2026 IL App (1st) 241460-U

No. 1-24-1460

Order filed June 30, 2026

Third Division

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 DISTRICT

MIGUEL CARRANZA,	)	Appeal from the
	)	Circuit Court of
Plaintiff-Appellant,	)	Cook County.
	)	
v.	)	
	)	No. 19 L 11382
JASON MILESKI and D GRAHAM TRANSPORT, INC.,	)	
	)	
	)	
Defendants	)	Honorable
	)	Maire Aileen Dempsey,
(Vrdolyak Law Group, LLC, Appellee).	)	Judge, presiding.

JUSTICE LAMPKIN delivered the judgment of the court.
Presiding Justice Martin and Justice Reyes concurred in the judgment.

ORDER

¶ 1 *Held*: Former counsel was entitled to recover attorney fees pursuant to a theory of *quantum meruit* where former counsel's alleged conflict of interest did not render the attorney-client agreement void, and where the alleged unconscionable charges and unethical conduct were not so egregious to bar to compensation. However, the amount of the circuit court's attorney fee award, which was based on former counsel's 40% contingency fee, was against the manifest weight of the evidence.

¶ 2 Plaintiff Miguel Carranza sustained injuries from a collision involving multiple vehicles. After his personal injury lawsuit settled, the circuit court awarded his prior counsel, Vrdolyak Law Group, LLC (VLG), attorney fees on the basis of *quantum meruit*.

¶ 3 On appeal,[1] plaintiff argues that VLG is not entitled to an award of attorney fees because (1) VLG had a concurrent conflict of interest in the litigation since it represented both plaintiff and his passengers in the same matter, and (2) VLG's attorney-client agreement contained unconscionable terms and VLG engaged in unethical conduct. Plaintiff also argues that the circuit court failed to conduct an evidentiary hearing on the conflict of interest and other ethical violations issues. In the alternative, plaintiff argues that the attorney fee award, which was VLG's full 40% contingency fee, was excessive.

¶ 4 For the reasons that follow, we affirm in part and vacate in part the judgment of the circuit court and remand this matter for further proceedings.[2]

¶ 5 I. BACKGROUND

¶ 6 In December 2018, plaintiff was driving a van when a semi-truck owned by defendant D Graham Transport, Inc. and driven by defendant Jason Mileski rear-ended plaintiff's van and caused it to collide with the vehicle in front of plaintiff, which was driven by Robert Rochowiak. Three passengers in plaintiff's van—Salvador Razo, Fabian Carranza, and Victor De La Cruz—sustained minor injuries with combined medical bills totaling about $10,000. Plaintiff, however,

[1]Although this appeal was fully briefed and ready for review and disposition as of May 6, 2025, this appeal was not assigned to the authoring justice for review and disposition until April 1, 2026.

[2]In adherence with the requirements of Illinois Supreme Court Rule 352(a) (eff. July 1, 2018), this appeal has been resolved without oral argument upon the entry of a separate written order.

sustained more serious injuries, and his medical bills ultimately totaled $1,802,327.91. The vehicles driven by plaintiff and Rochowiak were also damaged.

¶ 7 VLG simultaneously represented plaintiff and his three passengers with respect to this collision. Plaintiff speaks only Spanish; he does not speak, read, or understand English. VLG communicated with plaintiff during the litigation through his wife, Jessica Garcia, who speaks and reads both English and Spanish. Plaintiff electronically signed VLG's written attorney-client agreement. The parties dispute whether the terms of that agreement were explained to plaintiff. The agreement provided that VLG would receive a fee of either 33 1/3% of the gross amount of all monies recovered if the case settled before a lawsuit was filed or 40% of that gross amount after a lawsuit was filed. The agreement stated that the legal theory of *quantum meruit* would apply if VLG was discharged from representation. Specifically, the agreement provided that if plaintiff discharged VLG, he would pay a reasonable fee computed at the rate of $350 per hour plus advanced expenses. The agreement also provided that plaintiff was responsible for numerous other fees, including a $200 processing charge for the costs of postage, photocopies, telephone, and facsimile transactions. This processing charge increased to $400 after a lawsuit was filed. A $300 charge would be assessed to cover law bulletin and docket management charges and computerized research costs. A medical procurement charge ranging from $300 to $2000 would be assessed for the labor required to procure and organize medical records. A $150 charge would be assessed for each medical lien/bill reduced by VLG as part of the litigation. These expenses would be deducted from the gross amount of all monies recovered after the attorney fee was deducted.

¶ 8 Defendants were covered by a $1 million insurance policy per occurrence in the aggregate. Plaintiff's van was covered by a $100,000 policy per person for liability and underinsured

coverage. In September 2019, VLG settled the claims of plaintiff's three passengers with defendants' insurer for $24,952.40, which represented the full value of the passengers' claims. At the time of this settlement, plaintiff claimed that he had already incurred medical bills in excess of $700,000, but VLG claimed that it was aware of only about $230,000 of these bills. Rochowiak's personal injury claim and the property damage claims for Rochowiak's and plaintiff's vehicles were also settled from the proceeds of defendants' insurance policy for a total of $29,081.26. All the settlements from defendants' $1 million insurance policy totaled $53,081.26, which left a remaining balance of $946,918.74 under the policy.

¶ 9 In the spring of 2019, VLG received a $2000 payment from plaintiff's auto insurance policy for medical bills. VLG took $666.66 of these funds as attorney fees, $200 for "costs reimbursed," and $666.66 as "escro-med pay subro reimbursement," and distributed the remaining $466.68 to plaintiff.

¶ 10 In October 2019, VLG filed a complaint on behalf of plaintiff, alleging negligence against Mileski and vicarious liability against D Graham Transport, Inc. Thereafter, VLG completed written discovery and participated in the depositions of plaintiff, his wife, Mileski, and plaintiff's treating physician.

¶ 11 In July 2021, defendants offered plaintiff the remaining $946,918.74 balance of defendants' liability policy to settle the lawsuit. Plaintiff's wife sent VLG an e-mail to inform it that plaintiff had retained the Law Offices of Gregory A. Harris (Harris) and VLG was no longer authorized to make or discuss any settlement offer. In August 2021, plaintiff discharged VLG as his counsel and retained Harris. VLG required Harris to pay VLG's costs ($3,721.18) before

transferring plaintiff's file to Harris. These costs included $2000 paid to a trucking expert to determine if there was potential broker-shipper liability.

¶ 12 Plaintiff rejected the settlement offer, argued that the insurance company had diluted the policy limits before reaching an acceptable settlement agreement with him, and demanded the full $1 million policy limit. In December 2021, defendants increased their settlement offer by $25,352.40, for a new total offer of $972,271.15. Plaintiff continued to litigate the case, issuing requests to admit, retaining experts, and conducting other discovery in preparation for trial, which was set for November 2023.

¶ 13 In August 2023, plaintiff moved the court to adjudicate VLG's attorney's lien to zero dollars. Plaintiff argued that VLG's attorney-client agreement was void *ab initio* due to a conflict of interest and because it contained numerous unethical terms. Plaintiff also argued that the agreement was unenforceable because it failed to meet the rudimentary requirements for contingency fee agreements and was written in a language plaintiff did not speak, read, or understand.

¶ 14 VLG responded that it did nothing unethical, was entitled to reasonable attorney fees under *quantum meruit*, and requested the full 40% contingency fee of any settlement or judgment up to $946,918.72, pending resolution of the case. VLG's response contained affidavits. In his affidavit, VLG attorney Steve Armbruster, who handled plaintiff's case, explained the firm's intake procedure and averred that the firm has Spanish-speaking employees explain the contingency fee agreement to clients who speak only Spanish. Armbruster also averred that Richard Zamora and Jessica Lozado, who both spoke Spanish, were assigned to handle the intake procedure with plaintiff. Armbruster averred that none of plaintiff's three passengers blamed plaintiff in this

collision. In his affidavit, VLG attorney Jon Papin averred that he worked on plaintiff's case, reviewed the case file, determined that VLG worked more than 400 hours in this matter, and concluded that VLG was entitled to the *quantum meruit* equivalent of its contingency contract fee.

¶ 15 In her affidavit, Isabel Herrera averred that she spoke Spanish and English and was a medical records specialist at VLG. She had an independent recollection of plaintiff and his wife. In his affidavit, Richard Zamora averred that he communicated with VLG's clients in their language.

¶ 16 In his affidavit, Adrian Vuckovich, a partner of Collins Bargione & Vuckovich, summarized his experience in representing and advising attorneys and firms on matters involving attorney ethics and his work as an expert witness in legal malpractice lawsuits. One aspect of his practice includes representing lawyers in fee disputes. He opined that VLG's representation of plaintiff was careful, appropriate, and in compliance with the Illinois Rules of Professional Conduct of 2010. Vuckovich also opined that VLG's attorney-client agreement with plaintiff complied with the 2010 Rules. Specifically, Vuckovich opined that VLG did not violate Rule 1.7 of the Rules of Professional Conduct of 2010 (Ill. R. Prof'l Conduct (2010) R. 1.7 (eff. Jan. 1, 2010)), because VLG did not have a conflict of interest in representing plaintiff and his three passengers since their interests were aligned and no allegation in the pleadings or affirmative defense asserted that plaintiff was at fault. Vuckovich also opined that VLG had no conflict of interest based on the limits of defendants' insurance policy because the three passengers' medical damages were limited to $10,000 and plaintiff's medical expenses at the time of VLG's representation were $230,000. Vuckovich also opined that VLG's representation agreement with plaintiff contained all of the terms required by Rule 1.5 of the Rules of Professional Conduct of

2010 (Ill. R. Prof'l Conduct (2010) R. 1.5 (eff. July 1, 2023)). Vuckovich also opined that the cost provisions contained in the representation agreement do not violate any Rule of Professional Conduct and were fully disclosed to plaintiff. In addition, Vuckovich stated that the Illinois Attorney Registration and Disciplinary Commission (ARDC) had approved similar cost provisions in an attorney-client agreement.

¶ 17 The circuit court issued an order clarifying that the scope of the hearing on plaintiff's motion to adjudicate VLG's attorney's lien to zero dollars was limited to the issue of fee forfeiture only; the court struck all arguments regarding alleged proofs of fees. On October 6, 2023, after hearing argument, the court denied plaintiff's motion, ruling that VLG was entitled to *quantum meruit* fees to be determined at a later date if a settlement or judgment was obtained. Specifically, the circuit court ruled that the alleged conflict of interest was speculative and did not render VLG's attorney-client agreement void. The court also ruled that VLG's alleged improper charges and misconduct, if any, were not so egregious to render the attorney-client agreement unenforceable.

¶ 18 On October 16, 2023, plaintiff settled the case for $1,071,918.74, which was $125,000 more than the settlement amount offered to plaintiff in July 2021 during VLG's representation.

¶ 19 In January 2024, plaintiff moved the court to hold an evidentiary hearing and adjudicate VLG's *quantum meruit* claim to zero dollars based on VLG's alleged violations of the Rules of Professional Conduct of 2010 and unethical behavior. In the alternative, plaintiff argued that VLG should prove up entitlement to any fees according to a rate of $350 per hour, as provided in VLG's attorney-client agreement for a *quantum meruit* calculation. Plaintiff's exhibits included a police report, Mileski's deposition, the attorney-client agreement, and a chart of the cost provisions plaintiff challenged.

¶ 20 VLG responded that it was entitled in *quantum meruit* to 40% of the $946,918.74 insurance policy limit settlement offer that it had obtained in 2021, which results in a fee award of $378,767.49. VLG's exhibits included time sheets and attorney Armbruster's affidavit, which estimated that the firm spent over 800 attorney hours on plaintiff's case.

¶ 21 Plaintiff's reply included an exhibit identifying billing irregularities in VLG's time sheets. Plaintiff also moved for limited discovery directed at VLG's time entries, information contained in VLG's affidavits, and information related to the ethical violations. On May 14, 2024, the court denied plaintiff's motion for limited discovery.

¶ 22 The court heard argument on plaintiff's motion to adjudicate VLG's *quantum meruit* claim on June 11, 2024. Plaintiff argued, *inter alia*, that an evidentiary hearing was necessary; that VLG's 849.9 hours at $350 per hour produced a fee of $297,456; and that the court should deduct 90.35 hours for time spent on the fee matter. Plaintiff then challenged the hours spent and recommended an award based on 50 hours.

¶ 23 The court issued its written opinion on June 17, 2024. The court stated that it had considered the services performed, the time expended, the attorney hourly rate, the skill and standing of the attorney, the nature of the case, the difficulty of the issues involved, the importance of the matter, the degree of responsibility required, the usual and customary charges for comparable services, and the benefit resulting to the client. The court, however, did not make any specific findings concerning these factors. The court awarded VLG $378,767.10 in fees for the work performed in obtaining the 2021 $946,918.76 settlement offer, which is 40% of that amount. The court also awarded plaintiff's successor counsel its contractual attorney fees based on its

contingency agreement with plaintiff on the settlement monies over $946,918.76, *i.e.*, 40% of $125,000.

¶ 24 Plaintiff timely appealed.

¶ 25 II. ANALYSIS

¶ 26 A. *Quantum Meruit* Recovery for Legal Services

¶ 27 Under Illinois law, a client may discharge his attorney at any time, with or without cause. *Rhoades v. Norfolk & Western Railway Co.*, 78 Ill. 2d 217, 227-28 (1979). In the event a client terminates an attorney without cause, the attorney is entitled to reasonable fees for the services rendered on the basis of *quantum meruit*. *Id.* at 230.

¶ 28 1. Conflict of Interest

¶ 29 First, plaintiff argues that VLG is not entitled to any attorney fees because the attorney-client agreement was void for violating public policy due to VLG's concurrent conflict of interest in representing plaintiff and his three passengers regarding the same collision. We consider the issue of whether a contract is void using a *de novo* standard of review. *In re Estate of Feinberg*, 235 Ill. 2d 256, 263 (2009). In *Progressive Universal Insurance Co. of Illinois v. Liberty Mutual Fire Insurance Co.*, 215 Ill. 2d 121, 130 (2005), our supreme court explained the general principles applicable to a declaration that a private contract is void based on public policy. Specifically, the court explained:

> "Just as public policy demands adherence to statutory requirements, it is in the public's interest that persons not be unnecessarily restricted in their freedom to make their own contracts. The power to declare a private contract void as against public policy is therefore exercised sparingly. [Citation.] An agreement will not be invalidated on public

> policy grounds unless it is clearly contrary to what the constitution, the statutes or the decisions of the courts have declared to be the public policy or unless it is manifestly injurious to the public welfare. Whether an agreement is contrary to public policy depends on the particular facts and circumstances of the case. [Citation.]" *Id.*

¶ 30 "When determining whether an attorney is entitled to recover for his or her services in *quantum meruit*, Illinois courts recognize a distinction between" attorney-client agreements that are void as against public policy because the subject of the agreement is prohibited by law, on the one hand, and agreements that are unenforceable because they contain an illegal term or fail to include a legally required term, on the other hand. *Andrew W. Levenfeld and Associates, Ltd. v. O'Brien*, 2024 IL 129559, ¶ 65 (citing *Much Shelist Freed Denenberg & Ament, P.C. v. Lison*, 297 Ill. App. 3d 375, 380-82 (1998) (distinguishing cases where the attorneys involved were prohibited from entering into the agreement itself from those in which the attorneys violated statutes or rules associated with attorney fees or the attorney-client relationship)). In the case of the former, "where the contract itself is considered illegal, the courts will aid neither party but will leave them where they have placed themselves so that neither party can recover anything under the contract, nor in *quantum meruit*." *Andrew W. Levenfeld and Associates, Ltd.*, 2024 IL 129559, ¶ 65 (citing *Leoris v. Dicks*, 150 Ill. App. 3d 350, 353 (1986) (fee-splitting agreement violated public policy because referring lawyer was prohibited from receiving a percentage-based fee that is not based upon the sharing of services or responsibilities and thus referring attorney could not recover in law or equity from former firm under agreement), and *Licciardi v. Collins*, 180 Ill. App. 3d 1051, 1061-63 (1989) (attorney-client agreement violated public policy because contingency fee was prohibited in domestic relations cases and thus attorney could not recover in law or equity from client where

attorney-client relationship was based on the agreement)). "The determination of whether a contract is void *ab initio* as violative of public policy, thus precluding recovery under the contract or in *quantum meruit*, is reviewed *de novo*." *Andrew W. Levenfeld and Associates, Ltd*, 2024 IL 129559, ¶ 67.

¶ 31 Plaintiff argues that VLG's recovery under a theory of *quantum meruit* is barred because the attorney-client agreement is void for violating public policy since VLG had a concurrent conflict of interest in representing plaintiff and his passengers in the same collision. Specifically, plaintiff contends that he and his passengers were directly adverse and there was a significant risk that VLG's representation of him was materially limited by its responsibilities to the passengers.

¶ 32 Rule 1.7 of the Rules of Professional Conduct of 2010, which addresses conflicts of interest among a lawyer's clients, provides:

> "(a) Except as provided in paragraph (b), a lawyer shall not represent a client if the representation involves a *concurrent conflict of interest*. A concurrent conflict of interest exists if:
>
> (1) the representation of one client will be *directly adverse* to another client; or
>
> (2) there is a *significant risk* that the representation of one or more clients will be *materially limited* by the lawyer's responsibilities to another client, a former client or a third person or by a personal interest of the lawyer.
>
> (b) Notwithstanding the existence of a concurrent conflict of interest under paragraph (a), a lawyer may represent a client if:

(1) the lawyer reasonably believes that the lawyer will be able to provide competent and diligent representation to each affected client;

(2) the representation is not prohibited by law;

(3) the representation does not involve the assertion of a claim by one client against another client represented by the lawyer in the same litigation or other proceeding before a tribunal; and

(4) each affected client gives informed consent." (Emphases added.) Ill. R. Prof'l Conduct (2010) R. 1.7 (eff. Jan. 1, 2010).

¶ 33 Plaintiff argues that VLG's simultaneous representation of him and his passengers constituted a concurrent conflict of interest because his and his passengers' interests were directly adverse to each other since they were competing for the same limited insurance proceeds. Plaintiff asserts that VLG's duty to the passengers interfered with its ability to achieve the best recovery for plaintiff, which included the entire $1 million insurance policy. According to plaintiff, VLG's representation of the passengers took priority over its representation of him because VLG secured settlements for the full value of the passengers' claims while leaving only a small percentage of the value of his case for him to recover from the same insurance proceeds. In addition, plaintiff argues that the record contains evidence of his and his passengers' adverse interests based on the theory that plaintiff negligently contributed to his passengers' injuries where a police report and Mileski's deposition indicate that Mileski stated that plaintiff stopped his van suddenly in front of Mileski's vehicle. Plaintiff also argues that VLG failed to represent him diligently because it should have taken smaller pro-rated settlements from the $1 million policy for the passengers' claims and then sought underinsured motorist coverage for the remaining value of their claims

from plaintiff's insurance policy. Plaintiff cites no case directly on point, and independent research has located no cases with the same or similar factual situation.

¶ 34 Comment 8 to Rule 1.7, concerning identifying conflicts of interest, provides:

> "Even where there is no direct adverseness, a conflict of interest exists if there is a *significant risk* that a lawyer's ability to consider, recommend or carry out an appropriate course of action for the client will be *materially limited* as a result of the lawyer's other responsibilities or interests. *** The *mere possibility* of subsequent harm does not itself require disclosure and consent. The critical questions are the *likelihood* that a difference in interests will eventuate and, if it does, whether it will *materially interfere* with the lawyer's independent professional judgment in considering alternatives or foreclose courses of action that reasonably should be pursued on behalf of the client." (Emphases added.) Ill. R. Prof'l. Conduct (2010) R. 1.7 cmt. 8 (eff. Jan. 1, 2010).

¶ 35 Comment 23, concerning conflicts in litigation, provides:

> "[S]imultaneous representation of parties whose interests in litigation may conflict, such as coplaintiffs or codefendants, is governed by paragraph (a)(2). A conflict may exist by reason of *** the fact that there are *substantially different possibilities of settlement of the claims* or liabilities in question. Such conflicts can arise in criminal cases as well as civil. The potential for conflict of interest in representing multiple defendants in a criminal case is so grave that ordinarily a lawyer should decline to represent more than one codefendant. On the other hand, common representation of persons having similar interests in civil litigation is proper if the requirements of paragraph (b) are met." (Emphasis added.) *Id.* cmt. 23.

¶ 36 Comment 29, concerning considerations in common representation, provides:

> "In considering whether to represent multiple clients in the same matter, a lawyer should be mindful that if the common representation fails because the potentially adverse interests cannot be reconciled, the result can be additional cost, embarrassment and recrimination. Ordinarily, the lawyer will be forced to withdraw from representing all of the clients if the common representation fails. In some situations, the risk of failure is so great that multiple representation is plainly impossible. For example, *a lawyer cannot undertake common representation of clients where contentious litigation or negotiations between them are imminent or contemplated.* Moreover, because the lawyer is required to be impartial between commonly represented clients, representation of multiple clients is improper when it is unlikely that impartiality can be maintained. Generally, *if the relationship between the parties has already assumed antagonism,* the possibility that the client's interests can be adequately served by common representation is not very good. ***." (Emphases added.) *Id.* cmt. 29.

¶ 37 "[C]ounsel's representation of two or more clients in the same proceeding presents an *actual* conflict of interests where those interests are *directly* antagonistic." (Emphases in original.) *In re Estate of M.L.*, 2018 IL App (3d) 170712, ¶ 39. We conclude that any conflict of interest in the factual situation in the instant case is merely potential and not actual. Plaintiff's alleged basis for asserting a conflict of interest does not demonstrate an actual or significant risk of a conflict of interest, or even a likelihood that a difference of interests will eventuate, because none of plaintiff's passengers blamed him for the collision and no allegation in the pleadings or any affirmative defense asserted that plaintiff was at fault. Furthermore, the record does not indicate substantially

different possibilities of settlement of the claims in question or that VLG's representation of the passengers had an adverse effect on its representation of plaintiff where the $24,952.40 VLG obtained to settle the three passengers' claims represents only about 2.5% of defendants' $1 million insurance coverage. Consequently, even if a difference of interests did arise between plaintiff and his passengers, the record does not indicate that it would have materially interfered with VLG's independent professional judgment in considering alternatives or foreclose courses of action that reasonably should have been pursued on behalf of plaintiff.

¶ 38 The likelihood of an actual conflict of interest arising during VLG's representation of plaintiff and his passengers was remote and uncertain. Therefore, we find that the trial court did not err in rejecting plaintiff's argument that VLG's representation of plaintiff and his passengers constituted a conflict of interest that rendered VLG's attorney-client agreement with plaintiff void and thus barred VLG from recovering under a *quantum meruit* theory.

¶ 39 2. Preclusion of *Quantum Meruit* Recovery by Egregious Conduct

¶ 40 Next, plaintiff argues that VLG is not entitled to any attorney fees because (1) the attorney-client agreement contains improper and unconscionable charges, and (2) VLG's conduct in handling the costs and expenses was unethical.

¶ 41 If the attorney-client agreement is not void as against public policy, but some aspect of the agreement violates a rule or statute, "the circuit court has broad discretion to determine whether recovery in *quantum meruit* is precluded depending on the egregiousness of the particular conduct involved." *Andrew W. Levenfeld and Associates, Ltd*, 2024 IL 129559, ¶ 67. Rule 1.5 of the Rules of Professional Conduct of 2010 (Ill. R. Prof'l Conduct (2010) R. 1.5 (eff. July 1, 2023), which addresses attorney fees and expenses, "embod[ies] this state's public policy of placing the rights

of clients above and beyond any lawyer's remedies in seeking to enforce fee-sharing arrangements." *Romanek v. Connelly*, 324 Ill. App. 3d 393, 399 (2001). An attorney's violation of Rule 1.5 renders a fee agreement unenforceable (*Donald W. Fohrman & Associates, Ltd. v. Marc D. Alberts, P.C.*, 2014 IL App (1st) 123351, ¶¶ 33, 56); however, violations of the Illinois Rules of Professional Conduct, standing alone, do not preclude an award of fees on a *quantum meruit* basis (*Andrew W. Levenfeld and Associates, Ltd. v. O'Brien*, 2023 IL App (1st) 211638, ¶ 38, *rev'd in part on other grounds*, 2024 IL 129559).

¶ 42 Rule 1.5(a) provides:

> "(a) *A lawyer shall not make an agreement for, charge, or collect* an unreasonable fee or *an unreasonable amount for expenses*. The factors to be considered in determining the reasonableness of a fee include the following:
>
> (1) *the time and labor required*, the novelty and difficulty of the questions involved, *and the skill requisite to perform the legal service properly*;
>
> (2) the likelihood, if apparent to the client, that the acceptance of the particular employment will preclude other employment by the lawyer;
>
> (3) *the fee customarily charged in the locality for similar legal services*;
>
> (4) the amount involved and the results obtained;
>
> (5) the time limitations imposed by the client or by the circumstances;
>
> (6) the nature and length of the professional relationship with the client;
>
> (7) the experience, reputation, and ability of the lawyer or lawyers performing the services; and

(8) whether the fee is fixed, contingent, or some type of retainer." (Emphases added.) Ill. R. Prof'l Conduct (2010) R. 1.5(a) (eff. July 1, 2023).

These factors are not exclusive and each factor will not be relevant in each instance. *Id.* cmt. 1. "*A lawyer may seek reimbursement for the cost of services performed in-house, such as copying, or for other expenses incurred in-house, such as telephone charges, either by charging a reasonable amount to which the client has agreed in advance or by charging an amount that reasonably reflects the cost incurred by the lawyer*." (Emphasis added.) *Id.*

¶ 43 First, plaintiff argues that VLG's attorney-client agreement improperly states that the client will be charged for ordinary office expenses like photocopying, telephone charges, paralegal and law clerk time, and other overhead expenses that are incorporated into the attorney fees charged to a client (here, the 40% contingency fee) and, thus, cannot be separately charged as expenses. Plaintiff argues that the agreement's numerous improper charges include separate charges for paralegal and law clerk time; $400 for postage, copies, telephone, and facsimile transactions, regardless of the actual cost of these items to the firm; $300 for law bulletin and docket management; a medical records procurement charge of $300 to $2000; $150 for each medical lien reduced by VLG; $200 if VLG is handling a separate worker's compensation claim; and a $50 to $1000 processing charge for any medical payments recovered.

¶ 44 Plaintiff cites *Harris Trust & Savings Bank v. American National Bank & Trust Co. of Chicago*, 230 Ill. App. 3d 591 (1992), and *Johnson v. Thomas*, 342 Ill. App. 3d 382 (2003), to support his argument that VLG's attorney-client agreement improperly states that clients will be responsible for ordinary office expenses and other overhead expenses. In those cases, the prevailing party in the litigation sought attorney fees and costs, and the courts ruled that those

parties could not recover general overhead office expenses like in-house photocopying, check processing, legal newspaper subscriptions, telephone charges, in-house delivery services, and in-house paralegal and secretarial assistance because these are mainly fixed expenses and therefore are already reflected in an attorney's hourly rate. *Harris Trust & Savings Bank*, 230 Ill. App. 3d at 599; *Johnson*, 342 Ill. App. 3d at 401-02; but see Ill. R. Prof'l Conduct (2010) R. 1.5(a) cmt. 1 (eff. July 1, 2023) (allowing attorney costs for services performed in-house, like copying). Plaintiff also asserts that VLG's unreasonable fees and expenses are especially egregious because plaintiff could not understand how outrageous the fees and expenses were since he did not read or understand English. See *In re Morentin's Estate*, 86 Ill. App. 2d 269, 273 (1967) (attorney's lien held invalid where the evidence showed that the Spanish-speaking client could not comprehend the legal significance of the English-language contingency fee agreement).

¶ 45 Although plaintiff could not speak or read English, the record shows that he relied on his wife, who did speak and read English, in his communications with VLG. Nevertheless, some of the charges listed in VLG's attorney-client agreement are problematic. Several of the costs listed in the attorney-client agreement do not seem reasonable, customary, or reflective of the costs incurred by VLG. For example, the increase in the cost of the "processing charge" for postage, photocopies, telecopies, telephone, and facsimile transactions from $200 to $400 after a lawsuit is filed hardly reflects the cost incurred by VLG as there is no reason why these items would become more expensive after the filing of the complaint. Also, the charge for the relatively uncomplicated task of obtaining medical records can range from $300 to $2000 based on the total cost of the client's medical care. Furthermore, the $150 charge assessed for each medical lien/bill reduced by VLG as part of the litigation and the $50 to $1000 "processing charge" for any medical payments

recovered do not seem to reflect the costs incurred by VLG for legal services and already would seem to be incorporated in the firm's fees for staff's actual work to accomplish these services.

¶ 46 Second, plaintiff argues that VLG's conduct in handling plaintiff's funds and the costs and expenses in this matter was unethical and violated the fiduciary duties VLG owed to plaintiff. For example, when VLG received in 2019 a $2000 check for medical payments coverage under plaintiff's insurance policy, VLG took from it a $666.66 contingency fee and $200 in unspecified costs, retained $666.66 as "Escrow – Med Pay Subro Reimbursement," and gave plaintiff only $466.68. Then, VLG failed to provide plaintiff, pursuant to Rule 1.5(d)(2), a written statement stating the outcome of this matter and showing the remittance to plaintiff and the method of its determination. VLG failed to remit to plaintiff the $666.66 it was holding in escrow until plaintiff's current counsel informed the circuit court in 2023 that VLG withheld these funds from plaintiff for over two years and the court directed VLG to remit these funds to plaintiff's counsel. Plaintiff adds that VLG improperly took the $666.66 contingency fee on the $2000 undisputed medical pay insurance payment, citing for support *In re Teichner*, 104 Ill. 2d 150, 154, 160 (1984) (based on the terms of the attorney-client agreement, no contingency fee was due to counsel from the insurer's routine insurance payment to the complainant because that recovery did not occur from a settlement or judgment).

¶ 47 Plaintiff also states that VLG wrongfully charged him an unidentified expense of $200 for "costs reimbursed." Furthermore, when VLG required plaintiff's current counsel to reimburse VLG for $3,721.18 in costs before turning over plaintiff's file, those costs included a $2000 payment to an expert but the file showed no evidence of that expert's retention or work performed in the case.

¶ 48 In response, VLG argues that the cost recovery provisions in its attorney-client agreement played no role in the fee award because the contract terminated when plaintiff discharged VLG and VLG did not seek recovery of any costs. VLG also argues that the cost recovery provisions in its contract were proper because the contract clearly identified the costs and, thus, accomplished full disclosure as required by Rule 1.5. Moreover, VLG presented to the circuit court the affidavit of attorney Vuckovich, who averred that the contract's cost provisions did not violate any Rule of Professional Conduct and the ARDC had approved similar provisions in another attorney-client agreement. Further, VLG asserts that it did not engage in any egregious or improper conduct. Regarding the $2000 check received from plaintiff's insurance carrier for medical payments coverage, VLG states that claim was separate from plaintiff's accident claim. Further, VLG contends that hospitals now claim these medical payments coverage amounts directly from the injured person's insurance carrier, thereby leaving the injured person with nothing. According to VLG, by stepping in immediately, it ensures that its clients receive something from the medical payments coverage, and VLG holds that amount in escrow for medical liens.

¶ 49 Not every breach of fiduciary duty requires a complete forfeiture of *quantum meruit* fees; the question is whether the breach is "so egregious as to require the forfeiture of compensation by the fiduciary as a matter of public policy." *In re Marriage of Pagano*, 154 Ill. 2d 174, 190 (1992). "[W]hen one breaches a fiduciary duty to a principal[,] the appropriate remedy is within the equitable discretion of the court." *Id.* Here, the alleged improper costs disclosed in VLG's contract and VLG's alleged wrongful conduct are certainly factors appropriate for consideration. Moreover, because *quantum meruit* is an equitable remedy, it is appropriate for the circuit court to consider counsel's conduct in deciding what they deserved to be paid in this case. However, "the

adjudication of a firm's fees to zero dollars is relatively uncommon." See *Vandenberg v. RQM, LLC*, 2020 IL App (1st) 190544, ¶ 40. Based on the record before the circuit court here, we cannot say that the court's decision that VLG would be entitled to some compensation if a recovery occurred in this matter was an abuse of discretion or that no reasonable person could find that VLG was entitled to receive any fees from a recovery.

¶ 50 In several cases, this court has approved a fee award and recognized that "[a]n attorney who is discharged for cause is entitled to a fee based on the reasonable value of his services." *Tobias v. King*, 84 Ill. App. 3d 998, 1001 (1980); see *Johns v. Klecan*, 198 Ill. App. 3d 1013, 1023 (1990) (finding that attorneys discharged for cause "are entitled, like those discharged without cause, to a *quantum meruit* recovery of fees"). But see *Keck & Associates, P.C. v. Vasey*, 359 Ill. App. 3d 566, 569 (2005) (holding that a discharged attorney may "recover in *quantum meruit* only on a showing that the client discharged him without cause"). Here, the circuit court considered appropriate factors to assess how VLG's alleged improper contractual cost provisions and alleged misconduct could have impacted plaintiff. We cannot say that no reasonable person would have concluded, as the circuit court did, that VLG was entitled to some fees.

¶ 51 We conclude that the circuit court did not abuse its discretion when it determined that VLG's alleged improper contract provisions concerning costs and mishandling of the charges and expenses were not so egregious that VLG was barred from recovering attorney fees under *quantum meruit*.

¶ 52 3. Lack of an Evidentiary Hearing

¶ 53 Plaintiff argues that the trial court erred when it failed to conduct an evidentiary hearing before ruling in October 2023 that VLG was entitled to *quantum meruit*. According to plaintiff, an

evidentiary hearing should have been held because questions of fact existed on whether (1) VLG had a conflict of interest, (2) VLG obtained informed consent from plaintiff and his passengers, (3) the other elements of Rule 1.7 were satisfied, and (4) the other alleged ethical violations were egregious enough to forfeit any *quantum meruit* relief. Plaintiff also argues that he should be allowed to take limited discovery on these issues if this court remands this matter for an evidentiary hearing.

¶ 54 The decision to conduct an evidentiary hearing is a matter within the discretion of the circuit court. *A.L. Dougherty Real Estate Management Co. v. Su Chin Tsai*, 2017 IL App (1st) 161949, ¶ 46. In determining whether the circuit court abused its discretion, we do not decide whether we merely disagree with the court's decision. *May v. SmithKline Beecham Clinical Laboratories, Inc.*, 304 Ill. App. 3d 242, 246 (1999). Rather, we will reverse the circuit court only if we find that it "acted arbitrarily without the employment of conscientious judgment or, in view of all circumstances, exceeded the bounds of reason and ignored recognized principles of law so that substantial prejudice resulted." (Internal quotation marks omitted.) *Id.* An evidentiary hearing on a fee petition is required only when the party opposing the petition "raises issues of fact that cannot be resolved without further evidence." *Young v. Alden Gardens of Waterford, LLC*, 2015 IL App (1st) 131887, ¶ 113. Plaintiff neither establishes what benefits an evidentiary hearing would have offered nor identifies evidence that would raise a factual dispute that would warrant an evidentiary hearing. Moreover, the record does not show that plaintiff requested an evidentiary hearing after the circuit court ruled that the scope of the October 6, 2023, hearing on plaintiff's motion to adjudicate VLG's attorney fees to zero dollars was limited to the issue of VLG's forfeiture of *quantum meruit* recovery only. By failing to request an evidentiary hearing for the

October 6, 2023, hearing on his motion, plaintiff essentially conceded that the matter could be decided without an evidentiary hearing. See *Demitro v. General Motors Acceptance Corporation*, 388 Ill. App. 3d 15, 22 (2009). We conclude that it was well within the circuit court's discretion to resolve the matter limited to VLG's forfeiture of *quantum meruit* recovery without an evidentiary hearing.

¶ 55 Accordingly, we affirm the circuit court's finding that *quantum meruit* applied and VLG was not barred from recovering any fees.

¶ 56 B. Amount of Fee Award

¶ 57 Having found that the circuit court did not err in holding that VLG was entitled to recover from plaintiff in *quantum meruit*, we now address whether the circuit court erred in its determination of the amount of the award. "If the reviewing court finds that recovery in *quantum meruit* is not precluded, the amount of the award is reviewed based on the manifest weight of the evidence." *Andrew W. Levenfeld & Associates, Ltd.*, 2024 IL 129599, ¶ 67. "A finding is against the manifest weight of the evidence where the opposite conclusion is clearly evident or if the finding itself is unreasonable, arbitrary, or not based on the evidence presented." (Internal quotation marks omitted.) *Id.* ¶ 56.

¶ 58 A party seeking recovery on a *quantum meruit* theory must demonstrate the performance of services by the party, the conferral of the benefit of those services on the party from whom recovery is sought, and the unjustness of the latter party's retention of the benefit in the absence of any compensation. *First National Bank of Springfield v. Malpractice Research, Inc.*, 179 Ill. 2d 353, 365 (1997). However, when an attorney's services are terminated without cause, these elements of a *quantum meruit* claim are established as a matter of law because a termination

without cause creates liability in *quantum meruit* for the reasonable value of the services rendered. *Andrew W. Levenfeld & Associates, Ltd.*, 2024 IL 129599, ¶ 55.

> "*Quantum meruit* is an equitable remedy [citation], which allows the circuit court to use its broad discretion in arriving at what it determines to be the reasonable value of the discharged attorney's services. [Citation.] While [former counsel] may not be required to provide a line-by-line detailing of all their efforts, they must provide some evidence that is sufficiently specific to prove the reasonable value of the benefit [the former client] received. [Citation.] If [former counsel fails] to present such evidence, the award will be deemed to be against the manifest weight of the evidence. [Citation.]
>
> *** 'In cases in which an attorney who has done much work *is fired immediately before settlement is reached*, the factors involved in determining a reasonable fee would justify a finding that the entire contract fee is the reasonable value of services rendered.' " (Emphasis added.) *Id.* ¶¶ 59-60 (quoting *Wegner v. Arnold*, 305 Ill. App. 3d 689, 693 (1999)).

¶ 59 VLG's attorney-client agreement provided that VLG would receive a fee of either 33 1/3% of the gross amount of all monies recovered if the case settled before a lawsuit was filed or 40% of that gross amount after a lawsuit was filed. Moreover, if plaintiff discharged VLG, then plaintiff would pay a fee computed at the rate of $350 per hour plus advanced fees. VLG represented plaintiff in this matter for about 2 1/2 years. Before plaintiff discharged VLG in August 2021, defendants made a settlement offer to plaintiff in July 2021 of $946,918.74. Plaintiff rejected that offer, and defendants, in December 2021, increased their settlement offer by $25,352.40, for a new total offer of $972,271.15. In October 2023, the parties settled the underlying litigation for

$1,071,918.74, which was $125,000 more than the settlement offer made during VLG's representation.

¶ 60 The circuit court heard argument on the fee issue and thereafter awarded VLG a fee of $378,767.10 (which is 40% of the July 2021 $946,918.76 settlement offer) and awarded plaintiff's successor counsel its contractual contingency fee (40%) of the $125,000 increase of the settlement offer achieved after VLG's discharge (which is $50,000).

¶ 61 On appeal, plaintiff argues that, even if VLG is entitled to attorney fees, the trial court erred by awarding VLG its full contingency fee rate of 40% of the amount of the July 2021 settlement offer because the parties settled this case about two years and two months after VLG's discharge in August 2021. The attorney-client agreement provided that if plaintiff discharged VLG, VLG's fees would be calculated at a $350 hourly rate. Plaintiff argues that VLG's fee should be reduced to a maximum of $35,000, which is based on 100 hours at the $350 hourly rate. In the alternative, plaintiff argues that the case should be remanded for an evidentiary hearing to determine the reasonableness of the attorney hours VLG spent on this case.

¶ 62 VLG responds that the attorney-client agreement's contingency fee structure is evidence of the value of VLG's legal services. VLG also argues that the $125,000 increase in the settlement offer after VLG's termination did not add real value to the offer made during VLG's representation because (1) successor counsel's retention of experts and expert discovery resulted in additional costs to plaintiff, which reduced the value of the additional recovery, and (2) if plaintiff had accepted the offer obtained by VLG 2021 and invested it, the monetary result for plaintiff would have been nearly the same as he received when the case ultimately settled in 2023. Furthermore,

VLG argues that the contract's $350 hourly fee clause applicable to discharged counsel did not limit VLG's *quantum meruit* recovery because the contract was terminated upon VLG's discharge.

¶ 63 The evidence before the circuit court included the March 2024 affidavit of VLG attorney Armbruster and attached 68 pages of time and labor sheets, which estimated the time the firm spent on this case from December 19, 2018, to February 6, 2024. VLG had to estimate its hours because VLG, as a plaintiff's contingency fee law firm, does not keep detailed time sheets. According to its time and labor sheets, VLG spent 849.9 total attorney hours and 517.9 non-attorney hours on this case.

¶ 64 In challenging VLG's fees before the circuit court, plaintiff stated that VLG's claimed 849.9 hours at the $350 per hour rate specified in the attorney-client agreement for discharged attorneys would produce a fee of $297,456. Plaintiff also stated that when the *quantum meruit* forfeiture issue previously came before the court in October 2023, VLG presented the affidavit of attorney Papin, who averred that VLG spent about 400 hours on this case. Plaintiff presented to the circuit court an exhibit identifying alleged multiple billing irregularities in VLG's time sheets. Plaintiff argued that the court should first deduct 90.35 hours for time VLG spent on the attorney fees issue after its discharge. Then, concerning the remaining 759.55 hours billed, plaintiff made specific, line-item challenges based on alleged billing irregularities and inflated time entries spent on uncomplicated legal matters.

¶ 65 For example, plaintiff challenged as excessive the 44.5 hours VLG claimed in a routine, rear-end vehicle collision case for attorney time spent preparing and taking the deposition of defendant Mileski, which spanned only 84 pages of transcript. Furthermore, VLG claimed that it spent 66.8 hours to prepare plaintiff and his wife for their depositions. About 27 of those hours

were allegedly devoted to the one-hour deposition of the wife, who had no personal knowledge of any liability issues and was essentially only a damages witness. VLG claimed 33 hours to prepare and present the deposition of plaintiff's treating doctor, Dr. Neckrysh, who was an experienced testifying doctor and had given thousands of depositions. Dr. Neckrysh's deposition transcript totals 52 pages. VLG claimed that it spent 2.5 hours on March 20, 2020, reviewing a one-page "Damages Worksheet," and over 60 attorney hours throughout the years preparing and reviewing the damages memorandum. Plaintiff concluded that 75 to 100 hours for VLG's work was reasonable and recommended that the court award VLG attorney fees based on 100 hours at the $350 hourly rate, *i.e.*, $35,000.

¶ 66 The doctrine of *quantum meruit* allows the circuit court to award an attorney " 'as much as he deserves' " for representing a client. *Lee v. Ingalls Memorial Hospital*, 232 Ill. App. 3d 475, 478 (1992) (quoting *Van C. Argiris & Co. v. FMC Corp.*, 144 Ill. App. 3d 750, 753 (1986)). And as much as the attorney deserves is the reasonable value of his services during the representation of his client, which the attorney has the burden to prove and the court will determine after considering (1) the attorney's skill and standing, (2) the time and labor required, (3) the nature of the cause and the difficulty of the issues involved, including the amount of money at issue, (4) the novelty and difficulty of the subject matter, (5) the attorney's degree of responsibility in managing the case, (6) the usual and customary charge for that type of work in the community, and (7) the benefits resulting to the client. *In re Estate of Callahan*, 144 Ill. 2d 32, 41, 43-44 (1991). "The trial court's determination as to an appropriate award of attorney fees must be considered in light of the principle that the trial judge is permitted to use his [or her] own knowledge and experience to assess the time required to complete particular activities, and a court of review may not reverse an

award of attorney fees merely because it may have reached a different conclusion." *Chicago Title & Trust Co. v. Chicago Title & Trust Co.*, 248 Ill. App. 3d 1065, 1074 (1993).

¶ 67 The circuit court judge who ruled on the issue of the amount of VLG's fee award did not preside over the underlying case for most of its duration or while VLG represented plaintiff. Moreover, although the court's written fee award listed the factors circuit courts consider in determining the reasonable value of an attorney's services, the award made no references or findings relating to the nature of the action, the novelty and difficulty of the subject matter, and the time and labor required. The court's decision makes no reference or finding concerning plaintiff's numerous line-item challenges to entries in VLG's time sheets that appear suspect. The circuit court's order contains no finding of whether VLG's requested full 40% contingency fee is reasonable, an inquiry that involves multiple considerations, including whether there is a reasonable connection between that fee and the legitimate legal services rendered to plaintiff.

¶ 68 Based upon the record, we conclude that the circuit's award to VLG of its full 40% contingency fee for the amount of the July 2021 settlement offer, where plaintiff rejected that offer, discharged VLG, and continued to litigate this matter for over two more years before reaching a settlement agreement that was $125,000 more than the amount offered during VLG's representation, is not reasonable based on the particular circumstances of this case and the evidence presented and, thus, is against the manifest weight of the evidence. A discharged attorney is entitled only to the reasonable value of the services rendered during the period of employment (*In re Estate of Callahan*, 144 Ill. 2d at 41-42), and the discharged attorney's contingency fee may not be the best indication of the reasonable value of those services.

> "[A] contingency fee often represents a windfall, an incentive for a firm to bear the full risk of loss in cases where the plaintiff has a potentially valuable claim but may not have the funds to advance the litigation. As such, contingency fees often bear little relation to the true value of the time a firm has spent on a case, measured in hours the firm expended multiplied by a reasonable hourly rate." *Vandenburg*, 2020 IL App (1st) 190544, ¶ 36.

Because this case did not settle immediately after VLG's discharge, the determination of the reasonable value of VLG's services is best made by the circuit court determining the total amount of time that VLG spent performing legitimate services for plaintiff and then multiplying that time by a reasonable hourly rate. See *Johns v. Klecan*, 198 Ill. App. 3d 1013, 1021 (1990).

¶ 69 The manifest weight of the evidence standard of review as to the amount of the fee award is deferential to the circuit court's judgment. *Wildman, Harrold, Allen & Dixon v. Gaylord*, 317 Ill. App. 3d 590, 598 (2000). Thus, whether this court would have awarded an amount in line with the contingency fee structure in the attorney-client agreement is of no import if, based on the record before it, the circuit court could have reasonably made the award. We find the record does not support VLG's contingency fee award based on the particular facts here concerning when the case settled and the total amount of the settlement, and plaintiff's challenges to a number of entries in VLG's time sheets that appear suspect. Thus, we vacate the circuit court's determination as to the amount of the award and remand this matter for further proceedings.

¶ 70 Plaintiff also argues that the trial court erred by awarding successor counsel's fees based only on its contingency fee agreement with plaintiff on the settlement monies over $946,918.76. Without citation to any authority, plaintiff argues that the circuit court's finding is against the manifest weight of the evidence because "[a]ny lesser [fee] amount awarded to VLG would result

in the reduction amount being awarded to [plaintiff's] current attorney." Plaintiff, however, cites no relevant legal authority to support this argument.

¶ 71 "[A] reviewing court is entitled to have the issues on appeal clearly defined with pertinent authority cited and a cohesive legal argument presented. Illinois Supreme Court Rule 341(h)(7) (eff. Oct. 1, 2020) requires a clear statement of contentions with citation of the authorities relied on. This rule is not merely a suggestion but is necessary for the proper and efficient administration of the courts. *First National Bank of Marengo v. Loffelmacher*, 236 Ill. App. 3d 690, 691-92 (1992). Issues that are ill-defined and insufficiently presented do not satisfy the rule and are considered forfeited. *Express Valet, Inc. v. City of Chicago*, 373 Ill. App. 3d 838, 855 (2007). Accordingly, we do not consider the merits of plaintiff's argument concerning successor counsel's fees.

¶ 72 C. Discovery

¶ 73 Finally, plaintiff argues that he is entitled to limited discovery before any evidentiary hearing occurs on remand.

¶ 74 Decisions about whether to conduct an evidentiary hearing and grant limited discovery before such a hearing are matters within the discretion of the circuit court. *A.L. Dougherty Real Estate Management Co.*, 2017 IL App (1st) 161949, ¶ 46; *Hursey v. Calhoun*, 2020 IL App (5th) 190276, ¶ 63. Accordingly, we leave these matters for the circuit court to decide on remand.

¶ 75 III. CONCLUSION

¶ 76 For the foregoing reasons, we affirm the circuit court's conclusion that VLG is entitled to attorney fees under the theory of *quantum meruit*. However, we vacate the circuit court's

$378,767.10 contingency fee award to VLG and remand the matter to the circuit court for proceedings to determine the amount of VLG's fee.

¶ 77 Affirmed in part and vacated in part.

¶ 78 Cause remanded.