

No. 1-14-2782

NOTICE: This order was filed under Supreme Court Rule 23 and may not be cited as precedent by any party except in the limited circumstances allowed under Rule 23(e)(1).

IN THE
APPELLATE COURT OF ILLINOIS
FIRST JUDICIAL DISTRICT

ROBERT HARRIS,)	Appeal from the
)	Circuit Court of
Plaintiff-Appellee,)	Cook County.
)	
v.)	
)	
ILLINOIS WORKERS' COMPENSATION)	
COMMISSION, STAFFMARK INVESTMENT,)	No. 10 L 51910
LLC, AMERICAN HOME ASSURANCE)	
COMPANY, FRANK A. SANTILLI, individually)	
and a/a/o FRANK A. SANTILLI & ASSOCIATES,)	
and FRANK A. SANTILLI & ASSOCIATES,)	
)	Honorable
)	Carl A. Walker,
Defendants-Appellees.)	Judge Presiding.

JUSTICE HARRIS delivered the judgment of the court.
Presiding Justice Cunningham and Justice Connors concurred in the judgment.

ORDER

¶ 1 **Held:** We affirm the order of the circuit court which vacated the workers' compensation settlement agreement. A review of the record demonstrates plaintiff's attorney admitted in his answer plaintiff's signature was forged.

¶ 2 Plaintiff-employee along with defendant-employer and its insurance company allegedly entered into a settlement agreement to resolve plaintiff's workers' compensation claims. In December 2009, the Workers' Compensation Commission approved the settlement. In December 2010, plaintiff filed a declaratory judgment action seeking to set aside the settlement on the basis of fraud. Specifically, plaintiff alleged he informed his attorney to reject the settlement, but his attorney signed the settlement agreement anyway. Defendant-employer and its insurance company moved for judgment on the pleadings based on the fact that it was not a necessary party and they were not alleged to have engaged in any fraudulent conduct. The circuit court denied the motion for judgment on the pleadings but did enter judgment in favor plaintiff and vacated the settlement agreement.

¶ 3 On appeal, defendant-employer and its insurer argue the circuit court (1) erred in not entering judgment on the pleadings in their favor and (2) erred in entering judgment in favor of plaintiff and vacating the settlement agreement. For the reasons stated below, we affirm the order of the circuit court granting judgment in favor of plaintiff on count I.

¶ 4 JURISDICTION

¶ 5 On July 9, 2014, the circuit court denied defendants Staffmark and American Home Assurance's motion for judgment on the pleadings. In the same order, the circuit court *sua sponte* entered judgment on count I in favor of the plaintiff, and vacated the workers' compensation settlement agreement. On August 7, 2014, Staffmark and American Home Assurance filed a motion to reconsider the July 9 order. The circuit court denied the motion to reconsider on August 18, 2014. In its denial of the motion to reconsider the circuit court entered a finding pursuant to Supreme Court Rule 304(a) that based on the court's expressed findings no just reason existed to delay enforcement or appeal from the July 9, 2014 judgment as to count I.

¶ 6 On September 10, 2014 defendants Staffmark and American Home Assurance filed their notice of appeal with this court. Accordingly, this court has jurisdiction over this matter pursuant to article VI, section 6 of the Illinois Constitution, and Illinois Supreme Court Rules 301 and 304(a). Ill. Const. 1970, art. VI, § 6; Ill. S. Ct. R. 301 (eff. Feb. 1, 1994); R. 304(a) (eff. Feb. 26, 2010).

¶ 7

BACKGROUND

¶ 8 On September 11 and 12, 2007, plaintiff was an employee of Staffmark when he sustained injuries while acting within the scope and course of his employment. Plaintiff retained the services of Frank Santilli and his law firm to represent him in pursuing workers' compensation claims before the Illinois Workers' Compensation Commission (Commission) arising out of the September accidents. On December 29, 2009, a settlement contract lump sum petition and order (the settlement) in the amount of \$36,762 was submitted to the Commission by Santilli in case numbers 08 WC 2057 and 08 WC 21461. On the same day the Commission approved the settlement. Thereafter, Staffmark and its insurer, American Home Assurance Company (AHAC), sent payment of \$36,762 to Santilli, as provided by the settlement.

¶ 9 On December 20, 2010, plaintiff filed a complaint seeking to vacate the settlement of his workers' compensation claims based upon the fraud of his attorney, Santilli. On February 1, 2011, plaintiff filed a first amended complaint adding fraud and legal malpractice counts against Santilli. The complaint alleges that Santilli forged the signature of plaintiff on the settlement after plaintiff had expressly rejected it. The first amended complaint contained no allegations of wrongdoing against Staffmark and AHAC.

¶ 10 On December 6, 2013, plaintiff filed a second amended complaint. On December 24, 2013, Staffmark and AHAC filed a motion for judgment on the pleadings as to count I, which

sought to set aside the settlement agreement. On July 9, 2014, the circuit court entered an opinion and order denying Staffmark and AHAC's motion for judgment on the pleadings. However, as part of the July 9 order, the circuit court granted plaintiff's declaratory relief seeking to set aside the settlement agreement. Accordingly, the court vacated the approval of the settlement and remanded the case to the Commission with directions to allow plaintiff to proceed with his claim for worker's compensation benefits. The circuit court retained jurisdiction to further consider plaintiff's claims against Santilli.

¶ 11 On August 7, 2014, Staffmark and AHAC filed a motion to reconsider the circuit court's July 9 order. On August 18, 2014, the circuit court denied the motion to reconsider. The circuit court found no just reason to delay appeal under Illinois Supreme Court Rule 304(a). On September 10, 2014, Staffmark and AHAC filed a notice of appeal challenging the circuit court's July 9, 2014 order.

¶ 12 ANALYSIS

¶ 13 Before moving on to the issues raised by Staffmark and AHAC, we must first address an issue raised in plaintiff's brief. In his Response, plaintiff argues this court lacks jurisdiction to hear defendants appeal.¹ Plaintiff argues that the July 7 order vacating the settlement agreement between himself and defendants cannot be characterized as a final order. Plaintiff argues that the July 7 order did not terminate anything, but, rather simply allowed plaintiff's claim to go forward before the Commission. We disagree.

¶ 14 Illinois Supreme Court Rule 304(a) provides, "[i]f multiple parties or multiple claims for relief are involved in an action, an appeal may be taken from a final judgment as to one or more but fewer than all of the parties or claims only if the trial court has made an express written

¹ Frank A. Santilli and Frank A. Santilli & Associates are also defendants in this case, but did not file an appearance or brief before this court.

finding that there is no just reason for delaying either enforcement or appeal or both. Such a finding may be made at the time of the entry of the judgment or thereafter on the court's own motion or on motion of any party." Ill. S. Ct. R. 304(a) (eff. Feb. 26, 2010). "By the rule's own terms, a Rule 304(a) finding can confer appealability only on a judgment that is already final." *In re Marriage of Duggan*, 376 Ill. App. 3d 725, 735 (2007). "A final judgment is one which conclusively adjudicates the rights of the parties; the only act remaining is execution." *Northern Trust Co. v. Halas*, 257 Ill. App. 3d 565, 570 (1993) citing *Slates v. International House of Pancakes, Inc.*, 90 Ill. App. 3d 716, 722 (1980). Additionally, Illinois courts have long recognized "that an appeal from a motion to reconsider which contained a Rule 304(a) finding should be treated as having been intended to cover the original judgment." *Relander v. Phoenix Mut. Life Ins. Co.*, 262 Ill. App. 3d 525, 528 (1994).

¶ 15 The second amended complaint contains 4 counts. Count I seeks to vacate the settlement agreement between plaintiff and defendants, while counts II through IV are directed at Santilli and his firm. The only controversy between the parties to this appeal related to count I is the enforcement of the workers' compensation settlement agreement. Plaintiff seeks to void the agreement on the basis of fraud while the defendants seek to enforce it. When the court vacated the settlement agreement between the parties with its July 7 order, the circuit court ended the controversy as to whether there was an enforceable settlement agreement between the parties. The court's order resolved the dispute between plaintiff and these defendants but not all of plaintiff's claims, thus requiring the inclusion of Rule 304(a) language. When the circuit court included the Rule 304(a) language in the motion to reconsider, the July 7 order could be appealed within 30 days. Ill. S. Ct. R. 304(a) (eff. Feb. 26, 2010). Accordingly, we have jurisdiction to hear this appeal.

¶ 16 We now address defendants' contention that the circuit court erred in denying their judgment on the pleadings. Defendants argue their judgment on the pleading should have been granted because they are not a necessary party to plaintiff's fraud action. Defendants argue the allegations contained within plaintiff's complaint are insufficient to vacate the settlement agreement because no fraud is alleged against them. Defendants argue plaintiff's recovery should be limited to his former attorney. However, neither statute nor case law supports defendants' argument.

¶ 17 Section 2-615(e) of the Illinois code of civil procedure provides that any party may seasonably move for judgment on the pleadings. 735 ILCS 5/2-615(e) (West 2012). "After the motion is made, the court must examine the pleadings to determine if a factual issue exists or if the matter can be resolved solely as a matter of law." *Swidler v. Litvin*, 107 Ill. App. 3d 227, 230 (1969). Such a motion "raises the question of whether there is any issue of material facts presented by the pleadings and, if there is no such issue, the question as to which party is entitled to judgment." *Id.* However, if the pleadings reveal any issue of material fact, evidence must be presented "to resolve the issue or issues; and under circumstances, a judgment on the pleadings may not be entered." *Affiliated Realty & Mortgage Co. v. Jursich*, 17 Ill. App. 3d 146, 149 (1974). A reviewing court reviews the grant or denial of judgment on the pleadings *de novo*. *Allstate Property & Casualty Insurance Co. v. Trujillo*, 2014 IL App (1st) 123419, ¶ 15.

¶ 18 First, defendants' argument finds no support in Section 19(f). Section 19(f) provides, in part, "[t]he decision of the Commission acting within its powers, according to the provisions of paragraph (e) of this Section shall, *in the absence of fraud*, be conclusive unless reviewed as in this paragraph hereinafter provided." 820 ILCS 305/19(f) (West 2012) (emphasis added). Statutory language that is clear and unambiguous must be given effect without resort to other

aids of construction. *Wal-Mart Stores, Inc. v. Industrial Comm'n*, 324 Ill. App. 3d 961, 967 (2001). Section 19(f) contains no language limiting the fraud necessary to set aside a decision to one of the parties to the agreement.

¶ 19 Defendants' argument also finds no support in the case law. Our supreme court has recognized that a party may maintain a complaint before the circuit court in equity to procure relief from a judgment of the Industrial Commission based on fraud. *Daugherty v. National Union Elec. Corp.*, 160 Ill. App. 3d 747, 749 (1987) citing *Michelson v. Industrial Comm'n*, 375 Ill. 462 (1979).

¶ 20 In support of its argument that the fraud must have been committed by a party to the workers' compensation proceeding defendants cite to *Roadside Auto Body, Inc. v. Miller*, 285 Ill. App. 3d 105 (1996). However, *Roadside* does not contain any allegations of fraud against one of the parties' attorneys and is therefore inapplicable to the current case. In *Colvin v. Hobart Bros.*, 156 Ill. 2d 166 (1993), the supreme court dealt with a similar situation to the one before us. In *Colvin*, the employee sought to vacate the workers' compensation settlement agreement with the employer on the basis that the employee had not authorized his attorney to settle the case. *Id.* at 409. The employer was innocent of wrongdoing, like the defendants here, but the court took no issue with them being named as parties.

¶ 21 Furthermore, even though defendants are not accused of any wrongdoing, they are necessary parties as defined by Illinois law. A necessary party is defined as "one who has a legal or beneficial interest in the subject matter of the litigation and will be affected by the action of the court." *Holzer v. Motorola Lighting, Inc.*, 295 Ill. App. 3d 963, 970 (1998). "A party is considered necessary when its presence in a lawsuit is required for any of the following reasons: (1) to protect an interest which the absentee party has in the subject matter of the controversy

which would be materially affected by a judgment entered in its absence; (2) to protect the interests of those who are before the court; or (3) to enable the court to make a complete determination of the controversy." *Boyd Electric v. Dee*, 356 Ill. App. 3d 851, 859 (2005). Defendants fall within the first category in that they have an interest (the settlement), which would be materially affected by a judgment entered in its absence. Accordingly, defendants are interested parties under Illinois law.

¶ 22 Based on the foregoing, the circuit court did not err when it denied defendants' motion for judgment on the pleadings based on defendants' argument it is not a necessary party or that no fraud is alleged against them.

¶ 23 Next, we address whether the circuit court erred in entering judgment in favor of plaintiff as to count I. When the court denied defendant's motion for judgment on the pleadings, it *sua sponte* entered judgment in favor of plaintiff, vacated the settlement agreement, and remanded the case to the Commission with directions to proceed with the workers' compensation claim. Defendants contend the circuit court improperly granted judgment for plaintiff because no formal pleading before the court requested such relief, and a question of fact remained as to whether the settlement was procured via a forged signature.

¶ 24 As previously stated our review of an entry of judgment from a motion for judgment on the pleadings is *de novo*. *Allstate Property & Casualty Insurance Co. v. Trujillo*, 2014 IL App (1st) 123419, ¶ 15.

¶ 25 Based on the record before us, the circuit court correctly entered judgment in favor of plaintiff on count I because the settlement was procured via a forged signature. It is well established, a reviewing court is not bound by the precise reasons given by the lower court in entering judgment, and we may sustain the entry of judgment if the decision is justified by any

reason appearing in the record. *Mount Prospect State Bank v. Marine Midland Bank*, 121 Ill. App. 3d 295, 298-99 (1983). A review of the record shows that plaintiff's former attorney has admitted the settlement contains the forged signature of the plaintiff. Paragraph 10 of plaintiff's original complaint states, "[o]n information and belief said Settlement Contracts contain forged signatures of Petitioner." In its answer to the original complaint defendant attorney and his law firm stated, "[d]efendant's, [sic] admits the allegations contained in Paragraph 10." The admittance that plaintiff's signature was forged establishes the settlement entered into between plaintiff and these defendants was procured by fraud.

¶ 26 Even though this does not represent the basis on which the circuit court granted judgment in favor of plaintiff on count I, it is dispositive of this appeal. Accordingly, the circuit court was correct in entering judgment in favor of plaintiff as to count I, vacating the settlement and remanding for further proceedings before the Commission.

¶ 27

CONCLUSION

¶ 28 Based on the foregoing, we affirm the decision of the circuit court which entered judgment in favor of plaintiff as to count I, vacated the settlement agreement between plaintiff and defendants, and remanded for further proceedings before the Workers' Compensation Commission.

¶ 29 Affirmed.