

IN THE SUPREME COURT OF ILLINOIS

In the Matter of:)

JAMES J. REAGAN,)

Attorney-Movant,)

No. 02295067.)

Supreme Court No. M.R.

Commission No. 98 ^{DC} ~~CH~~

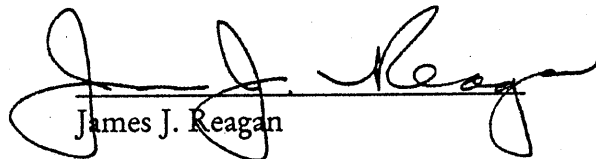
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MOTION PURSUANT TO SUPREME COURT RULE 762(a)

James J. Reagan, respectfully represents to the Court that:

1. On May 23, 1963, Movant was licensed by this Court to practice law in Illinois.
2. Movant desires to have his name stricken from the Master Roll of Attorneys, pursuant to Supreme Court Rule 762(a), effective immediately.
3. Filed contemporaneously with this motion are a statement of charges prepared by the Administrator and Movant's affidavit in support of this motion. The affidavit sets forth Movant's agreement that if the charges described in the statement of charges were the subject of a hearing, the evidence would be as described in the statement of charges, and the evidence would clearly and convincingly support the facts and conclusions of misconduct set forth in the statement of charges.

WHEREFORE, Movant respectfully requests that the Court enter an order striking his name from the Master Roll of Attorneys.



James J. Reagan

James J. Reagan
2908 Cherry Lane
Northbrook, IL 60062-4312

FILED

AUG 11 1998

**ATTY REG & DISC COMM
CHICAGO**

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STATEMENT OF CHARGES PURSUANT
TO SUPREME COURT RULE 762(a)

Mary Robinson, Administer of the Attorney Registration and Disciplinary Commission, by her attorney, Jed Weissbluth, pursuant to Supreme Court Rule 762(a), states that on the date Movant, James J. Reagan, signed a motion requesting that his name be stricken from the Master Roll of Attorneys admitted to practice law in this state, an investigation of Movant's conduct was pending¹. If these matters were the subject of a hearing, the evidence would be as stated below and the evidence would support the conclusions of misconduct indicated below:

I. DESCRIPTION OF EVIDENCE

Movant's admissions, records, correspondence, and the testimony of Dr. Linda Wozniak, Thomas Wozniak, Naida Reagan, Phil Dodson, and Phyllis Lee would establish that:

¹ On April 22, 1982, a jury found Movant guilty on eight counts of aiding and abetting the commission of the offense of mail fraud, in violation of 18 U.S.C. 1341, in the United States District Court for the Northern District of Illinois, Eastern Division. *United States v. James J. Reagan*, 80 CR 658 (1982). Subsequently, the United States Court of Appeals for the Seventh Circuit affirmed Movant's conviction. 694 F.2d 1075 (1982). Finally, the United States Supreme Court denied Movant's petition for writ of certiorari. 103 S.Ct . 492 (1982). On March 21, 1982, the Illinois Supreme Court ordered that Movant be suspended from the practice of law for five years and until further order of the Court pursuant to Supreme Court Rule 761 as a result of the aforementioned criminal conviction. Supreme Court No. 62612.

1. In August 1992, Dr. Linda Wozniak ("Dr. Wozniak") spoke to Movant. Movant agrees that, if Dr. Wozniak were called to testify in this matter, Dr. Wozniak would state that she hired Movant as her attorney to obtain a loan on her behalf for the purpose of forming and operating a chiropractic practice; that Movant orally told Dr. Wozniak that he could obtain a loan for her on the condition that she employ him as her attorney; and based on Movant's representation, Dr. Wozniak believed that the loan was conditioned on her employment of Movant as her attorney.

2. Prior to September 2, 1992, Movant drafted a promissory note evidencing a loan from the NAIDA Corporation in the amount of \$40,000 to Dr. Wozniak. On September 2, 1992, Movant tendered the promissory note to Dr. Wozniak and her husband, Thomas Wozniak (collectively, "Wozniaks"), and the Wozniaks executed it. Movant subsequently paid \$40,000 to Dr. Wozniak.

3. At no time did Movant disclose to the Wozniaks or advise them of any of the following with respect to the September 2, 1992 promissory note: Movant's wife, Naida Reagan ("Naida"), was a registered officer of NAIDA Corporation in her capacity as Secretary, Treasurer, and Director of NAIDA Corporation; Movant's daughter, Lauri Reagan ("Lauri"), was a registered officer of NAIDA Corporation in her capacity as President and Director of NAIDA Corporation; Movant represented NAIDA Corporation in legal matters; Movant drafted the promissory note referenced in paragraph 2 above; the Wozniaks should seek independent counsel prior to entering into a transaction with NAIDA Corporation; the Wozniaks' interests as debtors conflicted with NAIDA Corporation's interests as creditor; and the Wozniaks' interests as debtors conflicted with Naida's and Lauri's interests as creditors.

4. Movant's failure to disclose matters referenced in paragraph 3 above was misleading because Dr. Wozniak believed that Movant represented her interests alone as her attorney; the Wozniaks did not believe they should seek independent counsel prior to entering into a debtor-creditor relationship with NAIDA Corporation; the Wozniaks did not know Movant was married to Naida and the father of Lauri; and the Wozniaks did not know that Movant was acting as the attorney for NAIDA Corporation while simultaneously acting as attorney for the Wozniaks in a loan transaction between the Wozniaks and NAIDA Corporation.

5. Between September 2, 1992 and February 3, 1993, Dr. Wozniak used the \$40,000 loan referenced in paragraph 2 above to establish and operate her chiropractic practice.

6. Prior to February 3, 1993, Dr. Wozniak asked Movant and Movant agreed to obtain an additional \$5,000 loan on her behalf. Movant drafted a second promissory note evidencing a loan from WISE MONEY INVESTMENTS, INC. ("WISE MONEY") in the amount of \$5,000 payable to Dr. Wozniak. On February 3, 1993, Movant tendered the second promissory note to the Wozniaks, and the Wozniaks executed it. Movant subsequently paid Dr. Wozniak \$5,000.

7. At no time did Movant disclose to the Wozniaks or advise them any of the following with respect to the February 3, 1993 promissory note: Movant was the registered agent and a registered officer of WISE MONEY in his capacity as President of WISE MONEY; Movant's wife, Naida, was a registered officer of WISE MONEY in her capacity as Secretary and Treasurer of WISE MONEY; Movant represented WISE MONEY in legal matters; Movant drafted the promissory note referenced in paragraph 6 above; the Wozniaks should seek independent counsel prior to entering into a transaction with WISE MONEY; the Wozniaks'

interests as debtors conflicted with WISE MONEY's interests as creditor; and the Wozniaks' interests as debtors conflicted with Movant's and Naida's interests as creditors.

8. Movant's failure to disclose matters referenced in paragraph 7 above was misleading because Dr. Wozniak believed that Movant represented her interests alone as her attorney; the Wozniaks did not believe they should seek independent counsel prior to entering into a debtor-creditor relationship with WISE MONEY; the Wozniaks did not know Movant was married to Naida; and the Wozniaks did not know that Movant was acting as the attorney, registered agent, and President of WISE MONEY while simultaneously acting as attorney for the Wozniaks in a loan transaction between the Wozniaks and WISE MONEY.

9. Between February 3, 1993, and October 25, 1997, Movant provided Dr. Wozniak with legal representation in various matters, including debt collection, landlord-tenant issues, and incorporation matters, among others. Prior to October 25, 1997, Dr. Wozniak asked Movant and Movant agreed to obtain an additional \$5,000 loan on her behalf. Movant drafted a third promissory note evidencing a loan from NAIDA Corporation in the amount of \$5,000 to Dr. Wozniak. On October 25, 1997, Movant tendered the third promissory note to Dr. Wozniak, and Dr. Wozniak executed it. Subsequently, Movant paid \$5,000 to Dr. Wozniak.

10. At no time did Movant disclose to Dr. Wozniak or advise her of any of the following with respect to the October 25, 1997 promissory note: Movant's wife, Naida Reagan ("Naida"), was a registered officer of NAIDA Corporation in her capacity as Secretary, Treasurer, and Director of NAIDA Corporation; Movant's daughter, Lauri Reagan ("Lauri"), was a registered officer of NAIDA Corporation in her capacity as President and Director of NAIDA Corporation; Movant represented NAIDA Corporation in legal matters; Movant drafted the

promissory note referenced in paragraph 9 above; Dr. Wozniak should seek independent counsel prior to entering into a transaction with NAIDA Corporation; Dr. Wozniak's interests as debtor conflicted with NAIDA Corporation's interests as creditor; and that Dr. Wozniak's interests as debtor conflicted with Naida's and Lauri's interests as creditors.

11. Movant's failure to disclose matters referenced in paragraph 10 above was misleading because Dr. Wozniak believed that Movant represented her interests alone as her attorney; Dr. Wozniak did not believe she should seek independent counsel prior to entering into a debtor-creditor relationship with NAIDA Corporation; Dr. Wozniak did not know Movant was married to Naida and the father of Lauri; and Dr. Wozniak did not know that Movant was acting as the attorney for NAIDA Corporation while simultaneously representing her in a loan transaction with NAIDA Corporation.

12. On November 7, 1997, Dr. Wozniak notified the Attorney Registration and Disciplinary Commission ("the Commission") that she objected to Movant's behavior on October 25, 1997. Specifically, Movant spoke of sexual domination, and he asked Dr. Wozniak to assist him in putting on items of women's clothing. Movant agrees that if Dr. Wozniak were called to testify in this matter, she would state that she felt compelled to obey Movant's request because Movant stood in front of the closed door to his office. After Dr. Wozniak submitted to Movant's request, she left his office. On November 14, 1997, the Commission requested that Movant answer Dr. Wozniak's allegations.

13. After requesting and receiving three extensions of time in which to respond, Movant acknowledged that he engaged in most of the conduct described in paragraph 12 above, and claimed that no conflicts of interest occurred with respect to the three loans described above, because he issued a written disclosure to the Wozniaks on August 17, 1992. Movant provided the Commission with a copy of the letter bearing the date August 17, 1992 which purportedly disclosed real and potential conflicts with respect to the \$40,000 loan referenced in paragraph 2 above.

14. The letter dated August 17, 1992 referenced in paragraph 13 above was fraudulent because Movant fabricated the letter after receiving notification that the Commission initiated an inquiry into his conduct; Movant never mailed or provided such a letter to Dr. Wozniak and Dr. Wozniak never received the letter dated August 17, 1992. Movant intended to mislead the Commission into believing that Movant made appropriate disclosures to Dr. Wozniak prior to September 2, 1992, when, in fact, none was made at any time.

MISCONDUCT SUPPORTED BY THE EVIDENCE

If the above-described matters proceeded to hearing before the Hearing Board of the Commission, the proof outlined above would establish that Movant engaged in the following misconduct:

- a. overreaching;
- b. entering into a business transaction with the client without disclosure when the lawyer knows or reasonably should know that the lawyer and client have or may have conflicting interests therein, in violation of Rule 1.8(a) of the Illinois Rules of Professional Conduct;

making a statement of material fact known by the lawyer to be false in connection with a lawyer disciplinary matter, in violation of Rule 8.1(a)(1) of the Illinois Rules of Professional Conduct;

conduct involving dishonesty, fraud, deceit or misrepresentation in violation of Rule 8.4(a)(4) of the Illinois Rules of Professional Conduct;

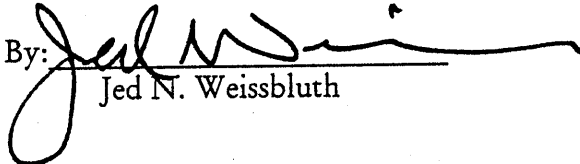
conduct which is prejudicial to administration of justice in violation of Rule 8.4(a)(5) of the Illinois Rules of Conduct; and

conduct which tends to defeat the administration of justice or bring the courts or legal profession into disrepute in violation of Supreme Court Rule 771.

Respectfully submitted,

Mary Robinson, Administrator
Attorney Registration and
Disciplinary Commission

By:



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