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IN THE
APPELLATE COURT OF ILLINOIS
FIRST JUDICIAL DISTRICT

REWARDS NETWORK ESTABLISHMENT)	Appeal from the Circuit Court
SERVICES, INC.,)	of Cook County.
)	
Plaintiff,)	
)	
v.)	No. 11 M1 111074
)	
LEONIS, INC. and CHARLES PERSICO,)	The Honorable
)	Daniel P. Duffy,
Defendants)	Judge, Presiding.
)	
(Charles Persico, Defendant and Counterplaintiff-)	
Appellant),)	
)	
and)	
)	
CHARLES PERSICO)	
Counterplaintiff and Third Party Plaintiff-)	
Appellant,)	
)	
v.)	
)	
LEONIS, INC., an Illinois Corporation, MEFMET)	
AHMETI, KUJTIME AHMETI,)	
)	
Third-Party Defendants-Appellees.)	

JUSTICE PUCINSKI delivered the judgment of the court.
Presiding Justice Lavin and Justice Mason concurred in the judgment.

ORDER

¶ 1 *Held:* The trial court’s ruling that counterplaintiff was not entitled to indemnification was not against the manifest weight of the evidence. The trial court did not abuse its discretion when it denied counterplaintiff’s request for sanctions under Illinois Supreme Court Rule 137.

¶ 2 This action arises out of complaint filed by Plaintiff Rewards Network Establishment Services, Inc., (Rewards Network) against Defendant Leonis, Inc. (Leonis) d/b/a Wild Bull Bar & Grill for breach of contract and against Defendant-Counterplaintiff Charles Persico (Persico) for breach of contract relating to a personal guarantee. Persico, the appellant here, filed a third amended third-party complaint, which included an indemnification cross-claim against Leonis. Following a bench trial on Rewards Network’s breach of guarantee claim against Persico and Persico’s indemnification claim against Leonis, the trial court awarded judgment against Persico on the personal guarantee and found he was not entitled to indemnification.

¶ 3 Persico appeals, arguing the trial court erred when it awarded judgment against him on the indemnification claim and dismissed his “Third-Party Complaints” and claims for breach of fiduciary duty and “turn over assets” from his third amended third-party complaint. He also contends the trial court abused its discretion when it denied his request for Illinois Supreme Court Rule 137 (Ill. S. Ct. R. 137 (eff. Jan. 1, 2018)) sanctions against third-party defendants Mefmet Ahmeti and Kujtime Ahmeti. We affirm.

¶ 4 The record on appeal contains only the common law record. The record does not include reports of proceedings, bystander’s reports, or agreed statements of facts. The common law record shows that, on March 17, 2011, Rewards Network filed a complaint against Leonis and Persico, alleging it entered into certain contracts with Leonis relating to a “Dining Credits Program” and that Leonis breached the contracts and owed it \$13,117.94. Rewards Network alleged that Persico was personally liable for Leonis’s obligations because he executed a

personal guarantee. Rewards Network's complaint contained a breach of contract claim against Leonis and against Persico based on the personal guarantee. The record shows that, on August 2, 2012, the court entered a default judgment against Leonis in the amount of \$13,117.94.

¶ 5 In January 2013, Persico filed a third-party complaint against Leonis as well as Mefmet Ahmeti, Kujtime Ahmeti, and Fekrije Limani, whom he alleged were the directors, officers, or shareholders of Leonis ("third-party defendants").¹ He alleged that Leonis did not have funding to pay the build out costs for Wild Bull Bar & Grill ("restaurant") and, in exchange for receiving a 25% partnership interest in the restaurant, they agreed that Persico would provide personal funds to finish the build out. The third-party complaint contained two claims for indemnification.

¶ 6 In his first claim (count I), Persico asserted he signed a personal guarantee with Rewards Network with respect to the Dining Credits Program and that, in February of 2010, Mefmet accused him of stealing money from the restaurant and stopped operating the Dining Credits Program with Rewards Network. He alleged that, in July 2011, when the underlying complaint with Rewards Network was pending, third-party defendants sold Leonis's assets and received \$90,000. He alleged that third-party defendants had a duty to pay Leonis's outstanding debts before they received the funds from the sale of its assets and that he was entitled to indemnification from them under section 8.75 of the Illinois Business Corporation Act (805 ILCS 5/8.75 (West 2012)) (Act).

¶ 7 Persico's second claim for indemnification (count II) involved allegations relating to Nova Fire Protection, Inc. ("Nova"). He alleged he entered into an agreement with Nova as an agent for Leonis and that Nova completed work for Leonis's build out of the restaurant. He alleged that Leonis did not pay Nova and, as a result, Nova filed a lawsuit against him because

¹ Mefmet Ahmeti and Kujtime Ahmeti share the same last name. We will therefore refer to them by their first names.

he “signed for the work” and “signed the agreement for payment, personally.” He alleged that, when the Nova case against him was pending, third-party defendants sold Leonis’s assets and received \$90,000. Persico asserted he was entitled to indemnification from third-party defendants under section 8.75 of the Act.

¶ 8 Third-party defendants filed a motion to dismiss Persico’s third-party complaint under section 2-615 of the Illinois Code of Civil Procedure (735 ILCS 5/2-615) (West 2012)). The trial court granted the motion and allowed Persico leave to file an amended third-party complaint.

¶ 9 On July 18, 2013, Persico filed an amended third-party complaint, alleging two claims for breach of fiduciary duty. Count I related to the personal guarantee he signed with Rewards Network and count II involved the allegations regarding the contracts he entered with Nova. As he did in the initial complaint, Persico alleged that, while the underlying complaint with Rewards Network was pending and while the case with Nova was pending, third-party defendants sold Leonis’s assets. He alleged that third-party defendants owed him a fiduciary duty as a partner, “known creditor,” and guarantor and that they had a duty to hold the funds received from the sale of Leonis’s assets in trust for the benefit of Leonis’s creditors. He alleged third-party defendants breached their fiduciary duties by, *inter alia*, treating the funds received from the sale as their own before they paid Leonis’s known creditors.

¶ 10 Third-party defendants filed a motion to dismiss the amended third-party complaint under section 2-619 of the Illinois Code of Civil Procedure (735 ILCS 5/2-619) (West 2012)), arguing that Persico’s allegations were raised and litigated in a separate case in the chancery division of the circuit court. The trial court granted the motion and allowed Persico leave to file a second amended third-party complaint.

¶ 11 On November 20, 2014, Persico filed a second amended third-party complaint, asserting the same breach of fiduciary duty claims and allegations he asserted in his amended complaint. Third-party defendants filed a section 2-619 motion to dismiss, arguing again that Persico raised the same allegations in the chancery case. The trial court granted third-party defendants' motion to dismiss and dismissed count II, the claim for breach of fiduciary duty involving Nova, with prejudice. The court granted Persico leave to file a third amended third-party complaint.

¶ 12 On March 5, 2015, Persico filed a third amended third-party complaint, which included a cross-claim for indemnification against Leonis (count I). He asserted he signed the guarantee agreement with Rewards Network as an authorized agent or employee of Leonis and that he acted in good faith and in a manner he reasonably believed to be in Leonis's best interests. He alleged that Leonis was solvent and able to pay the judgment entered against it on August 2, 2012.

¶ 13 In that complaint, Persico included a header entitled "Count II – Breach of Fiduciary Duty" and asserted he was bringing the claim against Mefmet and Kujtime. Under the header, it stated: "Count II was dismissed with prejudice by prior order of court" and did not contain any other allegations. Persico also asserted a claim for "Turn Over Assets" (count III) against Mefmet and Kujtime, alleging they were the sole officers and directors of Leonis, they sold Leonis's assets in July 2011, they had a duty to pay Leonis's creditors before they were entitled to the residue of corporate funds, and they committed an "improper act" by treating Leonis's corporate assets as their own before completing the wind up process.

¶ 14 Leonis filed an answer to the indemnification claim (count I). Mefmet and Kujtime filed a section 2-619 motion to dismiss the "Turn Over Assets" claim (count III), arguing that it was barred by *res judicata* and that it was based on the same set of operative facts as the complaint

Persico filed in the chancery division. The trial court granted Mefmet and Kujtime's section 2-619 motion to dismiss count III and set the case for trial on Rewards Networks breach of guarantee claim against Persico and on Persico's indemnification claim against Leonis.

¶ 15 We note that the common law record shows that Persico, Lynn Persico, Howard S. Unell, and A. Holden Co., Inc. (Holden) filed a complaint in the chancery division (2010 CH 27762), against Leonis, Mefmet, Kujtime, and Limani. In the second amended complaint in that case, which was filed on July 25, 2012, Persico alleged he was president of Holden and that Leonis and Mefmet entered into an oral agreement with Holden whereby Holden would serve as the general contractor for the build out of the restaurant. According to Persico, in March 2009, Mefmet could not obtain money to finish the build out and the parties agreed that, in exchange for Persico and Unell finishing the build out, they would be made partners in the restaurant. Persico alleged he finished and funded the build out and that, in February 2010, Mefmet accused Unell of stealing money and then "locked" Persico out of the partnership.

¶ 16 In this complaint in the chancery division, Persico alleged claims for, as relevant here, unjust enrichment against Leonis and breach of fiduciary duty against Leonis and Mefmet. The trial court entered judgment "in favor of Plaintiff, Charles Persico" and against Leonis on the unjust enrichment claim in the amount of \$25,390 (count V).² It entered judgment in favor of Leonis on all other counts and in favor of Mefmet and Kujtime on all counts. The record shows that the court subsequently entered an order stating that, with respect to the unjust enrichment claim in count V, judgment was awarded in favor of Holden and against Leonis in the amount of \$51,240.

² We note that the second amended complaint stated that the unjust enrichment claim, count V, was brought by Holden.

¶ 17 Turning back to the instant case, the record does not include a transcript of the trial proceedings on Persico’s indemnification claim against Leonis and Rewards Networks breach of guarantee claim against Persico. The common law record includes written “Closing Statements” filed by the parties. In Persico’s closing statement, he asserted, *inter alia*, that it would be unfair if Mefmet and Kujtime were not liable because they sold Leonis’s assets when they knew a judgment had been entered against Leonis. He requested that the court pierce the corporate veil and argued that, under Illinois Supreme Court Rule 137 (IL S. Ct. R. 137 (eff. Jul. 1, 2013)), it should issue sanctions against Mefmet and Kujtime for “intentionally pleading false facts” and “testifying falsely at trial.”

¶ 18 On March 22, 2018, the trial court issued a written order. With respect to Rewards Network’s claim for breach of guarantee against Persico, the court found the guarantee valid and enforceable and awarded judgment in favor of Rewards Network and against Persico in the amount of \$15,835.55, plus costs.

¶ 19 As to Persico’s indemnification claim, the court noted that, although Persico did not expressly cite the Act in his claim, the parties agreed that section 8.75 of the Act governed his claim. The court found that Persico was not entitled to indemnification, noting that indemnification is only mandatory under section 8.75 when the party seeking indemnification prevails and that, “while permissible indemnification can be *made* mandatory through bylaws, or an express agreement between the corporation and its officers or agents, there was no evidence of any such bylaw or agreement here.” (Emphasis in original.) The court also noted that Persico claimed that Leonis was a “sham corporation” and that he had elicited evidence supporting most or all of the elements required to pierce the corporate veil. The court stated, however, that issues

relating to piercing the corporate veil should be addressed in a separate action. The trial court denied Persico's motion to reconsider.

¶ 20 On appeal, Persico contends the trial court erred in ruling against him on his indemnification claim. He argues the trial court erred in dismissing his "Third Party Complaints" and counts II and III of his third amended third-party complaint. He also contends the trial court abused its discretion when it denied his Rule 137 request for sanctions against Mefmet and Kujtime.

¶ 21 Initially, we note that the content and format of appellate briefs are governed by Illinois Supreme Court Rule 341(h) (eff. Mar. 25, 2018). *Voris v. Voris*, 2011 IL App (1st) 103814, ¶ 8. These rules are mandatory. *Voris*, 2011 IL App (1st) 103814, ¶ 8. This court may strike a brief and dismiss an appeal based on a party's failure to comply with the applicable rules of appellate procedure. *McCann v. Dart*, 2015 IL App (1st), ¶ 12.

¶ 22 Persico's brief does not sufficiently comply with Rule 341(h). Rule 341(h)(6) requires the appellant state "the facts necessary to an understanding of the case, stated accurately and fairly without argument or comment, and with appropriate reference to the pages of the record on appeal." Ill. S. Ct. R. 341(h)(6) (eff. Mar. 25, 2018). Persico's statement of facts recites allegations from his pleadings filed in the trial court as if they were facts, quotes case law that he cited and argument he asserted in certain documents he filed with the trial court, and contains improper argument. Further, even though the record on appeal does not include reports of proceedings, bystander's reports, or agreed statements of facts, Persico describes his own version of certain testimony at trial. This does not help in our understanding of the facts and evidence of the case.

¶ 23 Even though Persico’s brief does not sufficiently comply with Rule 341(h), we will not dismiss the appeal based on the noted deficiencies, as the striking of an appellate brief is a harsh sanction. See *In re Det. of Powell*, 217 Ill. 2d 123, 132 (2005) (“[T]he striking of an appellate brief, in whole or in part, is a harsh sanction and is appropriate only when the alleged violations of procedural rules interfere with or preclude review.”) (quoting *Moomaw v. Mentor H/S, Inc.*, 313 Ill. App. 3d 1031, 1035 (2000)).

¶ 24 We have an independent duty to review jurisdiction. *In re Estate of York*, 2015 IL App (1st) 132830, ¶ 27. A party’s filing of a notice of appeal is the jurisdictional step to initiate review in the appellate court. *Id.* ¶ 32. Because the purpose of a notice of appeal is to inform the prevailing party that the opposing party has requested review of the judgment complained of (*McGath v. Price*, 342 Ill. App. 3d 19, 30 (2003)), under Illinois Supreme Court Rule 303(b)(2), an appellant’s notice of appeal must “specify the judgment or part thereof or other orders appealed from and the relief sought from the reviewing court” (Ill. S. Ct. R. 303(b)(2) (eff. Jul. 1, 2017)).

¶ 25 Even though we should liberally construe a notice of appeal, “if the appellant fails to designate an order he is appealing from in his notice of appeal,” we cannot consider that order upon review. *McGath*, 342 Ill. App. 3d at 31. We lack jurisdiction to consider issues not specified in the notice of appeal and, unless there is a properly filed notice of appeal, we must dismiss the appeal for lack of jurisdiction. *Id.* An exception to this rule exists however if the order not expressly mentioned in the notice of appeal “was a ‘step in the procedural progression leading’ to the judgment which was specified in the notice of appeal.” (Internal quotation marks omitted.) *In re Marriage of O’Brien*, 2011 IL 109039, ¶ 23.

¶ 26 Here, Persico’s notice of appeal is specific in the relief he seeks. It expressly states that he seeks relief from “Reversal of order to deny Cross-Plaintiff, Charles Persico, indemnification and Reversal of Judgment against Defendant, Charles Persico, in favor of Plaintiff as Charles was a guarantor and Plaintiff never attempted to collect from Defendant, Leonis, Inc.” Persico argues in his brief on appeal that the trial court erred in dismissing his “Third Party Complaints” against Mefmet and Kujtime and counts II and III of his third amended third-party complaint. The notice of appeal however does not refer to any of the trial court’s previous orders dismissing these claims. The failure to file a proper notice of appeal is not remedied by addressing the relevant issue in an appellate brief, as Persico did here. *In re Estate of York*, 2015 IL App (1st) 132830, ¶ 39. Accordingly, because the notice of appeal does not refer to the trial court’s previous dismissal orders, we lack jurisdiction to consider the court’s previously entered orders dismissing Persico’s other claims. See *In re Estate of York*, 2015 IL App (1st) 132830, ¶ 39 (where the notice of appeal only stated that the relief sought was from the trial court’s judgment on one count and did not include that the appellant sought relief on a different count, we found we did not have jurisdiction to review the count that was not included in the notice of appeal).

¶ 27 Further, the exception to the rule does not apply here. See *In re Marriage of O’Brien*, 2011 IL 109039, ¶ 23 (we have jurisdiction if the order not expressly mentioned in the notice of appeal “was a step in the procedural progression leading to the judgment which was specified in the notice of appeal.”) (Internal quotation marks omitted.)) The trial court’s previous orders dismissing the “Third-Party Complaints” and the February 19, 2015, and May 15, 2015, orders dismissing, respectively, count II, breach of fiduciary duty, and count III, “Turn Over Assets,” of Persico’s third amended third-party complaint were not necessary steps or a procedural

progression leading to the trial court's order finding he was not entitled to indemnification and awarding judgment against him on Rewards Network's breach of guarantee claim.

¶ 28 Moreover, even if the notice of appeal was sufficient to review Persico's argument that the trial court erred when it dismissed his "Third-Party Complaints" and counts II and III of his third amended third-party complaint, we would affirm the trial court's judgment. As the appellant, Persico has "the burden of presenting a sufficiently complete record of the proceedings at trial to support a claim of error." *Midstate Siding & Window Co. v. Rogers*, 204 Ill. 2d 314, 319 (2003). When the record is incomplete on appeal, we presume the trial court's order was entered "in conformity with law and had a sufficient factual basis." *Foutch v. O'Bryant*, 99 Ill. 2d 389, 392 (1984). If we have any doubts based on the ambiguity within the record, we must resolve those issues against Persico, the appellant here. *Teton, Tack & Feed, LLC*, 2016 IL App (1st) 150584, ¶ 19.

¶ 29 As previously noted, although the record on appeal contains the common law record, Persico did not file any transcripts of the hearings or proceedings that occurred in the trial court. He did not file any substitutes such as a bystander's report or agreed statements of facts under Illinois Supreme Court Rule 323(c), (d) (eff. July 1, 2017). Because we do not have any transcripts of the trial court's proceedings, we do not know what evidence or arguments Persico submitted to the court during any of the proceedings. Nor do we know the reasoning behind the trial court's orders dismissing his "Third-Party Complaints" and counts II and III of his third amended third-party complaint. Accordingly, because we do not have an adequate record, we must presume the trial court's previous dismissal orders were entered in conformity with the law and had sufficient factual bases. See *Foutch*, 99 Ill. 2d at 392.

¶ 30 In addition, we note that Persico waived any objections to the trial court's rulings on the claims contained in his former third-party complaints, as he filed an amended pleading. See *W.W. Vincent & Co. v. First Colony Life Ins. Co.*, 351 Ill. App. 3d 752, 756 (2004) ("A party who files an amended pleading waives any objection to the circuit court's ruling on a former complaint."). To preserve review of a trial court's dismissal of claims in a prior complaint, the party must either stand on the dismissed counts and challenge the ruling at the appellate level before filing an amended complaint or reallege the dismissed counts in subsequent complaints. *Id.* Here, in Persico's third amended third-party complaint, he failed to reallege or refer to the indemnification claims and breach of fiduciary duty claim relating to Rewards Network that were dismissed from his previous complaints.³ Thus, we must find that Persico waived any issues relating to the trial court's dismissal of these claims from his previous complaints. See *Id.* (where the plaintiffs' second and third amended complaint failed to reallege, incorporate, or refer to the claims set forth in their amended complaint, the reviewing court found that they waived the issues pertaining to the counts dismissed in the amended complaint).

¶ 31 Further, with respect to counts II and III of Persico's third amended third-party complaint, we note that there is nothing in the record to show that Persico filed a motion to reconsider the trial court's order dismissing these claims and, thus, the court did not have the opportunity to review its decision and correct any alleged errors.

¶ 32 We next address Persico's argument that the trial court erred when it ruled in favor of Leonis on his indemnification claim following a bench trial.⁴ He contends he was entitled to

³ In the breach of fiduciary claim (count II) of Persico's third amended third-party complaint, he stated that the court previously dismissed this count with prejudice. The record shows that the count the court previously dismissed with prejudice was the breach of fiduciary duty claim involving Nova asserted in Persico's second amended complaint.

⁴ The notice of appeal states that Persico also seeks review of the trial court's order granting judgment in favor of Rewards Network and against him on Rewards Network's breach of contract claim involving the personal guarantee. Persico does not challenge this issue on appeal.

indemnification under section 8.75 of the Illinois Business Corporation Act (805 ILCS 5/8.75 (West 2012)) (Act).

¶ 33 When we review a trial court’s ruling following a bench trial, we review whether the trial court’s judgment was against the manifest weight of the evidence. *Judgment Services Corp. v. Sullivan*, 321 Ill. App. 3d 151, 154 (2001). A judgment is considered “against the manifest weight of the evidence only when an opposite conclusion is apparent or when findings appear to be unreasonable, arbitrary, or not based on evidence.” *Id.* We conclude that the trial court’s order finding Persico not entitled to indemnification was not against the manifest weight of the evidence.

¶ 34 The trial court noted in its written order that, although Persico did not cite the Act in his indemnification claim, the parties agreed that section 8.75 of the Act governed his claim. Subsections (a), (b), (c), and (d) of section 8.75 govern situations when a corporation may or must indemnify a party. Subsections (a) and (b) provide, as relevant here, that a corporation *may* indemnify a director, officer, employee, or agent of the corporation if the person “acted in good faith and in a manner he or she reasonably believed to be in, or not opposed to the best interests of the corporation ***.” (Emphasis added.) Subsection (b) governs situations where the director, officer, employee, or agent of the corporation is a party in a suit or action “to procure a judgment” in the corporation’s favor. 805 ILCS 5/8.75 (a), (b) (West 2018). Accordingly, under subsections (a) and (b), a corporation *may* indemnify a director, officer, employee, or agent of the corporation if all other conditions in the provisions are met.

¶ 35 Here, in Persico’s indemnification claim, he did not allege the existence of any agreements or bylaws that provided that Leonis agreed to indemnify Persico. In the court’s written order, it expressly found that there was no evidence of any agreements or bylaws that

provided that Leonis agreed to indemnify its officers or agents and, on appeal, Persico does not direct this court to any such agreements or bylaws providing that Leonis agreed to indemnify Persico or any of its agents or officers.

¶ 36 Further, Rewards Network’s claim against Persico was based on the personal guarantee and Persico seeks indemnification from Leonis for the amount he is liable to Rewards Network as a result of the personal guarantee. The court expressly found that Persico’s personal guarantee with Rewards Network was valid and enforceable and, as a result, it awarded judgment against Persico as an individual. The court made no findings that Persico signed any agreements with Rewards Network as an agent, employee, or officer of Leonis and there is nothing in the record to show that Persico was liable to Rewards Network because he was an employee, officer, director, or agent of Leonis. Accordingly, because Persico did not identify any agreements or bylaws that provided that Leonis agreed to indemnify Persico and because there is nothing in the record to show that he was liable to Rewards Network due to his position as a director, officer, employee, or agent of Leonis, Persico is not entitled to indemnification under subsections (a) and (b).

¶ 37 Subsection (c) governs situations where the director, officer, or employee was successful on the merits in the defense of any action referred to in subsections (a) and (b). 805 ILCS 5/8.75 (c) (West 2018). Here, subsection (c) does not apply because, among other reasons, Persico was not successful on Rewards Network’s claim against him.

¶ 38 Finally, Persico asserts that, under subsection (d), the court may unilaterally impose indemnification and that the court erred when it did not do so. Subsection (d) states, in relevant part, “Any indemnification under subsections (a), (b), or (c) (unless ordered by a court) shall be made by the corporation only as authorized in the specific case, upon a determination that

indemnification of the present or former director, officer, employee or agent is proper in the circumstances because he or she has met the applicable standard of conduct set forth in subsections (a), (b), or (c).” 805 ILCS 5/8.75(d) (West 2018). Persico does not cite any authority to support his argument that subsection (d) and the language “unless ordered by a court” allows a court to unilaterally impose mandatory indemnification from a corporation or that this subsection applies in the situation here, where Persico was sued and personally liable as a result of a personal guarantee. See *Johnson v. Gene’s Supermarket, Inc.*, 117 Ill. App. 3d 295, 303 (1983) (the language “ ‘unless ordered by a court’ merely provides another procedure whereby a litigant may obtain *permissive* indemnification from a corporation.”) (Emphasis added). We are therefore unpersuaded by Persico’s argument that the court erred when it did not impose indemnification under subsection (d) of the Act.

¶ 39 Accordingly, based on the foregoing, the court’s finding that Persico was not entitled to indemnification from Leonis was not against the manifest weight of the evidence.

¶ 40 Persico also contends that the trial court abused its discretion when it denied his Illinois Supreme Court Rule 137 (Ill. S. Ct. R. 137 (eff. Jan. 1, 2018)) request for sanctions against Mefmet and Kujtime. Under Rule 137, a trial court “may impose sanctions against a party or counsel who files a motion or pleading that fails to have a well-grounded factual basis, that is not supported by existing law or lacks a good-faith basis for a modification, reversal, or extension in the law, or that is interposed for any improper purpose.” *Peterson v. Randhava*, 313 Ill. App. 3d 1, 6-7 (2000). Under this rule, a litigant’s signature on a pleading constitutes a certification that the party read the pleading and made a “reasonable inquiry” into the alleged facts. *Whitmer v. Munson*, 335 Ill. App. 3d 501, 514 (2002).

¶ 41 The purpose of Rule 137 is to prevent parties from abusing the judicial process and, thus, sanctions may be imposed on parties who “file vexatious and harassing actions based upon unsupported allegations of fact or law.” *Dismuke v. Rand Cook Auto Sales, Inc.*, 378 Ill. App. 3d 214, 217 (2007). The party requesting sanctions has the burden of proof and must show that the opposing litigant made “untrue and false allegations without reasonable cause.” *Dismuke*, 378 Ill. App. 3d 214, 217 (2007); *Technology Innovation Center, Inc. v. Advanced Multiuser Technologies Corp.*, 315 Ill. App. 3d 238, 243 (2000). Because the rule is penal in nature, we must strictly construe it. *Peterson*, 313 Ill. App. 3d at 6-7 (2000).

¶ 42 We will only overturn a trial court’s decision to deny or grant a Rule 137 motion for sanctions if the court abused its discretion. *Technology Innovation Center, Inc.*, 315 Ill. App. 3d at 244. We will find a trial court abused its discretion when no reasonable person could take the view it adopted. *Whitmer*, 335 Ill. App. 3d at 514.

¶ 43 Persico asserts that Mefmet and Kujtime filed pleadings in the trial court that were “mostly false, intentionally false and considered blatant perjury.” He also argues that Mefmet and Kujtime knowingly testified falsely at trial.

¶ 44 Initially, we note that Persico did not file a formal motion in the trial court requesting sanctions under Rule 137. See Ill. S. Ct. R. 137(a) (eff Jan. 1, 2018) (if the pleading, motion, or document is signed in violation of Rule 137, “the court, upon motion or upon its own initiative” may impose appropriate sanctions on the person who signed it.) Persico did however request sanctions under Rule 137 in his written closing statement, requesting the court issue sanctions against Leonis, Mefmet, and Kujtime for “intentionally pleading false facts” and for “testifying falsely at trial.” In the court’s written ruling, it did not refer to Persico’s request for sanctions nor issue a ruling on the request and there is nothing in the record to show that the court ever issued a

ruling on it. We note that “it is the responsibility of the party filing a motion to request the trial judge to rule on it, and when no ruling has been made on a motion, the motion is presumed to have been abandoned absent circumstances indicating otherwise.” *Rodriguez v. Illinois Prisoner Review Board*, 376 Ill. App. 3d 429, 433 (2007). However, in Persico’s motion to reconsider, he argued, *inter alia*, that Kujtime knowingly made false statements when she signed Leonis’s answer to his third amended third-party complaint. Thus, although Persico failed to obtain a ruling on his initial request for sanctions asserted in his written closing statement, he addressed his request in his motion to reconsider.

¶ 45 In the trial court’s order denying Persico’s motion to reconsider, the trial court stated that it denied the motion for “the reasons stated in open court.” As previously discussed, the record on appeal does not contain any reports of proceedings, bystander’s report, or agreed statements of facts. Because we do not have any transcripts of the hearing on Persico’s motion to reconsider, we do not know the arguments the parties presented nor the reasoning behind the trial court’s order and we must presume it was entered in conformity with the law and had a sufficient factual basis. See *Foutch*, 99 Ill. 2d at 392.

¶ 46 Further, we note that Rule 137 governs pleadings, motions, and other documents. See Ill. S. Ct. R. 137(a) (eff. Jan. 1, 2018). Thus, because Rule 137 does not apply to alleged false testimony at trial, the trial court did not abuse its discretion when it denied Persico’s request for sanctions based on the argument that Mefmet and Kujtime testified falsely.

¶ 47 With respect to Persico’s argument that Mefmet and Kujtime filed false pleadings in the trial court, based on our review of the record, we conclude that the trial court did not abuse its discretion when it denied Persico’s request for sanctions on this basis. Persico argues that the trial testimony shows that Kujtime made false statements in Lenois’s answer and affirmative

defense to his indemnification claim. We do not have a transcript of the trial proceedings and there is nothing in the record before us to show that Kujtime made false statements in these specific documents or that Mefmet and Kujtime filed pleadings in the trial court that contained untrue and false allegations without reasonable cause. Accordingly, the trial court did not abuse its discretion when it denied Persico's request for sanctions under Rule 137.

¶ 48 For the foregoing reasons, the judgment of the circuit court of Cook County is affirmed.

¶ 49 Affirmed.