2026 IL App (1st) 252540-U

No. 1-25-2540

Order filed August 27, 2026

Fourth 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

COMPLETE CHICAGO CHIROPRACTIC AND SPORTS MEDICINE, LTD., Plaintiff-Appellant, v. MICHAEL MARTIN and RYAN MARGULIS, Defendants, (Ryan Margulis, Defendant-Appellee).	)	Appeal from the Circuit Court of Cook County No. 24 M1 131136 Honorable Arlene Y. Coleman-Romeo, Judge Presiding.

PRESIDING JUSTICE NAVARRO delivered the judgment of the court.
Justices Ocasio and Quish concurred in the judgment.

ORDER

¶ 1 *Held*: The circuit court properly granted defendant's combined section 2-619.1 motion to dismiss with prejudice.

¶ 2 Plaintiff, Complete Chicago Chiropractic and Sports Medicine, Ltd. (Complete Chicago), appeals from the circuit court's grant of defendant Ryan Margulis's motion to dismiss that was

brought pursuant to section 2-619.1 of the Illinois Code of Civil Procedure (Code) (735 ILCS 5/2-619.1 (West 2024)). For the following reasons, we affirm.

¶ 3 I. BACKGROUND

¶ 4 On November 26, 2024, Complete Chicago filed a complaint against Michael Martin and Margulis. The following allegations were made in the complaint. Martin was involved in a motor vehicle accident in February 2021 and subsequently sought care from Complete Chicago. On February 18, 2021, Martin signed a written agreement. The agreement was attached to the complaint. It stated in pertinent part:

> "For good and valuable consideration received, I, Michael Martin, being the undersigned, authorize and direct you, Nikitas Fudukos, to pay directly to [Complete Chicago] any sums as may be due and owing this chiropractic office for services rendered me, both by reason of accident, or illness and/or by reason of any other bills that are due this chiropractic office, and to withhold such sums from *** any settlement, judgment or verdict on my behalf as may be necessary to adequately protect said chiropractic office. I agree that if any settlement payment is made for services rendered to the patient, they will immediately pay required outstanding chiropractic bills due this office. ***.
>
> In further consideration of the above-indicated treatment, I hereby give a lien to said office against any and all insurance benefits named herein, and any and all proceeds of any settlements, judgment, or verdict, which may be owed me as a result of the injuries or illness for which I have been treated by said office. This contract is to act as an assignment of my rights and benefits to the extent of the office's charges for services provided herein. This also give[s] the right and ability

for this office to act on my behalf to purse [*sic*] such claim, right or chose in action with connection with said insurance policy, benefit plans, attorneys, and any responsible party liable for paying any and all fees, including but not limited to, the right to act in my behalf as my designated representative in respect to any benefits or payments due to this office.

I, the undersigned, further hereby authorize and direct my attorney, Nikitas Fudukos when settlement or judgment is reached, to pay in full the chiropractic bills rendered for all treatment and services as a result of the injuries or illness for which I have been treated by said office and any other amounts which I may owe said office at that time. ***.

¶ 5 In the unlikely event of any litigation the patient will be responsible for all litigation costs, legal fees, and any other costs and expenses incurred in connection with in [*sic*] this agreement.

***

I understand that I am directly and fully responsible to said office for all medical bills submitted by them for services rendered me and this agreement is made solely for said office's additional protection. I further understand that such payments are not contingent on any settlement, judgment or verdict by which I may eventually recover said fees. Said medical payments are due on demand by the office."

¶ 6 Complete Chicago alleged in its complaint that Martin received care from Complete Chicago until March 23, 2021.

¶ 7 Martin hired Margulis and the law firm of Seidman, Margulis, & Fairman, LLP to pursue damages from the person responsible for the accident. On August 19, 2024, Margulis, as attorney for Martin, settled the personal injury claim.

¶ 8 There were several counts in the complaint, but the ones against Margulis were as follows. Count III was for conversion, alleging that Margulis knew that Martin had "assigned his rights to any settlement funds in the amount equal to the chiropractic treatment" under the written agreement ($3,668). Complete Chicago alleged that Margulis knew that $3,668 of the global settlement was "the sole and exclusive property of [Complete Chicago] by way of assignment." It was further alleged that Margulis "appropriated the funds for his own use and the benefit of his client Michael Martin by retaining the $3,668."

¶ 9 Count IV was for civil conspiracy for conversion, alleging that Martin and Margulis conspired and agreed to unlawfully and wrongfully convert the $3,668 for their own benefit. The complaint alleged that Margulis and Martin, despite knowledge of the assignment, conspired and agreed together to retain control of the property for their own benefit.

¶ 10 Count V was for tortious interference with contractual relations, alleging that despite knowledge of a written agreement, Margulis "intentionally and unjustly induced" Martin to breach the contract he had signed with Complete Chicago.

¶ 11 On January 6, 2025, Margulis filed a section 2-619.1 motion to dismiss Counts II, IV, and V of the complaint. 735 ILCS 5/2-619.1 (West 2024). Margulis stated in his motion that when Martin signed the written agreement, he was represented by Nikias Fudukos. Margulis took over representation of Martin in 2024 and did not see a written agreement relating to Martin's bills in the file. He also did not receive one from Complete Chicago despite "multiple written requests."

Seeing no assignments to Complete Chicago, Margulis sent the balance of the settlement funds to Martin.

¶ 12 Margulis contended that, pursuant to section 2-615, Counts III and IV should be dismissed because the written agreement attached to the complaint did not create a valid assignment, and Count V should be dismissed because it did not allege sufficient facts to establish the claim of tortious interference with a contract. Assuming, arguendo, that a valid assignment was created, Margulis contended that Complete Chicago could not succeed on Counts III and IV because it only claimed to have sent the written agreement when Martin's prior attorney was involved in the case. Margulis took over the case in 2024, years after Complete Chicago claimed to have sent documents purporting to be the written agreement.

¶ 13 Margulis's affidavit was attached to his motion to dismiss. Therein he attested that he began working on Martin's case on March 18, 2024, and reached out to medical providers on August 13, 2024, to resolve outstanding medical bills. Complete Chicago rejected Margulis's proposal to resolve the outstanding medical bills. During negotiations, Complete Chicago did not provide Margulis with the written agreement. Subsequently, counsel for Complete Chicago "embarked on a threatening letter-writing campaign, citing the existence of an assignment." Margulis repeatedly requested counsel to provide a copy on August 19, August 20, and August 21, 2024. The first time seeing the document was on December 18, 2024, attached to Complete Chicago's complaint.

¶ 14 Complete Chicago responded to Margulis's combined motion to dismiss by stating that Margulis did not have standing to challenge the validity of the contract between Martin and Complete Chicago because he was "not a party to the contract." It then argued that there was a valid assignment and that it properly stated causes of action for conversion, civil conspiracy to commit conversion, and tortious interference with a contract.

¶ 15 On July 17, 2025, the circuit court entered an order granting Margulis's motion to dismiss counts III, IV, and V of the complaint, with prejudice, "removing Defendant Margulis from this case."

¶ 16 On October 31, 2025, Complete Chicago filed a motion to default Martin for failing to file his appearance and failing to file responsive pleadings.

¶ 17 On November 10, 2025, the circuit court granted Complete Chicago's motion for default against Martin. Martin was found in default for failing to file responsive pleadings. Judgement was entered against Martin and in favor of Complete Chicago in the amount of $19,807.86 pursuant to Complete Chicago's motion and prove up.

¶ 18 Complete Chicago now appeals the circuit court's grant of Margulis's combined section 2-619.1 motion to dismiss. Martin is not a party to this appeal.

¶ 19 II. ANALYSIS

¶ 20 On appeal, Complete Chicago argues that the circuit court erred in granting Margulis's motion to dismiss with prejudice. Margulis responds that the circuit court properly dismissed the claims against him where the written agreement did not contain a valid assignment, and where the allegations in the complaint were insufficient to establish causes of action upon which relief could be granted.

¶ 21 As an initial matter, we briefly address Complete Chicago's argument that Margulis, because he was not a party to the written agreement, did not have "standing" to challenge the validity of the purported assignment within that agreement. Complete Chicago argues that while the written agreement "does provide direction to Margulis in his capacity as the attorney for defendant Martin, that is not the basis to create standing." However, "[s]tanding in Illinois requires only that the *plaintiff* demonstrate 'some injury in fact to a legally cognizable interest.' " (Emphasis

added). *Olson v. Ferrera Candy Company*, 2025 IL App (1st) 241126, ¶ 21 (quoting *Greer v. Illinois Housing Development Authority*, 122 Ill. 2d 462, 492 (1988)). As Complete Chicago brought three claims against Margulis, all of which were premised on a written agreement, Margulis, as the defendant, certainly could challenge portions of that agreement. We find no issues as to standing.

¶ 22 Complete Chicago also contends that Margulis "filed his 2-619.1 motion under the guise of [section 2-619] and [section 2-615]," and that courts look upon such a filing with "disfavor." We disagree. Margulis filed his motion to dismiss pursuant to section 2-619.1 of the Code (735 ILCS 5/2-619.1 (West 2024)). By its plain language, section 2-619.1 permits "combined motions" raising arguments under both sections 2-615 and 2-619 "filed together as a single motion in any combination," so long as (1) those arguments are clearly delineated in "parts"; (2) each part is "limited to and shall specify that it is made under" section 2-615 or 2-619; and (3) each part "also clearly show[s] the points or grounds relied upon under the Section upon which it is based." 735 ILCS 5/2-619.1 (West 2024). A section 2-619.1 motion allows a party to combine a section 2-615 motion to dismiss based upon a plaintiff's substantially insufficient pleadings with a section 2-619 motion to dismiss based upon certain defects or defenses. 735 ILCS 5/2-615, 2-619 (West 2024).

¶ 23 Margulis complied with these requirements. His motion was divided into two parts. One part stated in the heading, "Counts III, IV, and V should be dismissed pursuant to Section 2-615," and the other part stated, "Counts III and IV should be dismissed pursuant to Section 2-619(a)." To the extent that Complete Chicago takes issue with Margulis attacking counts III and IV under both sections, there is nothing in the plain language of section 2-619.1 preventing a defendant from arguing in the alternative under these two sections. We now turn to the merits of Complete Chicago's appeal.

¶ 24 We find that all three counts against Margulis were properly dismissed pursuant to section 2-615 of the Code. Dismissal pursuant to section 2-615 is proper when it is clearly apparent from the pleadings that no set of facts can be proven that would entitle the plaintiff to relief. *Sargent Shriver National Center on Poverty Law, Inc. v. Board of Education of the City of Chicago*, 2018 IL App (1st) 171846, ¶ 15. A motion to dismiss pursuant to section 2-615 of the Code challenges the legal sufficiency of a complaint based solely on defects on the face of the complaint. *Poo-Bah Enterprises, Inc. v. County of Cook*, 232 Ill. 2d 463, 473 (2009). A cause of action should not be dismissed under section 2-615 unless it is apparent that the plaintiff cannot prove any set of facts that would entitle it to relief. *In re Marriage of Van Ert*, 2016 IL App (3d) 150433, ¶ 14. "Exhibits attached to the complaint become part of the complaint and may be considered." *Id*. An exhibit attached to a complaint controls, and a motion to dismiss does not admit allegations of the complaint if such allegations are in conflict with the facts disclosed in the attachment. *Id*.

¶ 25 On appeal, a circuit court's dismissal of a complaint pursuant to section 2-619.1 is reviewed *de novo* (*Morris v. Harvey Cycle and Camper, Inc.*, 392 Ill. App. 3d 399, 402 (2009)), and we may affirm the dismissal on any basis supported by the record (*Stoll v. United Way of Champaign County, Illinois, Inc*., 378 Ill. App. 3d 1048, 1051 (2008)).

¶ 26 A. Conversion and Civil Conspiracy

¶ 27 To state a claim for conversion, a plaintiff must establish that (1) he has a right to the property; (2) he has an absolute and unconditional right to immediate possession of the property; (3) he made a demand for possession; and (4) the defendant wrongfully and without authorization assumed control, dominion, or ownership over the property. *Z's IT Consulting Services, Inc. v. Hunt Law Group, LLC*, 2024 IL App (3d) 230333, ¶ 13. To state a claim for civil conspiracy to commit conversion, a plaintiff must allege facts establishing both: (1) an agreement to accomplish

conversion, and (2) a tortious act committed in furtherance of that agreement. *McClure v. Owens Corning Fiberglas Corp*., 188 Ill. 2d 102, 133-34 (1999).

¶ 28 Here, Complete Chicago alleged that it had a right to a portion of the settlement fund because of the assignment given to it by the written agreement Martin signed. However, for the reasons stated below, we find that the purported assignment to Complete Chicago was not valid, and therefore Complete Chicago could not prove any set of facts that would entitle it to relief on the claims for conversion and civil conspiracy to commit conversion, as both relied on the validity of the assignment.

¶ 29 An assignment occurs when there is a transfer of some identifiable interest from the assignor to the assignee. *Klehm v. Grecian Chalet, Ltd.*, 164 Ill. App. 3d 610, 616 (1987). A valid assignment need only assign or transfer the whole or a part of some particular thing, debt, or chose in action and it must describe the subject matter of the assignment with sufficient particularity to render it capable of identification. *Id*. at 616-17. There is a clear distinction, however, "between an actual assignment of a part of a claim or fund and a mere promise or agreement to pay a part of a debt or claim out of a fund." *Mordkovich v. Tishman Speyer Properties*, 2017 IL App (1st) 161609, ¶ 19 (citing *Cameron v. Boeger*, 200 Ill. 84, 91 (1902)). "An agreement providing that payment of a debt is to be made out of the proceeds of litigation does not operate as an equitable assignment of any portion of the proceeds and does not give rise to an equitable lien." *Id*.

¶ 30 We find *Mordkovich* to be instructive in this case. In that case, an attorney represented a client in a family law matter. *Id*. ¶ 3. The client then filed an unrelated personal injury claim, where she was represented by a different firm. *Id*. Two years later, the client executed a series of documents, including an $80,000 promissory note payable to the attorney immediately upon the client's right to receive a recovery in the personal injury action. *Id*. ¶ 4. She also executed a

document titled "Assignment of Lien," which provided that any outstanding sums due to the attorney in the family law case would automatically be considered a lien on any assets and/or proceeds that she may receive from her personal injury case and directing her attorney in her personal injury action to withhold $80,000 from any proceeds of the personal injury action to pay approximately $60,000 that was outstanding at that time and to satisfy the attorney's final bill. *Id*.

¶ 31 The documents were amended twice, culminating in the "First Amended" document that increased the principal sum on the promissory note to $160,000. *Id*. ¶ 5. After the personal injury lawsuit had been settled, the attorney in the family law case sent the attorney in the personal injury case an updated bill in the amount of $242,215. *Id*. ¶ 6. The accompanying letter directed the personal injury attorney to tender funds directly to the family law attorney pursuant to the First Amended document. *Id*.

¶ 32 After not receiving any portion of the settlement, the family law attorney filed a motion to intervene for adjudication of the lien. *Id*. ¶ 8. The trial court found that the family law attorney did not possess an equitable lien upon the proceeds of the settlement in the personal injury case as the language in the documents was "merely a promise to pay." *Id*. ¶ 13.

¶ 33 On appeal, this court agreed, finding that while the terms of the document contained the words "assignor and assignment, nowhere is there an express statement that [the client] assigned a specified portion of the proceeds from this personal injury action to [the family law attorney], nor is there any provision stating that [the family law attorney] was to look to the settlement proceeds for payment" rather than to the client personally for payment. *Id*. ¶ 21.

¶ 34 Similarly here, the written agreement authorized Fudukos to pay Complete Chicago any sums due and owing the office and to withhold such sums from any settlement on Martin's behalf. It further stated that if a settlement payment was made to Martin, Martin must "immediately pay

required outstanding chiropractic bills due." As far as the purported assignment language, the document stated, "[t]his contract is to act as an assignment of my rights and benefits to the extent of the office's charges for services provided herein." It also stated that Martin authorized and directed Fudukos, when settlement is reached, to pay in full the chiropractic bills rendered for all treatment. It stated, "I understand that I am directly and fully responsible to said office for all medical bills submitted by them for services rendered me and this agreement is made solely for said office's additional protection." This was not a valid assignment, but rather an agreement to pay a debt out of funds. There was not an express statement that Martin assigned a specified portion of the proceeds from the settlement of the personal injury action, nor was there any provision stating Complete Chicago was to look to the settlement proceeds for payment rather than to the Martin. The written agreement did not create a valid assignment of any portion of the settlement funds in favor of Complete Chicago. Rather, it showed that Martin had made a promise to pay Complete Chicago for his chiropractic bills out of the settlement fund.

¶ 35 Because the written agreement did not constitute a valid assignment, and the written agreement was attached to the complaint, Complete Chicago's allegations that it had an assignment in the settlement fund must fail. See *In re Marriage of Van Ert*, 2016 IL App (3d) 150433, ¶ 14 (exhibits attached to the complaint become part of the complaint; an exhibit attached to a complaint controls, and a motion to dismiss does not admit allegations of the complaint if such allegations are in conflict with the facts disclosed in the attachment.). Accordingly, because the conversion and conspiracy to commit conversion claims were based on the validity of the assignment, the trial court properly dismissed those claims with prejudice where Complete Chicago could prove no set of facts entitling it to relief. *Bruss v. Przybylo*, 385 Ill. App. 3d 399, 405 (2008) (whether pursuant

to section 2-615 or 2-619, a complaint should be dismissed with prejudice only if it is apparent that the plaintiff can prove no set of facts that will entitle him to recover).

¶ 36 B. Tortious Interference With Contractual Relations

¶ 37 The final claim against Margulis, tortious interference with contractual relations, was also properly dismissed pursuant to section 2-615 of the Code for failing to state a cause of action. See *Lake County Grading Company of Libertyville, Inc. v. Advance Mechanical Contractors, Inc.*, 275 Ill. App. 3d 452, 456-57 (1995) (a complaint should be dismissed under section 2-615 for failure to state a cause of action when it clearly appears that no set of facts could be proved under the pleadings which would entitle plaintiff to relief). While a section 2-615 motion to dismiss admits all well-pleaded facts as true, it does not admit conclusions of law or factual conclusions which are unsupported by allegations of specific facts. *Id*. at 457. If, after disregarding any legal and factual conclusions, the complaint does not allege sufficient facts to state a cause of action, the motion to dismiss should be granted. *Id*.

¶ 38 To state a claim for tortious interference with contractual relations, a plaintiff must plead sufficient facts to establish the following five essential elements of the tort: (1) that a valid and enforceable contract existed between plaintiff and the other party, (2) that the defendant was aware of that contract relation, (3) that the defendant intentionally and unjustifiably induced a breach of the contract, (4) that there was a subsequent breach of the contract by the other party that was caused by the defendant's wrongful conduct, and (5) that the plaintiff suffered damages. *Law Offices of Charles Chejfec, LLC v. Franz*, 2023 IL App (3d) 230083, ¶ 38.

¶ 39 Here, in Count V, Complete Chicago alleged that Martin and Complete Chicago had a valid contract and that Margulis knew about the contract. It further alleged that despite knowing about the contract, "Margulis intentionally and unjustly induced Michael Martin to breach the contract."

There are no facts alleged to support this conclusion of law. "[T]o sufficiently establish the inducement element of tortious interference with contract, a complaint must set forth factual allegations, not conclusions of law, from which it reasonably may be inferred that the defendant's alleged acts of inducement were committed intentionally and improperly and were directed at the other party in plaintiff's contractual relationship." *Chejfec*, 2023 IL App (3d) 230083, ¶ 40. Because Complete Chicago, after disregarding any legal and factual conclusions, did not allege sufficient facts to establish the essential elements of tortious interference, the circuit court properly dismissed the claim pursuant to section 2-615 of the Code. See *Lake County Grading Company of Libertyville,* 275 Ill. App. 3d at 456-57 (if, after disregarding any legal and factual conclusions, the complaint does not allege sufficient facts to state a cause of action, the motion to dismiss should be granted).

¶ 40 To the extent that Complete Chicago contends that the circuit court abused its discretion when it dismissed this count with prejudice – rather than giving Complete Chicago a chance to amend the count to sufficiently plead tortious interference with a contract – we note that both before the circuit court and this court on appeal, Complete Chicago has not suggested the existence of any other facts which could support a finding of inducement upon which it could base an amended pleading. See *Peters v. Riggs*, 2015 IL App (4th) 140043, ¶ 61 (finding the court committed no error in dismissing claims with prejudice where appellant had not suggested – before either the trial court or on appeal – the existence of any other facts upon which she could base an amended pleading); see also *Loftus v. Mingo*, 158 Ill. App. 3d 733, 746 (1987) (a trial court cannot be said to have abused its discretion where a proposed amendment has not been submitted to the trial court; under such circumstances, the reviewing court is powerless to review the trial court's exercise of discretion).

¶ 41 C. Sanctions

¶ 42 As a final matter, we address Margulis's contention that we should impose sanctions on Complete Chicago, pursuant to Illinois Supreme Court Rule 375(b) (eff. Feb. 1, 1994), for bringing a frivolous appeal. Rule 375(b) allows us to impose an appropriate sanction if the appeal is frivolous, not taken in good faith, or taken for an improper purpose, such as to harass or cause unnecessary delay or needless increase in litigation costs. Ill. S. Ct. R. 375(b) (eff. Feb. 1, 1994). Rule 375(b) sanctions are penal in nature and should only be applied to cases falling strictly within the language of the rule. *Enbridge Energy (Illinois), L.L.C. v. Kuerth*, 2018 IL App (4th) 150519-B, ¶ 72. "The imposition of Rule 375 sanctions is left entirely to the discretion of the reviewing court." *Parkway Bank & Trust Co. v. Korzen*, 2013 IL App (1st) 130380, ¶ 87.

¶ 43 Here, although Complete Chicago's appeal proved unsuccessful, we cannot conclude that it is sanctionable. That is, we cannot say that the issues raised are devoid of arguable merit, that the appeal was brought in bad faith, or that Complete Chicago sought to harass, delay, or unnecessarily run up litigation costs by initiating this appeal. Therefore, we decline to impose sanctions under Rule 375(b).

¶ 44 III. CONCLUSION

¶ 45 For the foregoing reasons, we affirm the judgment of the circuit court of Cook County.

¶ 46 Affirmed.