

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

In the Matter of:

RICHARD LANE STEAGALL,

Attorney-Respondent,

No. 2711257.

Commission No. 2022PR00043

COMPLAINT

Jerome Larkin, Administrator of the Attorney Registration and Disciplinary Commission, by his attorney, Tammy L. Evans, pursuant to Supreme Court Rule 753(b), complains of Respondent, Richard Lane Steagall, who was licensed to practice law in Illinois on May 19, 1978, and alleges that Respondent has engaged in the following conduct which subjects him to discipline pursuant to Supreme Court Rule 770:

COUNT I

(Engaging in the unauthorized practice of law, incompetence, and false statement to a client - Greg Henseler)

1. On October 14, 2018, Greg Henseler (“Henseler”), through counsel, filed a complaint in the United States District Court, Central District of Illinois, against Cook Canton, LLC (“Cook”) alleging workplace discrimination and wrongful termination due to his gender and religious beliefs. The matter was docketed as *Gregory T. Henseler v. Cook Canton, LLC*, 18-CV-1363.

2. On November 1, 2019, Henseler’s attorney filed a motion to withdraw as counsel in case number 18-CV-1363.

FILED
5/10/2022 3:22 PM
ARDC Clerk

3. On or before November 6, 2019, Respondent and Henseler agreed that Respondent would represent Henseler in case number 18-CV-1363. Respondent and Henseler agreed that Respondent would charge Henseler a flat fee of \$3,000. On November 6, 2019, Henseler paid Respondent \$3,000 with check number 2971 that was drawn on Henseler and his wife's joint checking account.

4. On November 25, 2019, Respondent filed his notice of appearance on behalf of Henseler in case number 18-CV-1363. At the time Respondent filed his notice of appearance, the court had set a schedule for discovery and set the matter for trial on August 31, 2020.

5. On December 12, 2019, Respondent appeared for a status conference by telephone in case number 18-CV-1363. At that time, Respondent informed the court that he expected to be suspended by the Illinois Supreme Court in January 2020. Respondent also informed the court that Henseler would be obtaining new counsel. The court directed Respondent to advise Henseler to have new counsel enter their appearance before the status hearing that was scheduled on January 3, 2020.

6. On January 3, 2020, Respondent appeared for a status conference by telephone in case number 18-CV-1363 and informed the court that Henseler had not obtained new counsel.

7. On January 17, 2020, the Illinois Supreme Court entered an order suspending Respondent from the practice of law for two years and until further order of the court with the suspension stayed after five months, provided Respondent makes restitution to a former client, with a 19-month period of probation with conditions. The suspension was effective on February 7, 2020.

8. Respondent was suspended from the practice of law in Illinois between February 7, 2020 and July 14, 2020.

9. Between February 21, 2020 and August 5, 2020, Respondent was reciprocally suspended from practicing law in the United States District Court for the Central District of Illinois, based on his Illinois suspension. The court sent a letter to Henseler advising him of Respondent's suspension and informing him that a status conference had been scheduled on April 28, 2020 for case number 18-CV-1363.

10. At no time after February 21, 2020, did Henseler retain new counsel.

11. On June 30, 2020, while Respondent was still suspended from the practice of law in Illinois and in the United States District Court for the Central District of Illinois, Respondent contacted Henseler by telephone to discuss case number 18-CV-1363. Respondent told Henseler that he had reviewed the case and that he needed an additional \$3,500 to proceed with the case. Respondent also told Henseler that his suspension had been lifted.

12. During their conversation on June 30, 2020, Respondent and Henseler agreed that Respondent would again represent Henseler in case number 18-CV-1363, and that Respondent would charge Henseler a flat fee of \$3,500. Henseler then asked his wife to draw a \$3,500 check from their joint checking account and mail the check to Respondent. On June 30, 2020, Henseler's wife drew check number 3002 from their joint checking account and mailed the check to Respondent.

13. Respondent's statement to Henseler that his suspension had been lifted was false because Respondent's suspension from the practice of law in Illinois did not end until July 14, 2020, and his suspension from the practice of law in federal court did not end until August 5, 2020.

14. At the time Respondent made the statement to Henseler that his suspension had been lifted, he knew the statement was false.

15. On or before July 3, 2020, Respondent received and negotiated check number 3002.

16. On August 6, 2020, Respondent entered his appearance on behalf of Henseler in case number 18-CV-1363.

17. On December 7, 2020, Cook filed a motion for summary judgment in case number 18-CV-1363. The court ordered Respondent to file a response to Cook's motion for summary judgment by December 28, 2020.

18. Between December 7, 2020 and February 17, 2021, Respondent filed six motions for extension of time to respond to Cook's motion for summary judgment. In his motions, Respondent stated that he was unable to file a timely response due to illness, computer problems, and inclement weather.

19. On February 17, 2021, the court entered an order reserving ruling on Respondent's sixth motion for extension of time, stating that, "if Plaintiff's response is filed on or before February 22, 2021, the Court will grant the motion. If the response is not filed by that time, the motion will be denied."

20. On February 22, 2021, Respondent filed a response to Cook's motion for summary judgment, but did not file the exhibits to the response. On February 23, 2021, the court entered an order directing Respondent to file his exhibits in support of his response by February 24, 2021.

21. On February 25, 2021, Respondent filed a motion for order allowing filing of his deposition exhibits which were not accepted for filing electronically as they were too large to be filed as one exhibit.

22. On February 26, 2021, the court entered an order stating, in part, the following:

"Plaintiff's counsel has filed a motion for Order Allowing Filing of Exhibits in Size ECF Will Accept on February 26, 2021. Therein, he restates what he knew before he filed the previous motion and before the Court-imposed deadline had passed: his deposition transcript exhibits were too large to file as a single exhibit in ECF. This excuse is meritless for several reasons. First, Local Rule

5.7(D)(2)(b) provides that filer's problems are not an excuse for an untimely filing. Second, Mr. Steagall has practiced in this district for decades and has filed countless responses to summary judgment motions where he was able to attach deposition transcript exhibits. The fact that he has previously done so, and can't seem to do so now, may raise another question about Mr. Steagall undertaking cases if not prepared to see them through. Third, Mr. Steagall's inability to follow court-imposed deadlines or otherwise abide by the rules all attorneys in this District must follow is neither new or unexpected. Rather, it is a repetition of the conduct which recently earned him a suspension from the practice of law..."

23. On February 25, 2021, the court granted Respondent's motion allowing his filing of exhibits on February 26, 2021, stating, "the court grants the motion in another effort to save Plaintiff from possible prejudice of his own attorney."

24. On August 17, 2021, the court granted Cook's motion for summary judgment, and entered an order stating in part as follows:

"The two pages Plaintiff's counsel devotes to the argument section of his Response do not alter the outcome. First, Plaintiff's counsel does not address Defendant's arguments, refer to statutes or case law, or cite to evidence in the record. Rather, he has compiled a sloppy stream-of-consciousness Response, littered with typographical errors and flowing freely from first to third person narratives. Despite prior admonitions in the very case giving rise to counsel's professional discipline, counsel once again ignores every element of his claim save for pretext. *See McMahon v. Dunlap School Dist.*, No. 15-1269 ECF Doc. 21 at 12-13 (noting that "Plaintiff's argument begins and ends with the issue of pretext, which only comes into play after the plaintiff establishes a *prima facie* case and the defendant articulates a nondiscriminatory reason for the action...Plaintiff's response does not attempt to articulate a *prima facie* case or respond to the Defendant's legal arguments to the contrary[.]").

Further despite voluntarily dropping his religious discrimination claim, Plaintiff's argument section appears largely dedicated to the issue. Although likely to fall on deaf ears, the Court once again admonishes Plaintiff's counsel to perform his duties in a professional and ethical manner. This includes adhering to deadlines, obtaining (or using) a Westlaw or Lexis subscription so he may research and cite to relevant statutes and case law,

addressing opposing counsel's summary judgment arguments, and performing even a cursory proof-read of his filing before submitting it to the Court. Further, if Plaintiff's counsel wishes to learn how to submit (non-scanned) PDF documents so his filings will not exceed the size limitations of ECF, he may contact the Clerk's Office for instructions on how to do so."

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

- a. failing to provide competent representation to a client, by conduct including filing a response on behalf of Henseler to Cook's motion for summary judgment that failed to address Cook's arguments, refer to statutes or case law, or cite to evidence in the record, which resulted in the court entering an order granting Cook's motion for summary judgment and dismissing case number 18-CV-1363, in violation of Rule 1.1 of the Illinois Rules of Professional Conduct (2010);
- b. practicing law in a jurisdiction in violation of the regulation of the legal profession in that jurisdiction, by conduct including contacting Henseler on June 30, 2020 to discuss and strategize about what actions to take in case number 18-CV-1363, agreeing to represent Henseler in case number 18-CV-1363 in exchange for an additional flat fee of \$3,500, and negotiating the \$3,500 check that Respondent received from Henseler on or before July 3, 2020, all while Respondent was suspended from the practice of law in state and federal court, in violation of Rule 5.5(a) of the Illinois Rules of Professional Conduct (2010); and
- c. engaging in conduct involving dishonesty, fraud, deceit, or misrepresentation, by conduct including making the false statement to Henseler that Respondent's suspension had been lifted when Respondent knew that he was still suspended from the practice of law in federal and state court, in violation of Rule 8.4(c) of the Illinois Rules of Professional Conduct (2010).

COUNT II

(Lack of communication and failure to return unearned fee – Don Sendelbach)

26. Don Sendelbach ("Sendelbach") was employed for 29 years at a chemical plant in Henry, Illinois, that prepared industrial solvents and other chemicals. After several years of

working at the plant, Sendelbach developed concentration difficulties. Sendelbach was placed on short-term disability leave but his request for long-term disability leave was denied by CIGNA, the Plan Administrator of the Employee Retirement Income Security Act (“ERISA”) employer benefit, and he was terminated.

27. On or about December 21, 2016, Respondent met with Sendelbach regarding his recent employment termination. On or about December 21, 2016, Sendelbach and Respondent agreed that Respondent would represent Sendelbach in a review of CIGNA’s denial of his request to be placed on long-term disability leave, and to file an ERISA action on his behalf. Respondent and Sendelbach agreed that Respondent would charge Sendelbach a consultation fee of \$350, a \$7,500 flat fee for legal work, and \$750 for expenses. On December 21, 2016, Sendelbach paid Respondent a consultation fee of \$350 with check number 1071 that was drawn on Sendelbach’s personal checking account. On or about December 21, 2016, Respondent negotiated check number 1071.

28. On December 28, 2016, Sendelbach paid Respondent the flat fee of \$7,500 with check number 1073, and paid Respondent \$750 for the expenses with check number 1074, both drawn on Sendelbach’s personal checking account. On or after December 28, 2016, Respondent negotiated both checks.

29. Between December 28, 2016 and April 24, 2017, Respondent met with Sendelbach in his office on two occasions and contacted Sendelbach by telephone three times, but did not file any action on behalf of Sendelbach or perform any other legal work that he agreed to do.

30. On April 24, 2017, Respondent met with Sendelbach in his office and informed Sendelbach that he would need an additional \$2,500 to continue working on his case.

31. On April 26, 2017, Sendelbach paid Respondent an additional \$2,500 with check number 1131 that was drawn on Sendelbach's personal checking account. On or after April 26, 2017, Respondent negotiated check number 1131.

32. On August 11, 2017, Sendelbach spoke to Respondent about the status of his case and Respondent told Sendelbach that he was going to proceed with a lawsuit in federal court.

33. Between August 11, 2017 and December 18, 2018, Respondent cancelled numerous meetings that he had scheduled with Sendelbach.

34. At no time between August 11, 2017 and December 18, 2018, did Respondent file a lawsuit in federal court on behalf of Sendelbach.

35. On December 18, 2018, Sendelbach met with Respondent in Respondent's office for the first time since April 26, 2017. Respondent informed Sendelbach that he could not file an ERISA action on his behalf because there was no basis for a cause of action.

36. At no time did Respondent earn the \$2,500 fee that Sendelbach paid to him.

37. On January 9, 2019, Respondent appeared in the Commission's Springfield office and agreed to refund the \$2,500 fee to Sendelbach.

38. As of the date of the filing of this complaint, Respondent has not refunded the \$2,500 fee to Sendelbach.

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

- a. failing to keep the client reasonably informed about the status of the matter, by conduct including cancelling numerous meetings that he had scheduled with Sendelbach between August 11, 2017 and December 18, 2018, and failing to inform Sendelbach that Respondent was not going to file a federal lawsuit on his behalf, in violation of Rule 1.4(a)(3) of the Illinois Rules of Professional Conduct (2010);

- b. failing to explain a matter to the extent reasonably necessary to permit the client to make informed decisions regarding the representation, by conduct including failing to inform Sendelbach that Respondent was not going to file a federal lawsuit on his behalf until December 2019, two years after he agreed to represent Sendelbach, in violation of Rule 1.4(b) of the Illinois Rules of Professional Conduct (2010); and
- c. failing to return an unearned fee, by conduct including failing to return any portion of the \$2,500 fee that Respondent received from Sendelbach on April 26, 2017, in violation of Rule 1.16(d) of the Illinois Rules of Professional Conduct (2010).

WHEREFORE, the Administrator respectfully requests that this matter be assigned to a panel of the Hearing Board, that a hearing be held, and that the panel make findings of fact, conclusions of fact and law, and a recommendation for such discipline as is warranted.

Respectfully submitted,

Jerome Larkin, Administrator
Attorney Registration and
Disciplinary Commission

By: /s/ Tammy L. Evans
Tammy L. Evans

Tammy L. Evans
Counsel for the Administrator
3161 W. White Oaks Dr., Suite 301
Springfield, Illinois 62704
Telephone: (217) 546-3523
Email: ARDCeService@iadc.org
Email: tevans@iadc.org
MAINLIB-#1499451