

**QUOTES OF JUDGE SWANAGAN EXPLAINING  
THE DECEMBER 17, 2024 AND APRIL 22, 2025 ORDERS**

Entered as an exhibit to be used as a reference during the June 10, 2025 hearing.

From the December 17, 2024 Report of Proceedings:

**(QUOTE 1: page 13, line 19)** “I couldn’t imagine -- I’m paraphrasing, but I couldn’t imagine a basis on which there was reasonable grounds for the breach of contract complaint against ADR.”

**(QUOTE 2: page 17, line 21)** “Even if you didn’t think that Mr. Talarico was appropriately representing your interests as far as the motion for sanctions was concerned, his interests were at stake as well. And so he had absolute right to put forth whatever he thought was in his best interest to defeat the motion for sanctions.”

**(QUOTE 3: page 13, line 3)** “And you may have the opinion that you had different interests as far as that motion was concerned. I did not see that. And your interests are basically intertwined, in that he’s responsible for what he wrote, and you’re responsible for what he wrote. And that would be vice versa as well: You’re jointly responsible. Lawyer and client are responsible for pleadings made by a lawyer.”

**(QUOTE 4: page 18, line 13)** “...I know what I read, and I know how narrow were the issues that I was deciding here. And so the substance of the case, for the most part, was decided quite a while ago, and it went through an appeal. There’s all sorts of things that -- for which I think the horses are long gone, the barn door closed and locked quite a while ago. And so this isn’t -- this is not, as far as I’m concerned, the time to try to rehash alleged sabotage going back to the beginning of the case.”

**(QUOTE 5: page 19, line 3)** “...I’m going to say this is late in the game for further say, I think. And so forgive my abruptness, but, no, I don’t think I need to hear any more. Okay?”

**(QUOTE 6: page 14, line 8)** “I’m going to deny your request for any relief against Mr. Talarico as far as your files, because that’s not in front of me. You know, those sorts of disputes between lawyers and their clients are sometimes the result -- they are sometimes disputes that produce other litigation, but I don’t have any basis for reviewing your request for files. There are ways in which clients are supposed to address those requests. I don’t know whether you have, but those requests aren’t supposed to be handled here. So I’m going to deny your request for anything to do regarding a dispute over files between you and Mr. Talarico.

**(QUOTE 7: page 14, line 22)** “Now, I’ll also say I am not expressing any opinion, nor am I in a position to express an opinion or make any ruling on anything that you’re suggesting that Mr. Talarico did that was adverse to the interests of you or your family. Again, I only decide what’s in front of me and what’s in front of me based on what this case has been about. So that’s all I’m going to say about those motions.”

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IN THE CIRCUIT COURT OF COOK COUNTY, ILLINOIS  
COUNTY DEPARTMENT, LAW DIVISION

PAUL DULBERG and THE PAUL  
DULBERG REVOCABLE TRUST, )  
)

Plaintiffs, )

v. )

No. 2022 L 010905

KELLY N. BAUDIN a/k/a BAUDIN &  
BAUDIN, et al., )  
)

Defendants. )

**ORDER**

This matter coming to be heard for status, due notice having been given, and the Court being fully advised in the premises;

IT IS HEREBY ORDERED that:

1. Any and all Motions filed by Paul R. Dulberg which are pending on the Court's docket are denied;
2. The request by Paul R. Dulberg relative to the file of Alphonse Talarico is denied.

# 5246  
#251

DATE: \_\_\_\_\_

ENTER:

A. Swanagan 2197  
Honorable Anthony C. Swanagan

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Judge Anthony C. Swanagan

DEC 23 2024

Circuit Court - 2197

**Exhibit BR**

**(QUOTE 8: page 3 line 19)** “The thing that I have on my mind for today was to rule on ADR Systems’ fee petition. If you check your emails, you should have gotten an order shortly ago with my ruling on that. You know, to me, it is what it is. Hopefully, I explained it sufficiently. But, yeah, the punchline to me is, I did see all the things Mr. Kost and Mr. Dulberg filed on behalf of the plaintiffs, but I think I have -- well, let’s see. It was sort of amusing to see myself quoted in the transcript, but one of the things I think I said -- I used cliches to say, “The barn door’s closed,” or “The ship has sailed,” or something like that. The key moment was, you know, the December 8th filing of the complaint, as far as I’m concerned, on Rule 137, which is the basis for the fee petition. It’s about what goes into any sort of filing, and it was filed by Mr. Talarico, but it was also verified by Mr. Dulberg. And so, you’ll read it in the order, but where -- you know, where I came out was that if -- I didn’t make any findings on these allegations. But if Mr. Dulberg and Mr. Kost thought that Mr. Talarico wasn’t adequately representing what they thought their interests should be, I think their obligation was to sever the relationship and speak up on that point sooner than they did. Like I said, the complaint was filed in reviewed the details of the pleadings and the transcripts provided to me, and I also reviewed the fee petition. So the punchline is, it’s in the -- you should -- you should check your emails because sooner or later -- and I even emailed it to myself and I haven’t gotten it yet, so I don’t know what the delay is, but there should be an order in your emails soon.”

**(QUOTE 9: page 7 line 4)** “Well, the point is, Mr. Dulberg was obliged to do something long before that because he signed the complaint. The signing of the complaint is where you get in trouble. And so, that complaint was December 8th, I think, of 2022. Signing the complaint subjects you to, you know, 137 liability. And what I think -- I don’t know if I should be speculating. Let me just say: I’m not going to say what should have been done, but I will say what could have been done. A client can fire their attorney at any time. Now, at whatever time you thought that your interests weren’t being represented in the way you thought they should have been represented, you could have immediately severed the attorney-client relationship and sought to, you know, withdraw the complaint, which I think is what you were invited to do by ADR, but that was some ways down the road. So I guess the point I’m trying to make is that the dye is basically cast and it’s in the rule. The dye is basically cast when somebody files a pleading. And, you know, the cases and the rule both say that both the attorney and the client have the responsibility, when they file something, to have investigated the basis for the filing before they file it, and if the filing isn’t supported by a reasonable argument in fact or law, in fact and law, then both the attorney and the client are subject to sanction. So I did read all of the things that were submitted since we were last in court and the things that were submitted before, but none of them suggests that Mr. Dulberg disavowed the complaint in a timely fashion, in an official manner on the docket soon enough after it was filed, so that’s -- that’s the basis for me saying that whatever might have been your thought, and I understand your argument that you did not think it was a good approach, but you were obligated to do something sooner than you did, particularly since Mr. Dulberg had signed the complaint.”

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IN THE CIRCUIT COURT OF COOK COUNTY, ILLINOIS  
COUNTY DEPARTMENT – LAW DIVISION

PAUL DULBERG and THE PAUL DULBERG )  
REVOCABLE TRUST, )

Plaintiffs, )

v. )

No. 22 L 010905

ADR SYSTEMS OF AMERICA, LLC, et al. )

Defendants. )

**ORDER**

Plaintiff Paul Dulberg and his co-plaintiff, The Paul Dulberg Revocable Trust, participated in a mediation conducted by defendant ADR Systems of America LLC to resolve Dulberg's personal injury claim against David Gagnon. The mediation was governed by an agreement between the parties, unbeknownst to the ADR mediator, that Gagnon would pay to Dulberg no less than \$50,000 and no more than \$300,000. The mediation occurred in the course of Dulberg's personal bankruptcy proceeding and was conducted with the approval of both the trustee of his bankruptcy estate and the presiding bankruptcy judge. The mediator's actual award to Dulberg was \$561,000, with the result that the high/low agreement between the parties produced an amount payable to Dulberg that was \$261,000 less than he would have been due in the absence of the mediation agreement's high/low limitations.

Dulberg and his trust filed suit against multiple parties in an apparent attempt to recover the difference. Among the defendants he named was ADR. The Dulberg plaintiffs claim that bankruptcy trustee Joseph Olsen presented to the bankruptcy judge a proposed ADR mediation agreement form that was not signed by any party and was modified before reaching the final form executed by the parties. Plaintiffs claim that because of the modifications from the unsigned form, the executed form could not control; that ADR breached the unsigned contract form by amending it, and that this breach caused the Dulberg plaintiffs damages "in excess of \$261,000" "because the contract under the changed terms should not be allowed to regulate the procedure."

Plaintiffs' complaint against ADR was dismissed with prejudice, and this court found plaintiffs' complaint to be subject to sanction under Supreme Court Rule 137. "The notion that they [ADR] are bound by a contract which was unsigned is untenable." (Tr. of May 25, 2023 hearing, p. 13:6-7.) The Dulberg plaintiffs have offered no legal basis for their claim that an unsigned preliminary draft of the mediation agreement imposed an obligation upon ADR to prevent changes before the execution of a final form, nor do they address the significance of the execution of that final form by all parties. Furthermore, they fail to acknowledge that the high/low agreement in the final, executed mediation contract was also present in the unsigned draft, a fact which undermines their claim that the form's modification resulted in damages clearly derived

from that high/low limitation. Asked by ADR to withdraw their claim before its validity had to be litigated, plaintiffs declined.

The Dulberg plaintiffs argue that their litigation strategy was dictated by their attorney, Alphonse Talarico, and that for his own reasons, he has attempted to sabotage their legal position. But their complaint, filed December 8, 2022, was verified by Paul Dulberg himself.

The signature of an attorney *or party* constitutes a certificate by him that he has read the pleading, motion or other document; that to the best of his knowledge, information, and belief formed after reasonable inquiry it is well grounded in fact and is warranted by existing law or a good-faith argument for the extension, modification, or reversal of existing law, and that it is not interposed for any improper purpose, such as to harass or to cause unnecessary delay or needless increase in the cost of litigation.

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If a pleading, motion, or other document is signed in violation of this rule, the court, upon motion or upon its own initiative, *may impose upon the person who signed it, a represented party, or both, an appropriate sanction*, which may include an order to pay to the other party or parties the amount of reasonable expenses incurred because of the filing of the pleading, motion or other document, including a reasonable attorney fee

Illinois Supreme Court Rule 137 [emphasis added]. "Rule 137, as did its predecessor section 2-611, imposes on both client and counsel the duty to make reasonable inquiry into the facts to support a legal claim or defense before pleadings and other legal papers are filed with the court." *Edwards v. Estate of Harrison*, 235 Ill. App. 3d 213, 220 (1992). "Pleadings and other papers filed in violation of Rule 137 may subject the party, the party's attorney, or both, to an appropriate sanction. That sanction may include an order to pay the other party's attorney fees and costs." *Lewy v. Koeckritz Int'l, Inc.*, 211 Ill. App. 3d 330, 334 (1991). Paul Dulberg's verification of his complaint obliged him to make an independent investigation of the legitimacy of its allegations. If at any time he believed that his attorney's approach was unjustified, it was his duty to take steps to undo what had been done. No timely effort to do so is apparent from the record.

The court accordingly adheres to its earlier conclusion that Rule 137 sanctions against plaintiffs and their attorney, Alphonse Talarico, are warranted for their complaint against ADR. Now before the court is ADR's fee petition. After review of the petition and of the steps ADR was forced to take to achieve dismissal of the complaint against it, the court finds the petition to be reasonable.

Accordingly, the court hereby awards to ADR Systems of America LLC attorneys' fees of \$25,092.50 and costs of \$551.25, for a total of \$25,643.75 against Paul Dulberg, The Paul Dulberg Revocable Trust, and Alphonse Talarico, jointly and severally.

Judge Anthony C. Swanagan

APR 22 2025

Circuit Court - 2197

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