

STATE OF ILLINOIS
IN THE CIRCUIT COURT OF ST CLAIR COUNTY

ILLINOIS STATE BAR)
ASSOCIATION,)
)
Plaintiff,)
)
v.)
)
LARRY SHELTON d/b/a Shelton's)
Realty and Legal Support)
Services, Inc., Shelton's Legal)
Support Services, and Nationwide)
Negotiators)
)
Defendant.)

10CH 11661
No. ~~10-L-639~~

FILED
ST. CLAIR COUNTY
DEC 08 2010
huom Henry
CIRCUIT CLERK
41

COMPLAINT FOR INJUNCTIVE & OTHER RELIEF

NOW COMES, Plaintiff the ILLINOIS STATE BAR ASSOCIATION,
by and through its attorney, Jack Carey, Attorney at Law, and complaining of
Defendant, Larry Shelton d/b/a Shelton's Realty and Legal Services, Inc.,
Shelton's Legal Support Services and Nationwide Negotiators states:

NATURE OF THIS ACTION AND VENUE

1. This is an action against Defendant for the unauthorized practice of law. Four distinct causes of action are pled in seven counts. The causes of action pled are: 1) unauthorized practice of law (Common Law); 2) unauthorized practice of law (statutory); and 3) violation of the Consumer Fraud and Deceptive Business Practices Act.

2. Venue for this action properly lies in St. Clair County, Illinois pursuant to 735 ILCS 5/2-101, in that the Defendant reside in St. Clair

County, Illinois.

PARTIES

3. Plaintiff, Illinois State Bar Association, (hereafter "ISBA") is a not-for-profit corporation with its principal place of business in Springfield, Sangamon County, Il. It is a voluntary association of approximately 32,000 Illinois lawyers.

4. Consistent with its Charter and By-laws, the ISBA investigates claims of the unauthorized practice of law and, where appropriate, files lawsuits against those it believes are engaging in the unauthorized practice of law.

5. "Shelton's Realty and Legal Support Services, Inc." is an involuntarily dissolved Illinois corporation. Its last known agent was: Larry James Whitesell Shelton, 12 E. State St., Mascoutah, Il. 62258. Its last known President was Larry JW Shelton, P.O. Box 39, Mascoutah, Il. 62258. Its Principle office is located, and it conducts its business at, 12 E. State St., Mascoutah, Il. 62258.

6. Defendant, Larry Shelton is doing business individually and as Shelton's Realty and Legal Support Services, Inc., 12 E. State St., Mascoutah, St. Clair County, Il. 62258. Defendant is also doing business as Shelton's Legal Support Services, and Shelton's Legal Support Services & Nationwide Negotiators.

7. Defendant is not licensed to practice law in the State of Illinois.

8. Defendant is not supervised by a licensed attorney.

COUNT I

Unauthorized Practice of Law – Common Law
(Jessica Iler)

1-8. Plaintiff re-alleges paragraphs one through eight above for paragraphs one through eight of this Count I.

9. On September 5, 2008, Jessica Iler appeared before the Honorable Brian Babka, Associate Judge, St. Clair County, in matter No. 08-F-683, *John Giddens v. Jessica Iler*. Before the Court, in part, was Jessica Iler's "Pro Se Motion to Vacate and Set Aside." Upon inquiry from Judge Babka, Ms. Iler acknowledged this pleading was drafted by Defendant. See Exhibit 1 (Transcript of proceedings before Judge Babka on August 20, 2008).

10. In the same matter referenced above in paragraph 9, also before the Court was Ms. Iler's "Motion to Amend, Motion to Vacate and Set Aside Court Order of June 20, 2008." Upon inquiry from Judge Babka, Ms. Iler acknowledged that this pleading was drafted by Defendant. See Exhibit 1, Page 4, Lines 21 – 24, Page 5, Lines 1 – 7, Page 24, Lines 2 – 13, Page 28, Lines 21 – 24, Page 29, Lines 1 – 4.

11. In the same matter referenced above in paragraph 9, also before the Court was Ms. Iler's August 11, 2008 "Emergency Order of Protection." Upon inquiry from Judge Babka, Ms. Iler acknowledged that this Order was drafted by Defendant. Defendant is not licensed to practice law in Illinois. See Exhibit 1, Page 6 Line 24, Page 7 Lines 1 – 17.

12. In the same matter referenced above in paragraph 9, also before the Court was Ms. Iler's August 19, 2008 "Petition for Rule to Show Cause." Upon inquiry from Judge Babka, Ms. Iler acknowledged this pleading was drafted by Defendant. See Exhibit 1, Page 9 Lines 20 – 24, Page 10 Lines 1 - 4.

13. In the same matter referenced above in paragraph 9, upon inquiry by the Court, Defendant acknowledged he prepared pleadings on Ms. Iler's behalf. See Exhibit 1.

14. Defendant is not licensed to practice law in Illinois.

15. The Illinois Supreme Court has the inherent authority under the Illinois Constitution of 1970 to exercise the power of the judicial branch, to control admission to the bar, and to define the practice of law.

16. The practice of law, both either in or out of courts, by one not licensed, is an illegal usurpation of the privilege of a lawyer and is a contempt of court. *People ex. Rel Chicago Bar Association v. Goodman*, 366 Ill. 346, 8 N.E. 2d 941, 944 (1937).

17. Giving legal advice to another in any matter involving the application of law or legal principles to specific circumstances, facts, status rights, obligations, purposes, or desires when such advice is intended to be or may be reasonably relied upon constitutes the unauthorized practice of law. *In re Howard*, 188 Ill 2d 423, 721 N.E.2d 1126 242 Ill Dec 595 (1999).

18. Preparing, recommending, selecting, executing, or approving of

the use of any document or instrument for another by which legal rights are or may be obtained, secured or transferred or which applies laws or legal principles to a person's specific circumstances, facts, status, rights, or obligations constitutes the practice of law.

19. Defendant's conduct described in Paragraphs 13 through 18 *supra*, constitutes the unauthorized practice of law.

WHEREFORE, Plaintiff respectfully request this Court enter judgment in its favor and:

A. Find that Defendant has engaged in the unauthorized practice of law in violation of common law;

B. Declare Defendant in contempt of court pursuant to this Court's inherent authority to restrain the unauthorized practice of law as recognized at common law;

C. Enjoin Defendant from providing legal services in the State of Illinois without a license;

D. Require Defendant to pay all costs for the prosecution and investigation of this action, including attorney's fees and costs; and

F. Provide such other and further equitable relief as justice and equity may require.

COUNT II

Unauthorized Practice of Law – Statutory Violation (Jessica Iler)

1-14. Plaintiff re-alleges paragraphs one through 14 of Count I above for paragraphs one through 14 of this Count II.

15. Section 1 of the Attorney Act, 705 ILCS 205/1, provides in part that:

No person shall be permitted to practice as an attorney or

counselor at law within this State without having previously obtained a license for that purpose from the Supreme Court of this State. No person shall receive any compensation directly or indirectly for any legal services other than a regularly licensed attorney, nor may an unlicensed person advertise or hold himself or herself out to provide legal services.

16. Supreme Court Rule 701 (a) states:

Subject to the requirements contained in these rules, persons may be admitted or conditionally admitted to practice law in this State by the Supreme Court if they are at least 21 years of age, of good moral character and general fitness to practice law, and have satisfactorily completed examinations on academic qualification and professional responsibility as prescribed by the Board of Admissions to the Bar or have been licensed to practice law in another jurisdiction and have met the requirements of Rule 705.

17. Defendant has engaged in a course of conduct unlawful under both Section 1 of the Illinois Attorney Act and Supreme Court Rule 701(a) by providing legal services, engaging in the practice of law, and otherwise holding himself out as being able to provide legal services.

WHEREFORE, Plaintiff respectfully requests this Court enter judgment in its favor and:

A. Find that Defendant has engaged in the unauthorized practice of law in violation of Section 1 of the Attorney Act, 705 ILCS 205/1;

B. Declare Defendant in contempt of court pursuant to the Court's inherent authority as recognized in the Attorney Act, 705 ILCS 205/1;

C. Fine Defendant in an amount not to exceed \$5,000, 705 ILCS 205/1;

D. Enjoin Defendant from providing legal services in the state of Illinois;

E. Require Defendant to pay all costs for the prosecution and

investigation of this action, including attorney's fees and costs; and

F. Providing such other and further equitable relief as justice and equity may require.

COUNT III

Unauthorized Practice of Law – Common Law (Warren and Sharon Hill)

1-8. Plaintiff re-alleges paragraphs one through eight above for paragraphs one through eight of this Count III.

9. In or about 2009, a foreclosure action was filed in St. Clair County on behalf of CitiBank Mortgage naming Warren and Sharon Hill as defendants. *Citibank v. Warren Hill*, no. 09-CH-01196.

10. In or about April, 2010, on date better known by Defendant, Defendant agreed to represent Warren and Sharon Hill in the foreclosure dispute referenced above in paragraph nine.

11. On April 2, 2010, Defendant communicated in writing with counsel for Citi Mortgage representing that he was acting on behalf on his clients, Warren and Sharon Hill. Defendant represented that he would be representing Warren and Sharon Hill in the negotiation of all of their debts. See Exhibit 2.

12. In the matter referenced above in paragraph 9, it is upon information and belief Warren Hill testified under oath Defendant drafted pleadings on his behalf.

13. Defendant is not licensed to practice law in Illinois.

14. The Illinois Supreme Court has the inherent authority under the Illinois Constitution of 1970 to exercise the power of the judicial branch, to control admission to the bar, and to define the practice of law.

15. The practice of law, both in courts and out of courts, by one not licensed, is an illegal usurpation of the privilege of a lawyer and is a contempt of court. *People ex. Rel Chicago Bar Association v. Goodman*, 366 Ill. 346, 8 N.E. 2d 941, 944 (1937).

16. Giving legal advice to another in any matter involving the application of law or legal principles to specific circumstances, facts, status rights, obligations, purposes, or desires when such advice is intended to be or may be reasonably relied upon constitutes the unauthorized practice of law. *In re Howard*, 188 Ill 2d 423, 721 N.E.2d 1126 242 Ill Dec 595 (1999).

17. Preparing, recommending, selecting, executing, or approving of the use of any document or instrument for another by which legal rights are or may be obtained, secured or transferred or which applies laws or legal principles to a person's specific circumstances, facts, status, rights, or obligations constitutes the practice of law.

19. Defendant's conduct described in paragraphs nine through 12 *supra*, constitutes the unauthorized practice of law.

WHEREFORE, Plaintiff respectfully requests that this Court enter judgment in its favor and:

A. Find that Defendant has engaged in the unauthorized practice of law in violation of common law;

B. Declare Defendant in contempt of court pursuant to this Court's inherent authority to restrain the unauthorized practice of law as recognized at common law;

C. Enjoin Defendant from providing legal services in the State of Illinois without a license;

D. Require Defendant to pay all costs for the prosecution and investigation of this action, including attorney's fees and costs; and

E. Providing such other and further equitable relief as justice and equity may require.

COUNT IV

Unauthorized Practice of Law – Statutory Violation (Warren and Sharon Hill)

1-13. Plaintiff re-alleges paragraphs one through 13 of Count III above for paragraphs one through 13 of this Count IV.

14. Section 1 of the Attorney Act, 705 ILCS 205/1, provides in part that:

No person shall be permitted to practice as an attorney or counselor at law within this State without having previously obtained a license for that purpose from the Supreme Court of this State. No person shall receive any compensation directly or indirectly for any legal services other than a regularly licensed attorney, nor may an unlicensed person advertise or hold himself or herself out to provide legal services.

15. Supreme Court Rule 701 (a) states:

Subject to the requirements contained in these rules, persons may be admitted or conditionally admitted to practice law in this State by the Supreme Court if they are at least 21 years of age, of good moral character and general fitness to practice law, and have satisfactorily completed examinations on academic qualification and professional responsibility as prescribed by the Board of Admissions to the Bar or have been licensed to practice law in another jurisdiction and have met the requirements of

Rule 705.

16. Defendant has engaged in a course of conduct unlawful under both Section 1 of the Illinois Attorney Act and Supreme Court Rule 701(a) by providing legal services, engaging in the practice of law, and otherwise holding himself out as being able to provide legal services.

WHEREFORE, Plaintiff respectfully requests this Court enter judgment in its favor and:

- A. Find that Defendant has engaged in the unauthorized practice of law in violation of Section 1 of the Attorney Act, 705 ILCS 205/1;
- B. Declare Defendant in contempt of court pursuant to the Court's inherent authority as recognized in the Attorney Act, 705 ILCS 205/1;
- C. Fine Defendant in an amount not to exceed \$5,000, 705 ILCS 205/1;
- D. Enjoin Defendant from providing legal services in the state of Illinois;
- E. Require Defendant to pay all costs for the prosecution and investigation of this action, including attorney's fees and costs; and
- F. Providing such other and further equitable relief as justice and equity may require.

COUNT V

Unauthorized Practice of Law – Common Law
(Kathleen Baca)

1-8. Plaintiff re-alleges paragraphs one through eight above for paragraphs one through eight of this Count V.

9. On or about May 19, 2010, Defendant Shelton entered into a

written "Contract" with Kathleen Baca in an unemployment compensation matter involving Memorial Hospital (Belleville). The "Contract" purported to vest Defendant Shelton with the authority to "ask, demand, receive, prosecute, compromise and settle a certain claim, demand and cause of action" on Ms. Baca's behalf. The "Contract" further purported to vest Defendant Shelton with the authority to "effect said settlement by suit at law or chancery, or compromise and release, or in such other manner, as he [Defendant Shelton] may deem wise and proper." See Exhibit 3.

10. On or about July, 2010, Kathleen Baca initiated a proceeding before the Illinois Department of Employment Security titled *In the Matter of the Claim of Kathleen Baca v. Illinois Department of Employment Security and Memorial Hospital-Convalescent Center (Illinois)*, Docket no. 0044478A.

11. Defendant Shelton has prepared and filed pleadings in the matter referenced above in paragraph 10. Pleadings prepared by Defendant Shelton include but are not limited to: "Notice of Claimant's Change of Contact Information for Telehearing" (dated July 22, 2010 signed by Defendant Shelton); "Motion to Compel, Production of Documents or in the alternative Issuance of Subpoena Duces Tecum to Memorial Hospital" (undated signed by Defendant Shelton); "Submission of Evidence on Behalf of Claimant/Appellant" (dated July 22, 2010 signed by Defendant Shelton); "Motion to Exclude Trial Witnesses" (undated signed by Defendant Shelton); "Notice of Appeal" (undated signed by Defendant Shelton); "Motion For

Extension of Time To Prepare Appellant's Brief and Preparation and Production of Transcript of Proceedings" (undated signed by Defendant Shelton); and "Motion for Approval of Claimant's Contract with Her Legal Representative" (undated signed by Defendant Shelton). See Exhibits 4, 5, 6, 7, 8, 9, and 10.

12. Upon information and belief, Defendant Shelton has advised and counseled Kathleen Baca as to her legal and procedural rights.

13. Upon information and belief, Defendant Shelton has advised and counseled Kathleen Baca concerning her testimony at the hearing in the matter referenced above in paragraph 10 that may have resulted in a waiver of her Fifth Amendment right against self-incrimination which may subject her to criminal prosecution.

14. Defendant is not licensed to practice law in Illinois.

15. The Illinois Supreme Court has the inherent authority under the Illinois Constitution of 1970 to exercise the power of the judicial branch, to control admission to the bar, and to define the practice of law.

16. The practice of law, both in courts and out of courts, by one not licensed, is an illegal usurpation of the privilege of a lawyer and is a contempt of court. *People ex. Rel Chicago Bar Association v. Goodman*, 366 Ill. 346, 8 N.E. 2d 941, 944 (1937).

17. Giving legal advice to another in any matter involving the application of law or legal principles to specific circumstances, facts, status

rights, obligations, purposes, or desires when such advice is intended to be or may be reasonably relied upon constitutes the unauthorized practice of law.

In re Howard, 188 Ill 2d 423, 721 N.E.2d 1126 242 Ill Dec 595 (1999).

18. Preparing, recommending, selecting, executing, or approving of the use of any document or instrument for another by which legal rights are or may be obtained, secured or transferred or which applies laws or legal principles to a person's specific circumstances, facts, status, rights, or obligations constitutes the practice of law.

19. Defendant's conduct described in Paragraphs nine through eleven *supra*, constitutes the unauthorized practice of law.

WHEREFORE, Plaintiff respectfully request that this Court enter judgment in its favor and:

A. Find that Defendant has engaged in the unauthorized practice of law in violation of common law;

B. Declare Defendant in contempt of court pursuant to this Court's inherent authority to restrain the unauthorized practice of law as recognized at common law;

C. Enjoin Defendant from providing legal services in the State of Illinois without a license;

D. Require Defendant to pay all costs for the prosecution and investigation of this action, including attorney's fees and costs; and

E. Providing such other and further equitable relief as justice and equity may require.

COUNT VI

Unauthorized Practice of Law – Statutory Violation
(Kathleen Baca)

1-12. Plaintiff re-alleges paragraphs one through 12 of Count V above for paragraphs one through 12 of this Count VI.

13. Section 1 of the Attorney Act, 705 ILCS 205/1, provides in part that:

No person shall be permitted to practice as an attorney or counselor at law within this State without having previously obtained a license for that purpose from the Supreme Court of this State. No person shall receive any compensation directly or indirectly for any legal services other than a regularly licensed attorney, nor may an unlicensed person advertise or hold himself or herself out to provide legal services.

14. Supreme Court Rule 701 (a) states:

Subject to the requirements contained in these rules, persons may be admitted or conditionally admitted to practice law in this State by the Supreme Court if they are at least 21 years of age, of good moral character and general fitness to practice law, and have satisfactorily completed examinations on academic qualification and professional responsibility as prescribed by the Board of Admissions to the Bar or have been licensed to practice law in another jurisdiction and have met the requirements of Rule 705.

15. Defendant Shelton has engaged in a course of conduct unlawful under both Section 1 of the Illinois Attorney Act and Supreme Court Rule 701(a) by providing legal services, engaging in the practice of law, and otherwise holding himself out as being able to provide legal services.

WHEREFORE, Plaintiff respectfully requests this Court enter judgment in its favor and:

A. Find that Defendant has engaged in the unauthorized practice of law in violation of Section 1 of the Attorney Act, 705 ILCS 205/1;

B. Declare Defendant in contempt of court pursuant to the Court's

inherent authority as recognized in the Attorney Act, 705 ILCS 205/1;

C. Fine Defendant in an amount not to exceed \$5,000, 705 ILCS 205/1;

D. Enjoin Defendant from providing legal services in the state of Illinois, 705 ILCS 205/1;

E. Require Defendant to pay all costs for the prosecution and investigation of this action, including attorney's fees and costs; and

F. Providing such other and further equitable relief as justice and equity may require.

COUNT VII

CONSUMER FRAUD AND DECEPTIVE PRACTICES ACT

1-8. Plaintiff re-alleges paragraphs one through eight above for paragraphs one through eight of this Count VII.

9-13. Plaintiff re-alleges Defendant's conduct described in paragraphs nine through 13 of Count I as paragraphs nine through 13 of this Count VII.

13-16. Plaintiff re-alleges Defendant's conduct described in paragraphs nine through 12 of Count III as paragraphs 13 through 16 of this Count VII.

17-19. Plaintiff re-alleges Defendant's conduct described in paragraphs nine through eleven of Count V as paragraphs 17 through 19 of this Count VII.

20. Section 1(f) of the "Consumer Fraud and Deceptive Business Practices Act ("Consumer Fraud Act"), 815 ILCS 505/1, defines "trade" and "commerce" as:

The terms "trade" and "commerce" mean the advertising, offering for sale, sale or distribution of any services and any

property, tangible or intangible, real, personal, or mixed, and any other article, commodity, or thing of value wherever situated, and shall include any trade or commerce directly or indirectly affecting the people of this State.

21. Section 2 of the Consumer Fraud Deceptive Business Practices Act, 815 ILCS 505 et. seq., provides:

Unfair methods of competition and unfair or deceptive acts or practices, including but not limited to the use or employment of any deception: fraud, false pretense, false promise, misrepresentation or the concealment, suppression or omission of any material fact, with intent that others rely upon the concealment, suppression or omission of such material fact, or the use of such material fact, or the use or employment of any practice described in Section 2 of the Uniform Deceptive Trade Practices Act, approved August 5 1965, in the conduct of any trade or commerce are hereby declared unlawful whether any person has in fact been misled, deceived or damaged thereby. In construing this section consideration shall be given to the interpretation of the Federal Trade Commission and the federal courts relating to section 5(a) of the Federal Trade Commission Act.

22. Defendant has engaged in a course of trade or commerce which constitutes unfair and deceptive acts or practices contrary to Section 2 of the Consumer Fraud Act in that he is falsely holding himself out as being able to provide legal services with the intent that Illinois consumers will pay for these services.

WHEREFORE, Plaintiff respectfully requests that this court enter Judgment in its favor and:

A. Find that Defendant has violated Section 2 of the Consumer Fraud Act;

B. Enjoin Defendant from advertising, marketing, selling,

and/or performing legal services in Illinois in violation of the Consumer Fraud Act.

C. Assess a civil penalty in the amount of Fifty Thousand Dollars (\$50,000) per violation of the consumer Fraud Act found by the Court to have been committed by Defendant with the intent to defraud; if the Court finds the Defendant have engaged in methods, acts or practices declared unlawful by the Consumer Fraud Act, without the intent to defraud, then assessing a statutory civil penalty of Fifty Thousand Dollars (\$50,000), all as provided in Section 7 of the Consumer Fraud Act.

D. Require Defendant to pay all costs for the prosecution and investigation of this action including attorney's fees and costs, as provided by Section 10 of the Consumer Fraud Act; and

E. Provide such other and further equitable relief as justice and equity may require.

ILLINOIS STATE BAR ASSOCIATION

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One of Its Lawyers

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