

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

FILED  
4/22/2024 4:15 PM  
ARDC Clerk

In the Matter of:

DEBRAI GHIRMAI HAILE,

Respondent,

No. 6243058.

Commission No. 2024PR00013

**ANSWER TO COMPLAINT**

Debrai Ghirmai Haile, Respondent, by his attorney, Stephanie Stewart, of Robinson, Stewart, Montgomery & Doppke LLC, answers the Complaint filed by the Administrator in this matter, as follows:

**DISCLOSURE PURSUANT TO COMMISSION RULE 231**

- a. Respondent is not licensed in any other jurisdiction.
- b. Respondent does not hold any other professional licenses.

**ALLEGATIONS COMMON TO ALL COUNTS**

1. From May 2002 until his termination date of June 22, 2022, Respondent worked at Laner Muchin, Ltd. (“the Firm”) in Chicago, where he practiced labor and employment law. Respondent started at the Firm as an associate, then became an income partner on January 1, 2006, and an equity partner on January 1, 2009. At all times alleged in this complaint, Respondent was an equity partner at the Firm.

**ANSWER: Admitted.**

2. When an attorney at the Firm becomes an equity partner, they are assigned points that correspond to their presumptive percentage of payout from the Firm’s profits. On an annual

and triennial basis, the Firm reviews equity partner compensation, which can be adjusted based on a variety of factors, including hours billed, business generation, and internal equity.

**ANSWER: Denied that the allegations of Paragraph 2 accurately describe the Firm's compensation process. In further answering, Respondent states as follows:**

- a. Upon becoming an Equity Partner ("EP"), an EP is granted an ownership stake in the Firm equivalent to the sum of the new EP's salary in her or his last year as an Income Partner. Thus, if an incoming EP earned \$250,000 in her or his last year as an Income Partner, that EP would be granted points that would equate to a pro-rata share of the firm's year-end-profits in that EP's last year as an income partner. Illustration: If an Income Partner made \$250,000 in salary at the end of 2020, became an EP effective January 1, 2021, and the firm made \$10,000,000 in profits in 2020, that new EP would be granted .0250% of the firm's profits for 2021. This is not a discretionary function, but one that is driven by contractual principles as well as long-standing firm custom and practice at the Firm.**
- b. Once an attorney becomes an EP, their compensation is driven nearly 100% by the Firm's year profits and their EP points (with minor exceptions noted below). Upon becoming an EP, he or she accumulates an increase in their EP points almost exclusively by the departure of EP's, whose shares are then re-distributed to remaining equity partners on a *pro stirpes* basis. In other words, if an EP with 10% of shares leaves, then those 10% of shares are redistributed to remaining EP's based on their new current ownership interest. Illustration: if an EP has 10% of shares and an EP leaves the firm, that EP would then receive 10% of that departing EP's shares, regardless of the then remaining EP's billable hours, business originations, etc.**
- c. At some point, the firm developed a triennial review process. This process allowed the Firm to make incremental adjustments to future ownership shares in circumstances where the system described above would result in substantial under-compensation to an over-performing partner. This would be done by looking at historical performance, the value of an EP's shares and coming up with a solution that would, on at least a marginal basis, allow for some reallocation of shares from some EP's to others. Upon information and belief, this was always done with the consent of the affected partners and by approval of the Equity**

**Partnership as a whole. Furthermore, this was not a replacement for the process described above, but one that was used infrequently and with only de minimis impact to negatively impacted equity partners.**

- d. In addition, the Firm also had a 3% pool, where those EP's who billed less than 1900 hours could be subject to a reduction in pay of 3% for that year only if they failed to bill that amount or a sum marginally above 3% in the event EPs who were terms "serial" violators the minimum billable hours requirement. This process would not have any impact on an EP's shares, it would just reduce, typically on a marginal basis, the take home value of those shares in the affected years. Upon information and belief there are examples of EP's who billed fewer hours than Respondent (even accounting for those hours the firm disputes) and who were not impacted economically other than in the marginal manner described above.**

3. During Respondent's tenure at the Firm, the Firm characterized the ways in which clients were billed for work in multiple ways. A "general matter" or "hourly matter" referred to a fee arrangement in which the client would be asked to pay for the number of hours worked at the hourly rate of the attorney or other legal professional who completed the work. A "retainer matter" referred to a fee arrangement in which the client would be asked to pay a monthly flat fee to the Firm in exchange for which the Firm would perform various types of work requested by the client. A "project matter" referred to a fee arrangement in which the client would pay a flat fee for a particular task (e.g., the drafting of an employee handbook) in an amount based on the estimated size of the task that had been communicated to and approved by the client. Although an attorney would record in the Firm's electronic billing and timekeeping system the number of hours they worked on a project matter, the total hours recorded would not be seen by the client and would have no effect on the approved project fee. However, the total hours recorded were considered by the Firm in relation to the compensation due to the attorney and whether they qualified to be compensated on a full- or half-time basis.

**ANSWER: Denied as to the last sentence of Paragraph 3; in further answering, Respondent does not recall any circumstances, regardless of the hours billed by an attorney, whereby that attorney was compensated at less than 90% of his or her share of profits based on his or her shares. The remaining allegations are admitted.**

4. During the events alleged in this complaint, the Firm's billing and timekeeping process was as follows: an attorney who performed work on a matter would record their time in the Firm's billing and timekeeping system, and the system would show the attorney the time they recorded to each client matter as well as their total time recorded for the day at the timekeeper's hourly rate, which in Respondent's case was \$440 or, after a rate increase, \$450. Monthly, draft invoices for each client were distributed to the person responsible for the client, known as the billing attorney. The billing attorney would review the draft invoice and, if deemed necessary, return the draft invoice to attorneys who had recorded time on the matter for verification of the time they had recorded or the descriptions of the services they provided. For general matters and retainer matters, the accounting department would then send the finalized invoice to the client. For project matters, the accounting department would send only one invoice to the client, since the client had agreed in advance to the project fee and the terms of payment. Generally, an attorney would not start work on a project matter until the client paid half of the project fee, with the remaining half to be paid upon completion of the project.

**ANSWER: Respondent denies that the Accounting Department, and the Accounting Department alone, issued invoices to clients. A number of attorneys, upon information and belief, elected to send some or all of their invoices directly to clients. The balance of Paragraph No. 4 is admitted.**

5. From February 23, 2021, through April 15, 2022, in the two project matters described below, Respondent recorded time that he knew was not genuine, in an effort to appear to be more productive than he was. By recording that false time, Respondent continued to be compensated by the Firm as a full-time equity partner rather than as a half-time equity partner, which would have more accurately reflected his actual productivity.

**ANSWER: Admitted that during the time period alleged Respondent recorded time on the PetroChoice matter prior to the work being performed and that he recorded time on the Lions Club matter after the project was complete. Respondent specifically denies that he undertook any actions with the motive of receiving more pay than what he would be otherwise entitled to receive and specifically denies the notion of a “full-time” or “half-time” equity partner as there were no such separate classifications at the Firm between equity partners. The remaining allegations of Paragraph 5 are denied. In further answering, since neither client involved in the two project matters was billed for this time, the clients were not overbilled or otherwise prejudiced. However, Respondent deeply regrets his conduct. At the time, Respondent was suffering from depression, anxiety, and alcohol abuse disorder, for which he has received treatment.**

COUNT I – PETROCHOICE

*(Creation of False Billing Entries and Misrepresentations to Employer)*

6. Between approximately August 2020 and July 2021, Respondent recorded time in the Firm’s billing and timekeeping system for legal services he claimed to have performed for Firm client PetroChoice, for which he was the billing attorney. The Firm’s accounting department generated invoices for the PetroChoice general matter that reflected the time Respondent purportedly spent working for PetroChoice. Instead of having the accounting department send the invoices to PetroChoice, Respondent told the accounting department that he would send the

invoices to PetroChoice himself. However, Respondent never submitted the invoices to PetroChoice, and the invoices remained unpaid.

**ANSWER: Respondent denies Paragraph No. 6 to the extent that it alleges he improperly recorded non-handbook work on the PetroChoice “General” Matter. All such work was properly billed and, upon information and belief, was invoiced to the client by the Firm subsequent to Respondent’s termination from the Firm. Respondent admits the remaining allegations of Paragraph No. 6.**

7. In July 2021, Respondent asked the accounting department to cancel the unpaid PetroChoice general matter invoices and to extract from those invoices time that he had purportedly spent working on an employee handbook for PetroChoice, which he said would be covered by a yet-to-be-determined project fee for the handbook. Per Respondent’s request, the accounting department generated an invoice dated July 1, 2021, which included 69.75 hours that Respondent claimed to have worked on the PetroChoice general matter between July 30, 2020, and June 14, 2021, and put the remaining time that he had purportedly spent on the employee handbook in unbilled status pending Respondent coming to an agreement with PetroChoice about him completing the employee handbook project and the amount of the project fee. Respondent never submitted the July 1, 2021, invoice to PetroChoice, and the invoice remained unpaid.

**ANSWER: Respondent denies that “he asked the accounting department to cancel the unpaid PetroChoice general matter invoices” in that he did not ask the Accounting Department to cancel any invoices and specifically denies that he improperly billed any non-handbook work on the “general” matter or any other matter. Respondent denies that he did not perform any work relating to a handbook for PetroChoice. Respondent generally admits that he asked the Accounting Department to generate an invoice extracting time recorded**

**for “employee handbook” work from other work. Respondent, due to passage of time and lack of availability of contemporaneous communications, is unable to either admit or deny the remaining allegations of Paragraph No. 7.**

8. Between July 2021 and January 2022, the accounting department asked Respondent at least nine times whether the project fee for PetroChoice’s employee handbook had been determined and the project could be invoiced. On January 28, 2022, Respondent falsely informed the accounting department that he had spoken with PetroChoice about the project fee and that the Firm could bill the project that month.

**ANSWER: Respondent generally admits communications between him and the Accounting Department regarding the PetroChoice employee handbook project fee status and that he conveyed to the Accounting Department that the project fee had been agreed before it had been formally agreed to by PetroChoice. Respondent does not recall the additional information alleged in Paragraph No. 8.**

9. In February 2022, the accounting department generated a project invoice for PetroChoice dated February 1, 2022, for \$35,000, an amount that had been decided by Respondent without approval by PetroChoice. Instead of having the Firm’s accounting department send the project invoice to PetroChoice, Respondent again told the accounting department that he would send the invoice to PetroChoice himself. Firm policy would have required Respondent to submit the project invoice to PetroChoice for its formal, written approval of the project fee prior to performing any work on the project. However, Respondent never submitted a project invoice to PetroChoice or otherwise obtained PetroChoice’s approval of the \$35,000 project fee. Nor did Respondent ever advise the Firm’s accounting department that the project had or had not been approved by PetroChoice.

**ANSWER: Admitted. In further answering, while PetroChoice did not formally approve the amount of the project fee, the project had been discussed and it was consistent with the amount approved and paid by PetroChoice on a prior similar employee handbook project.**

10. Thereafter, Respondent continued to record hours to the PetroChoice project matter for work he purportedly performed on the employee handbook. Ultimately, the Firm wrote off the hours Respondent recorded for time he purportedly spent on the PetroChoice general matter and project matter.

**ANSWER: Admitted, except as to work he “purportedly performed on the employee handbook,” as Respondent spent some time working on the handbook and recorded other time in advance of the work being performed.**

11. As discussed more specifically below, between March 2021 and March 2022, Respondent recorded 142 hours for time he purportedly spent working on the employee handbook for PetroChoice. At the time Respondent recorded and submitted the purported time to the accounting department, he knew that the project matter had never been approved by PetroChoice.

**ANSWER: Admitted.**

12. Respondent recorded in the Firm’s timekeeping system the time he purportedly spent on the PetroChoice handbook in quarter-hour increments. Between March 2, 2021, and March 14, 2022, Respondent recorded 25 separate billing entries totaling 142 hours of purported time he claimed to have spent working on the handbook for PetroChoice, as described in the chart below:



<b>Date</b>	<b>Respondent's Description of Services He Claimed to Have Provided</b>	<b>Purported Hours Spent</b>
03/02/21	Drafting employee handbook	5.50
03/05/21	Continue drafting employee handbook	6.75
03/10/21	Drafting employee handbook	9.00
03/11/21	Working on employee handbook	8.50
03/12/21	Working on employee handbook	8.50
04/06/21	Review of auto commission and other related employee policies	6.50
06/29/21	Review and revise ADA letter for client	0.50
07/07/21	Drafting handbook	7.50
07/20/21	Review medical notes and advise client re potential employee actions for unplanned absences of truck driver	0.50
07/21/21	Handbook	4.25
07/23/21	Handbook	5.75
08/03/21	Drafting employee handbook	8.00
08/04/21	Handbook	7.50
08/05/21	Drafting employee handbook	7.75
08/09/21	Handbook	4.50
08/10/21	Handbook	7.50
08/16/21	Drafting handbook	5.00
08/27/21	Drafting multi-state handbook	6.25
02/21/22	Drafting drug and alcohol testing policy	6.75
02/22/22	Drafting employee handbook	3.25
02/23/22	Drafting employee policies	3.25
02/28/22	Drafting drug and alcohol testing policy	4.50
03/02/22	Drafting employee policies	4.50
03/10/22	Drafting employee handbook	5.25
03/14/22	Working on employee handbook	4.75
	<b>Total</b>	<b>142.00</b>

**ANSWER:** Admitted that in March of 2021 Respondent recorded time on the PetroChoice Handbook, although he can neither admit nor deny the specific entries or the total time recorded at this juncture due to lack of knowledge. Denied as to the “purported time he claimed to have spent working on the handbook for PetroChoice,” as Respondent spent some time working on the handbook.

13. Respondent's recording of the hours described in paragraph 12, above, was false because he recorded that purported time before he had actually performed any work, and the descriptions of the services Respondent claimed to have provided to PetroChoice, the dates of those purported services, and the amount of time purportedly spent on those services, as described in paragraph 12, above, were false because Respondent had not actually done the work described in his billing entries or spent the time allocated to that work.

**ANSWER: Admitted. In further answering, Respondent had spent some time working on the project, although he acknowledges that not all of the time recorded had been spent. Respondent intended that the work would all be completed in the future.**

14. At the time Respondent prepared the billing entries described in paragraph 12, above, Respondent knew the entries were false because he knew he had not performed the work he described in those entries or spent the time allocated to that work.

**ANSWER: Denied. In further answering, Respondent had spent some time working on the project, although he acknowledges that not all of the time recorded had been spent. Respondent intended that the work would all be completed in the future. In further answering, the client was never billed for this time and thus was not prejudiced. However, Respondent deeply regrets his conduct. At the time, Respondent was suffering from depression, anxiety, and alcohol abuse disorder, for which he has received treatment.**

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

- a. conduct involving dishonesty, fraud, deceit, or misrepresentation, by conduct including knowingly making false statements to the Firm by recording time to a fictitious project matter for drafting an updated employee handbook for PetroChoice when he had not in fact drafted an updated

handbook, in violation of Rule 8.4(c) of the Illinois Rules of Professional Conduct (2010).

**ANSWER: As Paragraph 15 calls for a legal conclusion, no answer is required. To the extent any answer may be deemed required, the allegations of Paragraph 15 are denied.**

COUNT II – LIONS CLUB INTERNATIONAL  
*(Creation of False Billing Entries and Misrepresentations to Employer)*

16. In 2017, Respondent began working on a project matter, an employee handbook, for Firm client Lions Club, for which Respondent was the billing attorney. On January 14, 2018, final modifications to the Lions Club handbook were made. Lions Club paid the project fee to the Firm and received the handbook. Thereafter, Respondent failed to inform the Firm's accounting department that the project was completed and that the matter should be closed in the Firm's billing and timekeeping system by the accounting department. Thus, the project matter became dormant in the Firm's billing and timekeeping system.

**ANSWER: Admitted, but denies any inference he was required to inform the accounting department that the project was completed.**

17. Per Firm policy, to start a new handbook for Lions Club, Respondent would have needed to ask the accounting department to set up a new project matter and generate a new project invoice. However, at no time after January 2018 did Respondent request that the accounting department set up a new project matter for Lions Club or generate a project invoice. Lions Club did not approve or pay a project fee associated with a new handbook.

**ANSWER: Admitted.**

18. Between February 23, 2021, and April 15, 2022, Respondent recorded 75 billing entries totaling 387.50 hours of time to the dormant Lions Club project matter. Respondent claimed

to have spent this time working on an employee handbook for Lions Club, as described in the chart below:

<b>Date</b>	<b>Respondent's Description of Services He Claimed to Have Provided</b>	<b>Purported Hours Spent</b>
02/23/21	Working on employee handbook	4.50
02/24/21	Working on employee handbook	4.50
02/26/21	Drafting employee handbook	4.75
03/01/21	Drafting employee handbook	4.50
03/03/21	Working on employee handbook	5.50
03/04/21	Working on employee handbook	5.50
03/08/21	Working on employee handbook	5.50
03/09/21	Working on employee handbook	5.75
03/15/21	Working on employee handbook	6.25
03/22/21	Drafting handbook	7.25
03/24/21	Working on employee handbook	6.75
03/25/21	Working on employee handbook	6.75
03/29/21	Revising handbook	4.50
04/05/21	Working on handbook	2.75
04/13/21	Drafting handbook	3.50
05/11/21	Working on employee handbook	3.75
05/12/21	Drafting handbook	5.50
05/18/21	Employee handbook	1.50
05/20/21	Working on employee handbook	1.00
05/24/21	Drafting employee handbook	4.50
05/25/21	Working on handbook	6.75
05/27/21	Draft employee handbook	4.50
05/28/21	Drafting handbook	2.75
06/03/21	Working on handbook	4.75
06/08/21	Working on handbook	3.80
06/10/21	Working on handbook	4.75
06/22/21	Drafting handbook	4.50
06/23/21	Handbook	6.00
06/24/21	Drafting employee handbook	6.00
06/30/21	Employee handbook	4.50
07/08/21	Drafting handbook	7.75
07/09/21	Drafting employee handbook	4.50
07/13/21	Drafting employee handbook	3.50
07/14/21	Drafting employee handbook	7.75
07/15/21	Employee handbook	7.50
07/16/21	Employee handbook	4.50
07/19/21	Working on employee handbook	7.25
09/09/21	Working on handbook	5.75
09/13/21	Employee handbook	4.00
09/15/21	Employee handbook	4.50
09/16/21	Working on handbook	3.75
09/28/21	Working on employee handbook	7.00
10/05/21	Drafting employee handbook	4.50

10/18/21	Drafting employee handbook	5.50
10/19/21	Drafting employee handbook	2.25
11/15/21	Drafting handbook	6.50
11/16/21	Drafting handbook	7.50
11/29/21	Drafting handbook	6.75
11/30/21	Drafting handbook	6.75
12/01/21	Drafting handbook	5.50
12/08/21	Employee handbook	7.25
12/14/21	Handbook review	7.25
12/16/21	Working on handbook	4.25
12/21/21	Drafting employee handbook	2.80
12/22/21	Drafting employee handbook	3.75
12/23/21	Employee handbook	2.25
12/27/21	Employee handbook	3.75
01/03/22	Employee handbook	2.20
01/10/22	Handbook	4.50
01/18/22	Draft employee handbook	5.50
01/19/22	Drafting employee handbook	3.75
01/21/22	Working on handbook	6.25
01/24/22	Working on handbook	6.00
01/25/22	Working on handbook	6.50
01/28/22	Working on handbook	3.50
01/31/22	Drafting employee handbook	4.50
02/01/22	Drafting employee handbook	6.25
02/02/22	Employee handbook	7.00
02/04/22	Working on handbook	6.25
02/24/22	Drafting employee handbook	3.75
03/01/22	Employee handbook	7.75
03/08/22	Drafting handbook	7.75
03/22/22	Drafting employee policies	7.50
03/24/22	Draft employee policies	8.20
04/15/22	Drafting employee policies	3.25
	Total	387.50

**ANSWER: Admitted that during the time period alleged, Respondent recorded time to the Lion's Club handbook project. Respondent can neither admit nor deny the specific entries or the total time alleged at this juncture due to lack of knowledge.**

19. Despite having recorded the time described in paragraph 18, above, in the Firm's billing and timekeeping system, Respondent had not performed any work on the handbook after it was last modified in January 2018. The descriptions of the services Respondent claimed to have provided to Lions Club, the dates of those purported services, and the amount of time purportedly spent on those services, as described in paragraph 18, above, were false because Respondent had not actually done the work described in his billing entries or spent the time allocated to that work.

**ANSWER: Admitted that Respondent recorded time on the Lions Club matter after the project was complete during the time period alleged. The remaining allegations are denied.**

20. At the time Respondent prepared the billing entries described in paragraph 18, above, Respondent knew the entries were false because he knew he had not performed the work he described in those entries or spent the time allocated to that work.

**ANSWER: Denied. In further answering, Respondent admits that he recorded time on the Lions Club matter after the project was complete. The client was never billed for this time and thus was not prejudiced. However, Respondent deeply regrets his conduct. At the time, Respondent was suffering from depression and anxiety and alcohol abuse disorder, for which he has received treatment.**

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

- a. conduct involving dishonesty, fraud, deceit, or misrepresentation, by conduct including knowingly making false statements to the Firm by recording time to the dormant Lions Club employee handbook project when he had in violation of Rule 8.4(c) of the Illinois Rules of Professional Conduct (2010).

**ANSWER: As the allegations of Paragraph 21 call for a legal conclusion, no answer is required. To the extent any answer may be deemed required, the allegations of Paragraph 21 are denied.**

Respectfully submitted,  
Debrai Ghirmai Haile

By: /s/ Stephanie Stewart  
Stephanie Stewart

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