2026 IL App (1st) 250826-U

THIRD DIVISION
June 30, 2026

No. 1-25-0826

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).

IN THE
APPELLATE COURT OF ILLINOIS
FIRST JUDICIAL DISTRICT

MAYNE GATE CREEK, LLC, and LANN LOGISTICS, LLC, Plaintiffs-Appellants, v. HG RECOVERY FUND I, LLC, BRIAN DUGGAN, and CAREN A. LEDERER, Defendants-Appellees.	)	Appeal from the Circuit Court of Cook County Nos. 21 L 8523 and 22 L 7966 (cons.) Honorable Daniel J. Kubasiak, Judge Presiding.

JUSTICE REYES delivered the judgment of the court.
Justices Lampkin and Rochford concurred in the judgment.

ORDER

¶ 1 *Held*: Affirming the dismissal of claims against an attorney-defendant as time-barred; affirming the dismissal of claims against other defendants as barred by *res judicata*.

¶ 2 Mayne Gate Creek, LLC (Mayne Gate) and Lann Logistics, LLC (Lann) filed a complaint for fraud and conspiracy in the circuit court of Cook County against HG Recovery Fund I, LLC (HG Recovery), Brian Duggan (Duggan), and attorney Caren A. Lederer (Lederer). The complaint alleged that the defendants engaged in improprieties in connection with a foreclosure action. The circuit court dismissed the claims with prejudice, finding that the claims against Lederer were time-barred and the claims against HG Recovery and Duggan were barred

by the doctrine of *res judicata* based on a final order in the foreclosure action. Mayne Gate and Lann filed this appeal, challenging the dismissal of their claims. As discussed herein, we affirm.

¶ 3 BACKGROUND

¶ 4 *The Commencement of the Foreclosure Action*

¶ 5 Mayne Gate was the legal owner of two adjacent townhouses located at 3201 Nottingham Court (3201 Nottingham) and 3207 Nottingham Court (3207 Nottingham), as well as approximately 33 vacant lots located at 3133 and 3303 Nottingham Court (vacant lots) in Olympia Fields, Illinois. RFLF 2, LLC—Mayne Gate's secured lender—filed a verified complaint for foreclosure against Mayne Gate and other defendants in the circuit court of Cook County (case number 15 CH 7244) in May 2015. RFLF 2, LLC subsequently assigned its interest in the loan documents to HG Recovery, which was substituted as the plaintiff in the foreclosure action. After Mayne Gate transferred its interest in the vacant lots to Lann by quitclaim deed, HG Recovery amended the foreclosure complaint to add Lann as a defendant.

¶ 6 On August 3, 2017, the circuit court entered a judgment of foreclosure and sale.[1] The judgment amount was $529,598, including attorney fees. The vacant lots and 3201 Nottingham were scheduled for a sheriff's sale on September 21, 2017. In response to Mayne Gate's request, HG Recovery—through attorney Lederer—agreed to continue the sheriff's sale for two weeks. On September 27, 2017, 3207 Nottingham was sold through a private sale for $225,000; HG Recovery received approximately $189,000 in proceeds.

¶ 7 Despite Lederer's representation regarding the two-week postponement, the sheriff's sale went forward as to 3201 Nottingham on September 21, 2017, allegedly without the knowledge of

[1] While Mayne Gate and Lann have represented that the foreclosure judgment pertained to 3201 Nottingham, 3207 Nottingham, and the vacant lots, the judgment did not refer to 3207 Nottingham.

Mayne Gate or Lann. HG Recovery was the sole bidder, with a credit bid of $50,000. On September 27, 2017, HG Recovery filed a motion to approve and confirm the sheriff's sale of 3201 Nottingham. The sale was confirmed by an order entered on November 7, 2017.

¶ 8 On November 6, 2017, the sheriff's sale took place with respect to the vacant lots, allegedly without the knowledge of Mayne Gate or Lann. HG Recovery was (again) the sole bidder, with a credit bid of $100,000. On November 15, 2017, HG Recovery filed a motion to confirm the sheriff's sale of the vacant lots. In their response, Mayne Gate and Lann argued that the sheriff's sale should be vacated as inadequate notice was given, the terms of the sale were "unconscionable," and the sale was fraudulently conducted.

¶ 9 In December 2017, Mayne Gate, Lann, and another defendant in the foreclosure action filed a motion to vacate the confirmation of the sale order entered on November 7, 2017, and to set aside the sheriff's sale conducted on September 21, 2017. The movants argued that there was no proper notice of the sheriff's sale, given attorney Lederer's agreement to a postponement. The movants also contended that the terms of the sale of 3201 Nottingham were unconscionable, as the "identical" townhouse (3207 Nottingham) was under contract for $225,000, and thus HG Recovery's bid of $50,000 created an artificially large deficiency judgment. The movants further asserted that the sale was fraudulently conducted, *e.g.*, they were induced into not pursuing bankruptcy or other relief to protect their interests based on HG Recovery's representation through counsel that the sale would not proceed. Finally, the movants challenged the comparative market analysis prepared by Duggan, which was the basis for the "unbelievably low" credit bid of $50,000. Duggan, who is a licensed real estate broker, is the manager of HG Advisors LLC, which is the manager of HG Recovery.

¶ 10 In an order entered on February 16, 2018, the circuit court (a) granted the motion to

vacate the sale of 3201 Nottingham and (b) denied HG Recovery's motion to confirm the sale of the vacant lots "for the reasons stated from the bench." The record on appeal does not include a transcript or other report of the proceedings.

¶ 11 *The Commencement of the Fraud Action*

¶ 12 On April 5, 2018, Mayne Gate and Lann filed a two-count complaint for fraud and conspiracy against HG Recovery and Duggan in the circuit court of Cook County (case number 18 L 3435) (fraud action). The complaint alleged that HG Recovery went forward with the sheriff's sales of 3201 Nottingham and the vacant lots despite representing that the sales would be postponed. According to the complaint, Mayne Gate and Lann had not filed for bankruptcy based on the assurances of HG Recovery's attorney. The complaint further alleged that the sale amounts for 3201 Nottingham and the vacant lots were "unconscionably" and "outrageously" low, resulting in a significant deficiency judgment "which would have been avoided had they filed for bankruptcy as they intended."

¶ 13 On May 25, 2018, HG Recovery and Duggan filed a motion to dismiss the complaint pursuant to section 2-619(a)(3) and section 2-615 of the Code of Civil Procedure (Code) (735 ILCS 5/2-619(a)(3), 2-615 (West 2018)). As to section 2-619(a)(3)—which provides for dismissal based on "another action pending between the same parties for the same cause" (735 ILCS 5/2-619(a)(3) (West 2018))—the movants argued that the circuit court in the foreclosure action had already been presented with "all of the facts and circumstances" alleged in the complaint in the fraud action. According to the movants, the foreclosure court "made no findings of fraud, conspiracy or other wrongdoing whatsoever," but instead vacated the sales of 3201 Nottingham and the vacant lots and ordered that they be re-noticed "to cure any confusion over what parcel would be sold on what date." As to section 2-615 (735 ILCS 5/2-615 (West

2018)), the movants contended that there was no damage as the properties had not yet been sold and the ability of Mayne Gate and Lann to file for bankruptcy remained "unimpaired."

¶ 14 In their response to the motion to dismiss, Mayne Gate and Lann asserted that they "held off on bankruptcy" based on the agreement to postpone the sheriff's sale and proceeded to close on the private sale of 3207 Nottingham. The net proceeds of that sale (approximately $189,000) were thus transferred to HG Recovery and Duggan instead of becoming property of a bankruptcy estate. Mayne Gate and Lann further maintained that their claims in the fraud action were not—and could not be—litigated in the foreclosure action. In their reply, HG Recovery and Duggan characterized the fraud action as "redundant" and "duplicative" of the challenges in the foreclosure action. HG Recovery also argued that, as the holder of the first-priority security interest, it would be entitled to the sale proceeds as to 3207 Nottingham regardless of whether Mayne Gate sought bankruptcy protection.

¶ 15 In an order entered on August 21, 2018, the circuit court denied the motion to dismiss under section 2-619(a)(3) of the Code but *sua sponte* transferred the fraud action to the court's stay calendar pending the conclusion of the foreclosure action.

¶ 16 *The Continuation and Conclusion of the Foreclosure Action*

¶ 17 Prior to the imposition of the stay in the fraud action, the circuit court in the foreclosure action entered an order on June 26, 2018, wherein the circuit court *sua sponte* retroactively amended its order of February 16, 2018, to vacate the sale of the vacant lots.[2] The order further provided that the sale of 3201 Nottingham and the vacant lots could proceed on June 27, 2018.

¶ 18 Mayne Gate, Lann, and another party filed a petition for attorney fees in the foreclosure

[2] In the February 16, 2018, order, the circuit court denied confirmation of the sale of the vacant lots but did not vacate the sale.

action pursuant to section 15-1510(a) of the Illinois Mortgage Foreclosure Law (735 ILCS 5/15-1510(a) (West 2018)), which provides for the award of reasonable attorney fees to the defendant "who prevails in a motion, an affirmative defense or counterclaim, or in the foreclosure action." The circuit court awarded $8777.06 in attorney fees on December 14, 2018.

¶ 19 The circuit court entered an order on October 13, 2020, which dismissed the foreclosure action with prejudice.

¶ 20 *The Renumbered Fraud Action*

¶ 21 In 2021, the fraud action was removed from the stay docket, reassigned, and administratively renumbered (case number 21 L 8523). After HG Recovery and Duggan filed a demand for bill of particulars pursuant to section 2-607 of the Code (735 ILCS 5/2-607 (West 2020)), Mayne Gate and Lann were granted leave to file a verified first amended complaint (first amended complaint).

¶ 22 In the first amended complaint, Mayne Gate and Lann again asserted claims for fraud and conspiracy against HG Recovery and Duggan. Among other things, Mayne Gate and Lann alleged that 3201 Nottingham and the vacant lots sold at a sheriff's sale on June 27, 2018, for $176,001, even though their estimated combined value exceeded $900,000.[3]

¶ 23 HG Recovery and Duggan filed a combined motion to dismiss the amended complaint pursuant to section 2-619.1 of the Code (735 ILCS 5/2-619.1 (West 2020)). The movants sought dismissal under the doctrine of *res judicata* pursuant to section 2-619(a)(4) (735 ILCS 5/2-619(a)(4) (West 2020)), arguing that the claims asserted in the fraud action were already litigated and decided in the foreclosure action. HG Recovery and Duggan also contended that the

[3] We note that the amended complaint provided that *3207* Nottingham and the vacant lots sold on June 27, *2017*. Based on our review of the record, however, it appears that *3201* Nottingham and the vacant lots sold on June 27, *2018*.

amended complaint failed to plead the elements of fraud with specificity and particularity, thus warranting dismissal under section 2-615 (735 ILCS 5/2-615 (West 2020)).

¶ 24 Mayne Gate and Lann responded, in part, that HG Recovery had asserted the same arguments in the 2018 motion to dismiss the fraud complaint pursuant to section 2-619(a)(3) of the Code (735 ILCS 5/2-619(a)(3) (West 2018)), which the circuit court denied. Mayne Gate and Lann further contended that the fraud and conspiracy counts required different proof than the foreclosure action and that Duggan was not a party to the foreclosure action. HG Recovery and Duggan replied, in part, that the first amended complaint in the fraud action arose from the same underlying facts as were previously adjudicated in the foreclosure action and that Duggan was in privity with HG Recovery.

¶ 25 Prior to the circuit court's ruling on the motion to dismiss, Mayne Gate and Lann filed a motion for leave to amend the first amended complaint to add attorney Lederer as a defendant.

¶ 26 In a memorandum opinion and order entered on August 30, 2022, the circuit court granted the motion to dismiss the fraud action with prejudice. The circuit court found that the first amended complaint was barred by the doctrine of *res judicata* under section 2-619(a)(4) and that the motion to dismiss under section 2-615 was moot (735 ILCS 5/2-619(a)(4), 2-615 (West 2020)). In a separate order entered on the same date, the circuit court granted Mayne Gate and Lann leave to file its second amended complaint—adding Lederer as a defendant—*instanter*.

¶ 27 *The Prior Appeal*

¶ 28 Mayne Gate and Lann filed an appeal (appeal no. 22-1433) with this court, challenging the circuit court's dismissal of the first amended complaint under section 2-619(a)(4) of the Code. Although not raised by the parties, we considered whether there was appellate jurisdiction, given that the circuit court's entry of the order granting the request to amend the

first amended complaint to add attorney Lederer as a defendant suggested that the memorandum opinion and order (entered on the same date) may not have been final and appealable. *Mayne Gate Creek, LLC v. HG Recovery Fund I, LLC*, 2023 IL App (1st) 221433-U, ¶ 32. In dismissing the appeal for lack of appellate jurisdiction, we concluded that "[a]lthough the order dismissing the complaint as to HG Recovery and Duggan provided that it was 'final and appealable,' such language did not satisfy the requirements" of Illinois Supreme Court Rule 304(a) (Mar. 8, 2016). *Id.* ¶¶ 38, 40.

¶ 29 *The Continued Circuit Court Proceedings*

¶ 30 Mayne Gate and Lann subsequently filed a motion in the fraud action, seeking reconsideration of the August 30, 2022, order which dismissed the first amended complaint. The movants asserted that the questions posed by the panel members during oral argument in the appeal suggested this court's inclination to reverse the circuit court's dismissal order "based on principles of fundamental fairness." In their response, HG Recovery and Duggan observed that the appeal was dismissed on jurisdictional grounds, not based on the application of *res judicata*. The circuit court denied the motion for reconsideration.

¶ 31 In the meantime, Mayne Gate and Lann filed a verified second amended complaint (second amended complaint) on December 22, 2023, alleging fraud and conspiracy against HG Recovery, Duggan, and Lederer. HG Recovery and Duggan filed a motion to dismiss the second amended complaint pursuant to section 2-619(a)(4) of the Code (735 ILCS 5/2-619(a)(4) (West 2024)); the motion was ultimately granted with prejudice.

¶ 32 Lederer filed a separate motion to dismiss pursuant to section 2-619.1 of the Code (735 ILCS 5/2-619.1 (West 2024)), wherein she contended, in part, that (a) the claims against her were time-barred under the two-year statute of limitations for actions against attorneys

(735 ILCS 5/13-214.3 (West 2024)); (b) her conduct was protected by the attorney litigation privilege; and (c) the claims were barred by collateral estoppel and *res judicata*. Lederer also filed a motion to consolidate the fraud action with a separate action which was filed by Mayne Gate and Lann against her in the circuit court of Cook County (case no. 22 L 7966) during the pendency of the appeal. The consolidation motion was granted on September 11, 2024.

¶ 33 In their response to Lederer's motion to dismiss, Mayne Gate and Lann argued, in part, that the attorney litigation privilege "should not apply under the crime-fraud exception where an attorney engages in alleged fraud." Mayne Gate and Lann further maintained that their claims were not time-barred under the two-year statute of limitations, as "Lederer's fraud did not occur in the performance of professional services in her capacity as attorney." Finally, Mayne Gate and Lann asserted that collateral estoppel and *res judicata* are inapplicable, as Lederer was not named in the original action and was not in privity with the other defendants.

¶ 34 In an order entered on February 14, 2025, the circuit court held that the claims against Lederer were time-barred and thus granted her motion to dismiss with prejudice. On February 26, 2025, the circuit court denied a motion filed by Mayne Gate and Lann for leave to file a third amended complaint; the circuit court noted that all defendants were previously dismissed with prejudice.

¶ 35 Mayne Gate and Lann then filed a motion to reconsider the dismissal order as to the claims against Lederer entered on February 14, 2025. They argued that the circuit court did not properly consider the relation back doctrine, which allows new claims or amended pleadings to be treated as if they were filed on the date of the original complaint. Mayne Gate and Lann also asserted that the two-year limitations period applicable to actions against attorneys (735 ILCS 5/13-214.3(b) (West 2024)) does not apply to claims by non-clients against attorneys.

¶ 36 On April 2, 2025, the circuit court denied the motion to reconsider. Mayne Gate and Lann filed a timely appeal.

¶ 37 ANALYSIS

¶ 38 Mayne Gate and Lann advance two primary arguments on appeal. They contend that their claims against Lederer are not time-barred pursuant to the two-year statute of limitations set forth in section 13-214.3 of the Code. 735 ILCS 5/13-214.3 (West 2024). Mayne Gate and Lann also maintain that their fraud and conspiracy claims are not barred by *res judicata*.

¶ 39 The claims at issue were dismissed under section 2-619 of the Code. 735 ILCS 5/2-619 (West 2024). A motion to dismiss pursuant to section 2-619 admits the legal sufficiency of the complaint but asserts that some affirmative matter defeats the plaintiff's claim. *Stone Street Partners, LLC v. City of Chicago Department of Administrative Hearings*, 2017 IL 117720, ¶ 4. When ruling on a section 2-619 motion to dismiss, a court must interpret the pleadings and supporting documents in the light most favorable to the non-moving party. *Khan v. Fur Keeps Animal Rescue, Inc.*, 2021 IL App (1st) 182694, ¶ 34.

¶ 40 Section 2-619(a)(5) provides that an action may be dismissed where it was "not commenced within the time limited by law." 735 ILCS 5/2-619(a)(5) (West 2024). Section 2-619(a)(4) permits involuntary dismissal based on *res judicata*, *i.e.*, "the cause of action is barred by a prior judgment." 735 ILCS 5/2-619(a)(4) (West 2024). The issue of whether a claim is barred by a limitations period or by *res judicata* is a question of law subject to *de novo* review. *Ferguson v. City of Chicago*, 213 Ill. 2d 94, 99 (2004); *Lutkauskas v. Ricker*, 2015 IL 117090, ¶ 43. *De novo* review means that we perform the same analysis as the circuit court would perform. *Khan*, 2021 IL App (1st) 182694, ¶ 25. We may affirm on any basis appearing in the record. *Id.*

¶ 41 *Statute of Limitations*

¶ 42 Mayne Gate and Lann contend that the circuit court incorrectly determined that the claims they asserted against Lederer were time-barred under section 13-214.3 of the Code. Section 13-214.3(b) provides that "[a]n action for damages based on tort, contract, or otherwise *** against an attorney arising out of an act or omission in the performance of professional services *** must be commenced within 2 years from the time the person bringing the action knew or reasonably should have known of the injury for which damages are sought." 735 ILCS 5/13-214.3(b) (West 2024). Although their contentions are not entirely clear, Mayne Gate and Lann appear to suggest that this limitations period is inapplicable, as Lederer was not their lawyer and she was not performing professional services, *i.e.*, she was engaged in fraud and conspiracy.

¶ 43 As the Illinois Supreme Court has recognized, the "arising out of" language in the statute "indicates an intent by the legislature that the statute apply to all claims against attorneys concerning their provision of professional services." *Evanston Insurance Co. v. Riseborough*, 2014 IL 114271, ¶ 23. Our supreme court expressly rejected the interpretation seemingly espoused by Mayne Gate and Lann—that section 13-214.3 "applies solely to claims brought by a client against an attorney who owes professional or fiduciary duties to the plaintiff." *Id.* See *800 South Wells Commercial, LLC v. Horwood Marcus & Berk Chartered*, 2013 IL App (1st) 123660, ¶ 13. Furthermore, we observe that Lederer's alleged conduct was clearly done in her performance of professional services as an attorney.

¶ 44 As to the question of when Mayne Gate and Lann "knew or reasonably should have known of their injury for which damages are sought," the record reflects that they were aware of such injury at least by the time they initiated the fraud action against HG Recovery and Duggan

in April 2018, *i.e.*, the fraud action was premised, in significant part, on Lederer's conduct. Even assuming that a pecuniary injury was necessary to start the limitations clock (*e.g.*, *Northern Illinois Emergency Physicians v. Landau, Omahana & Kopka, Ltd.*, 216 Ill. 2d 294, 306 (2005)), the sale of 3201 Nottingham and the vacant lots in June 2018—and Mayne Gate and Lann's incursion of attorney fees in challenging the sale process—constitute such injury. See, *e.g.*, *Zweig v. Miller*, 2020 IL App (1st) 191409, ¶ 30. The action initiated against Lederer in 2022 was thus time-barred under the two-year limitations period set forth in section 13-214.3.

¶ 45 Mayne Gate and Lann also contend—without any legal support—that the transfer of the fraud action to the stay calendar in 2018 constituted a "legal disability" which tolled the limitations period. See 735 ILCS 5/13-214.3(f) (West 2024). As Lederer accurately observes, however, the stay order did not prevent them from commencing a separate action against her. Mayne Gate and Lann further suggest that the relation-back doctrine should apply. Section 2-616(d) of the Code, which codifies the relation-back doctrine, provides that a cause of action against a person not originally named as a defendant is not time-barred if (1) "the time prescribed or limited had not expired when the original action commenced," (2) the person sought to be added received notice of the action "within the time that the action might have been brought" and "knew or should have known that, but for a mistake concerning the identity of the proper party, the action would have been brought against him or her," and (3) "the cause of action asserted in the amended pleading grew out of the same transaction or occurrence set up in the original pleading." 735 ILCS 5/2-616(d) (West 2024). As there was no mistake concerning the identity of Lederer, the relation-back doctrine is plainly inapplicable.

¶ 46 We conclude that the circuit court properly dismissed the claims against Lederer as time-barred and thus need not consider the parties' other contentions as to Lederer. We next turn to

the claims against HG Recovery and Duggan.

¶ 47 *Res Judicata*

¶ 48 Mayne Gate and Lann contend that their fraud and conspiracy claims are not barred by *res judicata*. Under the doctrine of *res judicata*, "a final judgment on the merits rendered by a court of competent jurisdiction bars a subsequent action between the same parties or their privies involving the same cause of action." *Richter v. Prairie Farms Dairy, Inc.*, 2016 IL 119518, ¶ 21. The bar extends not only to what was decided in the initial action but also includes those matters which could have been decided in the initial action. *Ward v. Decatur Memorial Hospital*, 2019 IL 123937, ¶ 44. Three requirements must be met for *res judicata* to apply: "(1) a court of competent jurisdiction rendered a final judgment on the merits; (2) there is an identity of cause of action; and (3) there is an identity of parties or their privies." *Mann v. Rowland*, 342 Ill. App. 3d 827, 834 (2003). "The underlying policy of *res judicata* is to promote judicial economy by preventing repetitive litigation and to protect a defendant from the harassment of relitigating essentially the same claim." *Richter*, 2016 IL 119518, ¶ 21.

¶ 49 In the instant case, the first requirement for *res judicata* was satisfied when the foreclosure action was dismissed with prejudice by an order entered on October 13, 2020.

¶ 50 The second requirement for *res judicata* depends on whether there was an identity of cause of action. Mayne Gate and Lann contend that there is no such identity, as their claims for fraud and conspiracy represent distinct legal theories which required proof of different elements than their challenges to the foreclosure sales. As discussed below, we reject this contention.

¶ 51 The Illinois Supreme Court has adopted the "transactional test" in evaluating whether there is an identity in causes of action for purposes of *res judicata*. *River Park Inc. v. City of Highland Park*, 184 Ill. 2d 290, 310-11 (1998). This test considers whether the claims arise from

a common core of operative facts. *Trackman v. Michela*, 2019 IL App (2d) 190131, ¶ 15. See *Ovnik v. Podolskey*, 2017 IL App (1st) 162987, ¶ 27 (noting that "[s]eparate claims are considered the same cause of action for purposes of *res judicata* if they arise from the same transaction, series of transactions, or group of operative facts"); *Lutkauskas*, 2015 IL 117090, ¶ 47 (observing that "[s]imply alleging a new theory of recovery is insufficient to assert a different cause of action, where multiple theories of recovery are predicated on the same core of operative facts").

¶ 52 The challenges advanced by Mayne Gate and Lann in the foreclosure action and the claims raised in the fraud action arose out of the same operative facts: the timing and conduct of the sheriff's sales with respect to 3201 Nottingham and the vacant lots, including Lederer's scheduling representations and Duggan's comparative market analysis. *See Eighteen Investments, Inc. v. NationsCredit Financial Services Corp.*, 376 Ill. App. 3d 527, 534 (2007) (observing that a judicial sale was the "transaction which gave birth" to both claims). These exact facts were litigated and decided in the foreclosure action, where Mayne Gate and Lann successfully petitioned to vacate the sales and recover certain attorney fees.

¶ 53 The final element is identity of the parties or their privies. Mayne Gate and Lann note that Duggan was not a party to the foreclosure action—a fact which they claim defeats the identity requirement. We disagree. "The rule of privity extends the preclusive effect of *res judicata* to those who were not parties to the original action, if their interests were adequately represented by someone else." *Cooney v. Rossiter*, 2012 IL 113227, ¶ 33. Accord *Lutkauskas*, 2015 IL 117090, ¶ 50. Courts have found that privity exists "when parties adequately represent the same legal interests, irrespective of their nominal identities." *Ovnik*, 2017 IL App (1st) 162987, ¶ 29. The record indicates that Duggan is the manager of HG Advisors, LLC, which

itself is the manager of HG Recovery. In a motion filed in the foreclosure action, Mayne Gate and Lann characterized Duggan as HG Recovery's "owner." Under these circumstances, the interests of Duggan and HG Recovery were so closely aligned that HG Recovery was his "virtual representative" for purposes of *res judicata*. *Id.* (quoting *City of Chicago v. St. John's United Church of Christ*, 404 Ill. App. 3d 505, 513 (2010)).

¶ 54 Finally, Mayne Gate and Lann maintain that even if the foregoing requirements are met, *res judicata* is an equitable doctrine which we could choose not to apply. See, *e.g.*, *Northern Trust Co. v. Aetna Life & Surety Co.*, 192 Ill. App. 3d 901, 906 (1989) (noting that "[e]ven where all the essential elements of *res judicata* are satisfied, its effect will be denied in order to avoid injustice"). Mayne Gate and Lann have not clearly identified, nor are we aware of, any injustice which would result from the application of *res judicata* herein. We thus conclude that the circuit court properly dismissed the cause of action filed against HG Recovery and Duggan under the doctrine of *res judicata*.

¶ 55 CONCLUSION

¶ 56 For the reasons discussed above, the judgment of the circuit court of Cook County is affirmed.

¶ 57 Affirmed.