the production obligations addressed by the June 10, 2026, receivership order. We need not decide whether the June 18, 2026, order is appropriately characterized as a mandatory injunction or as the court's authority over an existing receivership, as the standard of review for both is the same: whether the circuit court abused its discretion. We thus consider whether the circuit court acted within its discretion by ordering the continued production of P2S5 during the pendency of the case.

¶ 48 Flexsys argues the circuit court failed to apply or analyze the factors required for the issuance of an injunction. Beyond the requirements for an injunction, Flexsys argues the circuit court erred, because the order improperly compels performance. Flexsys argues, courts should not issue injunctions ordering a company "to specifically perform its contract with plaintiff" where "the terms of the contract are in apparent dispute and there has been no determination on the merits." *Kessler v. Continental Casualty Co.*, 132 Ill. App. 3d 540, 547 (1985).

¶ 49 PDI argues "The relevant status quo was a P2S5 Plant that was operating and producing P2S5." PDI notes that the June 10, 2026, order expressly authorized the receiver to prevent unscheduled shutdown and take the measures necessary to maintain safe *status quo* operations.

¶ 50 In the case at hand, the form of relief ordered by the circuit court is inappropriate where the court had the remedy of monetary damages available for any proven breach. Additionally, the production order does far more than preserve the *status quo*, it affirmatively required ongoing business operations, mandated future contractual performance, and directed Flexsys' personnel to continue manufacturing under a terminated Agreement.

¶ 51 As held above, the circuit court's June 10, 2026, order appointing a receiver was improper, because it granted the receiver authority that exceeded the scope of any arguable property interest PDI held under the Agreement and improperly extended control over Flexsys' real property, personnel, business operations, and continued production of P2S5. The June 18, 2026, order compelling production was improper for the same reasons. Additionally, the June 18, 2026, order compelled performance of a terminated contract whose essential terms remain disputed. For these reasons, we find the court abused its discretion in its June 18, 2026, order compelling production of P2S5.

¶ 52 III. CONCLUSION

¶ 53 For the foregoing reasons, we reverse the circuit court's June 10, 2026, order appointing a receiver, and the June 18, 2026, order compelling production and remand the matter for further proceedings.

¶ 54 Reversed and remanded.