

BEFORE THE HEARING BOARD
OF THE
ILLINOIS ATTORNEY REGISTRATION
AND
DISCIPLINARY COMMISSION

In the Matter of:

JOHN JOSEPH PAPPAS,

Attorney-Respondent,

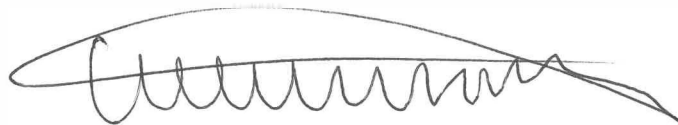
No. 2141493.

Commission No. 2022PR00080

NOTICE OF FILING

To: Scott Renfroe (srenfroe@iadc.org) (ardceservice@iadc.org)
Attorney Registration & Disciplinary Commission
130 East Randolph Drive, #1500
Chicago, Illinois 60601-6219

PLEASE TAKE NOTICE that on **November 18, 2022**, we filed with the Clerk of the Attorney Registration & Disciplinary Commission: **ANSWER** a copy of which is served upon you herewith.




Counsel for Respondent

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CERTIFICATE OF SERVICE

Under penalties as provided by law pursuant to Section 1-109 of the Code of Civil Procedure [735 ILCS 5/1-109], the undersigned certifies that they served the foregoing document(s) by causing copies to be delivered to the above stated SERVICE LIST by **email** on **November 18, 2022**.


Monica Nunez

FILED
11/18/2022 10:50 AM
ARDC Clerk

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ANSWER TO COMPLAINT

COMES the Respondent, John Joseph Pappas, by counsel, Adrian Vuckovich of Collins Bargione & Vuckovich, for his Answer to the Administrator's Complaint, states as follows:

COMMISSION RULE 231 STATEMENT

Respondent was licensed to practice law in the State of Illinois on October 26, 1970. Respondent is also admitted to practice law before the Northern District of Illinois, the Central District of Illinois, the Seventh Circuit Court of Appeals, and has previously been admitted *pro hac* to other jurisdictions. Respondent holds no other professional licenses.

COUNT I
(Alleged Conversion of \$294,550.87 of Escrowed Funds)

1. On or about March 15, 2018, Florida-based company Plain Bay Sales LLC ("Plain Bay Sales"), which was owned by Katie Prudent and her son Adam Prudent, sold a horse, Victorio 5, to William Gallaher ("Gallaher"), who was buying the horse for his daughter, Zume Gallaher. Around that same time, Gallaher wire-transferred \$950,000 to Plain Bay in payment for the horse's purchase.

ANSWER: Denied on information and belief.

2. Between March 15, 2018, and April 5, 2018, Gallaher notified Katie Prudent that

he sought to cancel his purchase of Victorio 5 and asked for the return of the funds he had paid to purchase the horse. On behalf of Plain Bay Sales, Ms. Prudent refused to cancel the sale. Ms. Prudent then contacted Respondent, who she knew from his involvement in equestrian matters, and Respondent and Katie Prudent agreed that Respondent would represent Plain Bay Sales in matters related to the disputed sale of Victorio 5 at a rate of \$400 per hour. Respondent later sent invoices charging Plain Bay Sales for the legal services he claimed to have provided, and Ms. Prudent paid the amounts requested within a reasonable time after receiving the invoices.

ANSWER: Admitted that between March 15, 2018, and April 5, 2018, Gallaher notified Katie Prudent that he sought to cancel his purchase of Victorio 5 and asked for the return of the funds he had paid to purchase the horse. Ms. Prudent refused to cancel the sale. Ms. Prudent then contacted Respondent, who she knew from his involvement in equestrian matters, and Respondent and Katie Prudent agreed that Respondent would represent Plain Bay Sales in matters related to the disputed sale of Victorio 5 at a rate of \$400 per hour. Admitted that Respondent later sent invoices charging Plain Bay Sales for the legal services he provided. Denied that payment was always timely. Any remaining allegations are denied.

3. On April 5, 2018, Respondent sent a letter to attorney James L. Beyers, who was representing Gallaher in the attempt to rescind the sale, to inform him that Plain Bay Sales declined to cancel the sale of Victorio 5 or to return any portion of the proceeds from the sale to Gallaher.

ANSWER: Admitted.

4. Prior to May 3, 2018, Florida attorneys Avery Chapman and Gary Betensky agreed with Ms. Prudent that they would act as co-counsel with Respondent on behalf of Plain

Bay Sales in matters relating to the disputed sale of Victorio 5. On May 3, 2018, Chapman filed a complaint on behalf of Plain Bay Sales and against Mr. Gallaher, his daughter, and the Gallahers' horse trainer, Paul Haunert, in the United States District Court for the Southern District of Florida. The clerk of the district court docketed the matter as case number 18 CV 80581, *Plain Bay Sales LLC v. Gallaher, et al.*

ANSWER: Admitted.

5. On or about May 14, 2018, Respondent requested that Katie Prudent send him the \$950,000 proceeds from the sale of Victorio 5, which Respondent agreed to hold pending resolution of the dispute. Respondent told Katie Prudent that he had opened an account at Belmont Bank & Trust in Illinois for the sole purpose of maintaining the proceeds from the sale of Victorio 5.

ANSWER: Denied to the extent paragraph 5 implies that Respondent sought to control or hold the funds individually. Admitted that Respondent opened an account to hold \$950,000 and that he so informed Ms. Prudent. Any remaining allegations are denied.

6. On May 9, 2018, Respondent opened a Belmont Bank account ending in the four digits 3180. The account was an interest-earning business money market account that was entitled "Pappas Law Group LLC FBO Plain Bay Sales LLC" and was intended for the maintenance of the Victorio 5 sale proceeds, or the distribution of those funds as directed by Katie Prudent or Adam Prudent. On May 14, 2018, Katie Prudent wire-transferred \$950,000 into the account ending in 3180.

ANSWER: Admitted. Respondent further states that the wire was from Plain Bay Sales LLC.

7. Between May 14, 2018 and May 15, 2019, pursuant to directives from Katie

Prudent or Adam Prudent, Respondent disbursed a total of \$654,512.64 from the proceeds of the sale of Victorio 5 from the Belmont Bank account ending in 3180. As of May 15, 2019, following the final authorized disbursement from Respondent's Belmont Bank account ending in 3180, Respondent should have been holding \$295,487.36 from the proceeds of the sale of Victorio 5, pending the receipt of further direction from Katie Prudent or Adam Prudent.

ANSWER: Denied as alleged. Respondent states that he disbursed funds as directed by Katie Prudent or Adam Prudent.

8. On June 30, 2020, while the Florida federal case was still pending and prior to any further disbursement to or on behalf of Plain Bay Sales, and without notice to or authority from Katie Prudent, Adam Prudent, or anyone else authorized to act on behalf of Plain Bay Sales, Respondent caused the balance in the Belmont Bank escrow account ending in 3180 to fall to \$936.49, as he drew checks on the account or made transfers to other accounts he controlled, in payment of his business or personal obligations. As a result, as of June 30, 2020, Respondent had used for his own purposes, without authority, at least \$294,550.87 of funds that he had agreed to hold for the benefit of Plain Bay Sales. Respondent's use of those funds constitutes conversion.

ANSWER: Denied.

9. Between May 15, 2019, and April 24, 2021 (when she submitted a request that the Administrator investigate Respondent's failure to respond to her requests for information), both Katie Prudent and her attorney, Avery Chapman, requested that Respondent return to Ms. Prudent the remaining funds he was holding on behalf of Plain Bay Sales.

ANSWER: Admitted that there were communications. Respondent denies that he mishandled funds. Any remaining allegations are denied.

10. As of September 20, 2022, the date that the Inquiry Board voted that a complaint be filed against Respondent in this matter, Respondent had not returned any additional funds to Plain Bay Sales.

ANSWER: Denied that Respondent is required to return “any additional funds to Plain Bay Sales.”

11. By reason of the conduct described above, Respondent has engaged in the following misconduct:

- a. failure to hold property of clients or third persons that is in a lawyer’s possession in connection with a representation separate from the lawyer’s own property, by conduct including using for his own purposes, without authority, at least \$294,550.87 of funds belonging to Plain Bay Sales, by causing the balance in his Belmont Bank escrow account ending in 3180 to fall below the amount belonging to Plain Bay Sales, in violation of Rule 1.15(a) of the Illinois Rules of Professional Conduct (2010);

ANSWER: Denied.

- b. failure to promptly deliver to his client, Plain Bay Sales, funds the client was entitled to receive, by conduct including failing to return the \$295,487.36 from the Belmont Bank escrow account ending in 3180 after being asked to do so by Katie Prudent and her attorney Avery Chapman, in violation of Rule 1.15(d) of the Illinois rules of Professional Conduct; and

ANSWER: Denied.

- c. conduct involving dishonesty, fraud, deceit or misrepresentation, by knowingly converting at least \$294,550.87 in funds belonging Plain Bay Sales, without authority, to his own use and causing the balance in his Belmont Bank money market business account ending in 3180 account to fall below the amount belonging to Plain Bay Sales, in violation of Rule 8.4(c) of the Illinois Rules of Professional Conduct (2010).

ANSWER: Denied.

COUNT II

(Alleged Harassing and Abusive Statements to Opposing Counsel)

12. As of July 2018, Respondent was counsel for the plaintiff and attorney Lauren J. Caisman was counsel for a defendant in a matter pending in the Circuit Court of Cook County as case number 19 L 33325, which was entitled *Meister v. Alexian Brothers Behavioral Health Hospital*. Respondent and Caisman has no dealings with each other prior to their involvement in the Meister case and had no relationship apart from dealing with each other as opposing counsel in that one case.

ANSWER: Admitted.

13. On July 3, 2018, while Respondent and Ms. Caisman were involved in discussions regarding the production and use of documents relating to the *Meister* case, Respondent sent an email to Ms. Caisman stating, in part:

“Also based on what was produced to Hartford’s attorney, my request to place my communications that the 2014 chart should not be produced in the chart was ignored. Am I Glenn Close???”

ANSWER: Admitted that the quoted language, which is taken out of context, was

contained in an email sent by Respondent.

14. On July 4, 2018, Respondent sent an email to Ms. Caisman stating: “For sure I have to keep my eyes on you to be sure I am not too badly over matched [sic].”

ANSWER: Admitted that the quoted language, which is taken out of context, was contained in an email sent by Respondent.

15. Ms. Caisman felt that the July 3 and 4, 2018, emails referred to in paragraphs 13 and 14 above were overly familiar and unprofessional, and she was uncomfortable with what she understood to be Respondent’s reference to Glenn Close’s role in the movie “Fatal Attraction,” in which Close’s character obsessively stalks and attempts to kill another character (played by Michael Douglas), with whom Close’s character had been romantically involved, at one point complaining that she resented being ignored by the Douglas character.

ANSWER: Respondent cannot admit or deny how Ms. Caisman “felt”. Respondent did not intend to cause Ms. Caisman any discomfort. There was no ill intent. Any remaining allegations are denied.

16. On June 17, 2019, a case management conference was held in the *Meister* case. Following the conference, counsel for the parties prepared a proposed order for the court. Present for that discussion were Respondent, Ms. Caisman, counsel for another defendant and the court’s clerk. In the course of discussions about the content of the proposed order, Respondent told Ms. Caisman that he could (or would) serve her with documents at her home address, which Respondent orally stated in open court by specific street name and number. Ms. Caisman told Respondent that his statement was unwelcome and that it made her uncomfortable, and asked Respondent how he knew her home address since she had not used it in connection with the *Meister* case, the home address was not available on her firm’s website, and she carefully

guarded her privacy. Respondent did not provide an explanation for how he had obtained Ms. Caisman's home address.

ANSWER: Denied as alleged. Respondent states that Ms. Caisman previously told him the name of her street. Respondent states that he does not know (and never did know) the address. The communication described in paragraph 16 is taken out of context. Any improper motive or intent is denied. Any remaining factual allegations are denied.

17. The court's clerk was present for the exchange referenced in paragraph 16 above, and asked Ms. Caisman if she wanted the clerk to bring the matter to the trial judge's attention, which Ms. Caisman declined to do.

ANSWER: Denied that the exchange, as described in paragraph 16, occurred as alleged. Therefore, denied that the court's clerk heard statements which were not spoken by Respondent. Any remaining allegations are denied.

18. Ms. Caisman later sought the advice of counsel, who recommended that she notify the ARDC of Respondent's conduct. On June 27, 2019, counsel for Ms. Caisman filed a request that the Administrator investigate the comments which Respondent had made to Ms. Caisman in his prior dealings with her. Respondent received notice of the initiation of an investigation based on those allegations on June 27, 2019.

ANSWER: Admitted that Ms. Caisman submitted a request for investigation. Respondent cannot admit or deny statements which relate to counsel sought by Ms. Caisman. Any remaining allegations are denied.

19. On December 8, 2020, while the ARDC's investigation of Respondent's previous interactions with Ms. Caisman was pending, Ms. Caisman and Respondent both appeared at a deposition of a witness in the *Meister* case. During the course of that deposition, Respondent

interrupted Ms. Caisman, raised his voice, repeatedly told her to “shut up,” and told her that he had been a lawyer since “before [she was] fucking wearing pajamas.”

ANSWER: Denied as alleged.

20. Respondent’s conduct in stating Ms. Caisman’s home address in the case management conference, in his statements to Ms. Caisman in his July 3 and 4, 2018 email messages, and at the December 8, 2020, deposition, as set forth above, had no purpose other than to embarrass, delay or burden Ms. Caisman.

ANSWER: Denied.

21. By reason of the conduct described above, Respondent has engaged in the following misconduct:

- a. using means that have no substantial purpose other than to embarrass, delay, or burden a third person, by conduct including, but not limited to, reciting Ms. Caisman’s private home address to her at a case management conference, sending her overly familiar and inappropriate email messages, and using abusive language to Ms. Caisman during the course of the December 8, 2020 deposition, in violation of Rule 4.4 of the Illinois Rules of Professional Conduct (2010).

ANSWER: Denied.

WHEREFORE, Respondent respectfully requests that this cause be considered and that the Hearing Board make a just recommendation.

Adrian Vuckovich (av@cb-law.com)

By: _____



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