NONPRECEDENTIAL DISPOSITION
To be cited only in accordance with Fed. R. App. P. 32.1

United States Court of Appeals

For the Seventh Circuit
Chicago, Illinois 60604

Argued February 21, 2024
Decided February 22, 2024

Before

FRANK H. EASTERBROOK, *Circuit Judge*

MICHAEL B. BRENNAN, *Circuit Judge*

THOMAS L. KIRSCH II, *Circuit Judge*

No. 23-2402

PNC BANK, N.A., *et al.*,
Plaintiffs-Counterdefendants-Appellees,

v.

FIVE-STAR AUDIOVISUAL, INC.,
Defendant-Counterplaintiff-Appellant.

Appeal from the United States District Court for the Northern District of Illinois, Eastern Division.

No. 21 C 5419

Virginia M. Kendall,
Judge.

ORDER

PNC Bank extended a line of revolving credit to Five-Star Audiovisual. A side agreement provided that funds in its main checking account, in excess of a defined limit, would be "swept" out of the account to reduce the loan's balance. After Five-Star took out a loan under the Paycheck Protection Program (PPP) during the COVID-19 pandemic, PNC placed those funds in the checking account and promptly swept them back out to reduce the balance on the revolving line of credit. This led Five-Star to draw more from the line of credit, which carried a rate of interest higher than the PPP loan.

This suit under the diversity jurisdiction began when PNC contended that some outstanding balances remain unpaid. Five-Star filed counterclaims for fraud and breach of contract based on the sweep of the PPP funds. The district court dismissed those counterclaims, 2023 U.S. Dist. LEXIS 105569 (N.D. Ill. June 16, 2023). After all remaining claims had been resolved and a final decision entered, Five-Star appealed with respect to its counterclaims.

The district court wrote a thorough opinion addressing the counterclaims, and we have little to add. We affirm the judgment substantially for the district court's reasons. As the district judge observed, Five-Star could have avoided the events of which it now complains had it opened a second checking account to receive the PPP funds. 2023 U.S. Dist. LEXIS 105569 at *13. It did not do so and cannot blame PNC, nor has Five-Star identified any provision of any contract that PNC violated or any false statement by PNC on which Five-Star reasonably relied.

AFFIRMED