

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

In the Matter of:

KATHERINE M. GIPE,
Attorney-Respondent,
No. 6315385.

Commission No. 2025PR00075

COMPLAINT

Lea S. Gutierrez, Administrator of the Attorney Registration and Disciplinary Commission, by her attorney, Melissa Katt, pursuant to Supreme Court Rule 753(b), complains of Respondent, Katherine M. Gipe, who was licensed to practice law in Illinois on May 9, 2014, and alleges that Respondent has engaged in the following conduct which subjects Respondent to discipline pursuant to Supreme Court Rule 770:

ALLEGATIONS COMMON TO COUNTS I AND II

1. From 2017 until December 2023, Respondent was the sole proprietor of a family law practice in Chicago. In or around January 2022, Respondent changed the name of her law practice from “Gipe Holmes PC” to “Gipe Family Law and Mediation LLC.”

2. As of at least February 2022, Respondent maintained a business checking account at Chase Bank, ending in 9702 (the “Chase Account”). Respondent used the Chase Account for both business and personal expenses.

3. Respondent did not maintain a client trust account associated with Gipe Family Law and Mediation LLC.

FILED
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ARDC Clerk

COUNT I

*(Commingling of Retainer Funds and Conversion of \$3,500,
Lack of Diligence, and Failure to Return Unearned Fees – N.M.)*

4. In February 2022, an individual with the initials “N.M.” contacted Respondent at Gipe Family Law and Mediation LLC seeking representation in what N.M. expected to be an uncontested divorce. Respondent and N.M. entered into a written fee agreement dated February 25, 2022. The agreement provided that N.M. would pay Respondent a security retainer of \$3,500, and that Respondent would bill N.M thereafter against the retainer at an hourly rate of \$300. The agreement included a “Statement of Client’s Rights and Responsibilities Written Agreement,” which stated, in part, that Respondent “will prepare and provide the client with an itemized billing statement detailing hourly rates (and/or other criteria), time spent, tasks performed, and costs incurred on a regularly basis, at least quarterly.”

5. On February 25, 2022, N.M. paid Respondent at Gipe Holmes PC the \$3,500 security retainer fee by credit card. Respondent did not deposit the security retainer fee that she received from N.M. into a client trust account. Instead, Respondent deposited the funds into the Chase Account. By depositing the retainer funds paid by N.M. into the Chase Account, Respondent failed to hold N.M.’s funds separate from her own funds.

6. From February 2022 through September 2022, Respondent communicated with N.M. on approximately four occasions related to drafting a parenting plan and a martial settlement agreement in preparation for filing N.M.’s dissolution of marriage.

7. On or about September 2, 2022, Respondent requested a financial affidavit and tax returns from N.M. N.M provided the documents to Respondent on or about November 3, 2022. Over the next nine months, Respondent took no action on N.M.’s matter. During this period, Respondent did not communicate with N.M., nor did she respond to at least six emails from N.M. regarding the matter.

8. As of December 19, 2025, the date this matter was considered by an Inquiry Panel of the Commission, Respondent had not finalized a draft petition seeking the dissolution of N.M.'s marriage, reviewed a petition with her client, or filed a petition with the court to initiate a dissolution of marriage case.

9. By communicating with Respondent approximately four times and sharing draft documents but failing to file for or complete the petition seeking the dissolution of N.M.'s marriage, Respondent did not perform sufficient work on N.M.'s matter to earn the retainer fee that N.M. paid Respondent.

10. On August 28, 2023, Respondent received an email from N.M. requesting to terminate Respondent's representation and for a refund of the unearned portion of the retainer fee due to Respondent's failure to communicate and failure to provide the agreed upon services relating to her dissolution of marriage.

11. In August or September 2023, Respondent told N.M. that she would provide her a refund of unearned fees after calculating the balance owed to her. In an email on January 10, 2024, Respondent again stated that she was calculating N.M.'s refund and would provide it. N.M. emailed Respondent on February 24, April 3, April 22, June 5, July 23, and December 7, 2024 asking about the status of the refund. As of December 19, 2025, Respondent had not provided N.M. with a billing statement or otherwise determined the refund owed to N.M. because she did not keep complete and contemporaneous records related to her work on the matter for which N.M. retained her. As of December 19, 2025, Respondent had not reimbursed N.M. for the unearned portion of the retainer fee that N.M. paid to her.

12. Respondent did not return the unearned portion of the retainer fee N.M. paid to her because Respondent used the funds for her own personal expenses.

13. At no time did N.M. authorize Respondent to use any portion of the unearned fees for her own purposes.

14. By using unearned retainer fees without authority, Respondent converted those funds.

15. At the time the Respondent used unearned fees paid by N.M., Respondent acted dishonestly because she knew that she was using funds for her own personal purposes that she had not earned.

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

- a. failing to act with reasonable diligence and promptness in representing a client by conduct including not performing any work on N.M.'s matter or responding to communications from N.M. from November 2022 through August 2023, in violation of Rule 1.3 of the Illinois Rules of Professional Conduct (2010);
- b. failing to hold funds of a client or third party in connection with a representation separate from the lawyer's own funds, failing to deposit funds in connection with a representation in a separate client trust account, and failing to maintain required records, by conduct including depositing the retainer fee paid by N.M. into Respondent's business checking account that she also used for business and personal expenses and not preparing and maintaining ledgers and accountings related to N.M.'s funds, in violation of Rule 1.15(a) of the Illinois Rules of Professional Conduct (2010);
- c. failing to take steps reasonably practicable to protect a client's interest upon termination of representation, by conduct including not refunding to N.M. the advance payment of fees and expenses that Respondent did not earn, in violation of Rule 1.16(d) of the Illinois Rules of Professional Conduct (2010); and
- d. engaging in conduct involving dishonesty, fraud, deceit, or misrepresentation, by conduct including knowingly converting funds of \$3,500 that the Respondent received

from N.M. for the purpose of representing her in connection with her dissolution of marriage for Respondent's own personal use, without authorization, in violation of Rule 8.4(c) of the Illinois Rules of Professional Conduct (2010).

COUNT II

(Commingling of Retainer Funds, Failure to Return Unearned Fees, Failure to Withdraw and Terminate Representation, and Conversion of at Least \$900 – R.A.)

17. In or around February 2022, an individual with the initials "R.A." contacted Respondent at Gipe Family Law and Mediation LLC to discuss Respondent representing her for the purpose of providing legal advice on a consultation-basis related to potentially filing for dissolution of marriage in the future. Respondent and R.A. entered into a written fee agreement in April 2022. The agreement provided that R.A. would pay Respondent a security retainer of \$3,500, and Respondent that would bill thereafter against the retainer at an hourly rate of \$300. The agreement included a "Statement of Client's Rights and Responsibilities Written Agreement," which stated, in part, that Respondent "will prepare and provide the client with an itemized billing statement detailing hourly rates (and/or other criteria), time spent, tasks performed, and costs incurred on a regularly basis, at least quarterly."

18. On or around April 28 and 29, 2022, R.A. paid Respondent at Gipe Family Law and Mediation LLC the \$3,500 security retainer fee via the online payment platform Zelle. Respondent did not deposit the security retainer fee that she received from R.A. into a client trust account. Instead, Respondent deposited the funds into the Chase Account. By depositing the retainer funds paid by R.A. into the Chase Account, Respondent failed to hold R.A.'s property separately from her own.

19. From April 2022 through the end of 2023, Respondent and R.A. communicated when R.A. sought Respondent's legal advice.

20. On March 11, 2024, Respondent changed her Illinois attorney registration status to inactive. Respondent did not complete the registration process required by Supreme Court Rule 756 for the 2025 registration period. As a result, Respondent was not authorized to practice law in Illinois as of March 11, 2024, and Respondent's registration status remained inactive until February 28, 2025, at which time Respondent was removed from the Roll of Attorneys licensed to practice law in Illinois for failing to complete the registration process or pay the fees required by Rule 756.

21. On October 17, 2024, Respondent received an email from R.A. requesting to terminate Respondent's representation of her. R.A. requested that Respondent provide a final invoice, as well as notes and records related to her file. R.A. requested that Respondent refund the unearned portion of the retainer fee paid to her in April 2022.

22. At no time between March 11, 2024 and October 17, 2024, did Respondent notify R.A. that she was not authorized to practice law or that she could not continue to handle her matter.

23. Respondent did not provide R.A. with a final billing invoice for her legal services. Respondent was unable to provide R.A. with a full and accurate billing invoice because Respondent did not keep complete and contemporaneous records documenting the work she performed for R.A. Respondent estimated based on reviewing her call logs and email exchanges with R.A. that she earned \$2,600 in hourly fees of the retainer fee that R.A. paid, and as a result, Respondent believed that she owed R.A. a \$900 refund.

24. Respondent did not reimburse R.A. for the unearned portion of the retainer fee that R.A. paid. Respondent also did not provide R.A. with the file documents that R.A. had requested from her.

25. Respondent was unable to refund the unearned portion of the retainer fee that R.A. paid to her because Respondent used the funds for her own personal expenses.

26. At no time did R.A. authorize Respondent to use any portion of the unearned fees for her own purposes.

27. By using the unearned retainer fees without authority, Respondent converted those funds.

28. At the time Respondent used the unearned fees paid by R.A., Respondent acted dishonestly because she knew that she was using funds for her own personal purposes that she had not earned.

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

- a. failing to hold funds of a client or third party in connection with a representation separate from the lawyer's own funds and failing to deposit funds in connection with a representation in a separate client trust account, by conduct including depositing the retainer fee paid by R.A. into Respondent's business checking account that she also used for business and personal expenses, in violation of Rule 1.15(a) of the Illinois Rules of Professional Conduct (2010);
- b. failing to properly terminate representation of a client, by conduct including failing to notify and terminate representation of R.A. when Respondent's registration status changed to inactive in March 2024 and the continued representation would result in a violation of the Rules of Professional Conduct, and failing to take steps reasonably practicable to protect R.A.'s interest upon termination of the representation by not providing R.A. with relevant documents related to her representation and failing to refund to R.A. the advanced payment of fees and expenses that Respondent did not earn, in violation of Rule 1.16(a) and 1.16(d) of the Illinois Rules of Professional Conduct (2010); and

c. engaging in conduct involving dishonesty, fraud, deceit, or misrepresentation, by conduct including knowingly converting at least \$900 that Respondent received from R.A. for the purpose of representation for Respondent's own personal use, without authorization, in violation of Rule 8.4(c) of the Illinois Rules of Professional Conduct (2010).

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

Respectfully submitted,

Lea S. Gutierrez, Administrator
Attorney Registration and
Disciplinary Commission

By: /s/ Melissa Katt
Melissa Katt

Melissa Katt
Counsel for the Administrator
One Prudential Plaza
130 East Randolph Drive, Suite 1500
Chicago, Illinois 60601
Telephone: (312) 565-2600
Email: mkatt@iardc.org
Email: ARDCeService@iardc.org

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