

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

MIGUEL d'ESCOTO, individually,)
)
 Plaintiff,)
)
 v.)
)
 UNITED NEIGHBORHOOD)
 ORGANIZATION OF CHICAGO,)
 an Illinois non-profit corporation; and)
 JUAN RANGEL, individually,)
)
 Defendants.)

2014CH00083
CALENDAR ROOM 35
TIME 09:00
General Chancery

COMPLAINT

Plaintiff MIGUEL d'ESCOTO, by and through his attorneys SENAK KEEGAN GLEASON SMITH & MICHAUD, LTD., as his Complaint against Defendant UNITED NEIGHBORHOOD ORGANIZATION OF CHICAGO, (hereinafter "UNO") an Illinois non-profit corporation, and JUAN RANGEL, individually, states as follows:

THE PARTIES

1. Plaintiff MIGUEL d'ESCOTO was employed by Defendant UNO as Senior Vice President.
2. Defendant UNO is an Illinois non-profit corporation doing business in Cook County, Illinois, under the assumed name of United Neighborhood Organization.
3. Defendant JUAN RANGEL was the President, Chief Executive Officer, and a member of the Board of Directors for Defendant UNO.
4. As President, Chief Executive Officer, and a member of the Board of Directors of Defendant UNO, Defendant RANGEL had superior knowledge of the relationship between Defendant UNO and the Illinois Department of Commerce and Economic Opportunity (hereinafter "IDCEO") than Plaintiff d'ESCOTO.

5. Plaintiff d'ESCOTO was not a member of Defendant UNO's Board of Directors.
6. Plaintiff d'ESCOTO and Defendant RANGEL were personal friends, as well as business associates.
7. Because of this friendship, Plaintiff d'ESCOTO placed trust and confidence in Defendant RANGEL.
8. Defendant RANGEL knew and accepted that Plaintiff d'ESCOTO trusted him and placed confidence in him, and Defendant RANGEL's knowledge of the trust and confidence placed in him by Plaintiff d'ESCOTO as well as Defendant RANGEL's superior knowledge of the relationship between Defendant UNO and the IDCEO gave him superiority and influence over Plaintiff d'ESCOTO.

THE MISSION OF UNO

9. The mission of Defendant UNO is, among other things, to provide essential educational services to the children of the City of Chicago, promote citizenship, and cultivate leaders to enhance the economic advancement of members and businesses of the Chicago Hispanic community.
10. To fulfill its mission, Defendant UNO obtained grants from IDCEO to construct and operate a network of charter schools in Chicago.
11. Defendant UNO manages and operates UNO Charter School Network, Inc. (hereinafter "CSN"), an Illinois non-profit organization, via a management agreement between UNO and CSN.
12. Defendant UNO manages and operates 17 charter schools for CSN across the City of Chicago, serving approximately 7,500 students.
13. UNO and CSN charter schools serve a nearly 100% minority student body, 95% of which are Hispanic.

14. The schools operated by UNO and CSN are vital to the students, the student's families, and the larger communities they serve.
15. The construction of these new schools created economic development opportunities for Hispanic businesses, which UNO fully pursued and endorsed.

CONSTRUCTION OF CHARTER SCHOOLS

16. Because of the tremendous need for quality education in the Hispanic community and the scarcity of public funding to address this need, Defendant UNO used a design-build model to construct charter schools in the shortest possible time, while still maintaining high construction standards.
17. In 2007, Defendant UNO began construction on Officer Donald J. Marquez Elementary School, a charter school located in the City of Chicago. Upon his employment with Defendant UNO, Plaintiff d'ESCOTO became involved in overseeing the construction of the Marquez Elementary Charter School.
18. Plaintiff d'ESCOTO's brother, Federico d'Escoto, is an owner of d'Escoto, Inc.
19. In 2010, d'Escoto, Inc. was hired by Defendant UNO to provide construction management and owner's representative services for various charter schools being constructed by CSN and Defendant UNO with the IDCEO grant.
20. Plaintiff d'ESCOTO's brother, Rodrigo d'Escoto, is an owner of Reflection Window Co., LLC.
21. Reflection Window Co. was hired as a subcontractor by the general contractors to perform curtain wall and window installation at charter schools being constructed by Defendant UNO and CSN with the IDCEO grant.
22. Reflection Window Co. had no direct contractual relationship with CSN or Defendant UNO.

23. d'Escoto, Inc., and Reflection Window Co. complied with all the terms and conditions of the pre-qualifying, bidding, and contracting process as established and required by Defendant UNO for the construction projects in which they were involved.
24. All the work performed and services rendered by d'Escoto, Inc., and Reflection Window Co. to CSN and Defendant UNO were in compliance with IDCEO grants.
25. The job performance of d'Escoto, Inc., and Reflection Window Co. for CSN and Defendant UNO was exemplary. The work was performed on time and within budget, and no excessive construction charges were billed to CSN or Defendant UNO by d'Escoto, Inc., or Reflection Window Co.

AN ALLEGED CONFLICT OF INTEREST

26. On or about February 4, 2013, news reports began appearing in the Chicago media of an alleged conflict of interest resulting from d'Escoto, Inc., and Reflection Windows Co. performing services for CSN and Defendant UNO, while Plaintiff d'ESCOTO was an employee of the organization.
27. A conflict of interest arises when a decision-maker has any outside interest or relationship that may conflict with his ability to act strictly in the best interest of the organization.
28. Plaintiff d'ESCOTO had no role in the decision-making process by which CSN or Defendant UNO awarded contracts to d'Escoto, Inc., or subcontracts to Reflection Window Co.
29. On April 25, 2013, the IDCEO temporarily suspended funding of the grant until it conducted a review of Defendant UNO's internal controls and procurement procedures.
30. Defendant RANGEL was aware that Plaintiff d'ESCOTO had no role in the decision-making process by which CSN and Defendant UNO awarded contracts to d'Escoto, Inc., or subcontracts to Reflection Window Co.

31. Prior to the award of any contracts to d'Escoto, Inc., or subcontracts to Reflection Window Co., Defendant RANGEL was aware that d'Escoto, Inc., and Reflection Window Co. were owned in part by Plaintiff d'ESCOTO's brothers.
32. Consistent with UNO's mission to provide economic opportunity to Hispanic owned businesses in the Chicago community, in the Spring of 2010, Defendant RANGEL informed Plaintiff d'ESCOTO that Defendant RANGEL was working with key UNO staff to explore ways d'Escoto, Inc. could be contracted to provide construction management and owners representative services on schools constructed with IDCEO grant money.
33. Defendant RANGEL informed Plaintiff that Defendant UNO was doing so with the intent of hiring d'Escoto, Inc. for these construction projects.
34. Subsequently, Defendant RANGEL also informed Plaintiff d'ESCOTO that Defendant RANGEL and other key staff members had approved Reflection Window Co. as a bidder on school construction projects.
35. Plaintiff d'ESCOTO's relationship to d'Escoto, Inc. was disclosed on Schedule L (Form 990), Part IV of Defendant UNO's 2009, 2010, and 2011 Federal Income Tax Returns, which were prepared by the outside accounting firm of Ostrow, Reisin, Berk & Abrams, Ltd., signed by Defendant RANGEL, and were open to inspection by the public.

THE FEBRUARY 12, 2013 MEETING

36. On the evening of February 12, 2013, Defendant RANGEL initiated a discussion with Plaintiff d'ESCOTO for the purpose of inducing him to resign against his will from his position with Defendant UNO.
37. Defendant RANGEL did so to take advantage of the highly-charged political atmosphere that had developed since the publication of media reports in the preceding week to exert undue influence over Plaintiff d'ESCOTO's ability to rationally decide the best course of

action.

38. Defendant RANGEL initiated the discussion after normal business hours as part of a scheme to deprive Plaintiff d'ESCOTO from having sufficient time to contact legal counsel or personal advisors, or to have sufficient time to consider alternative courses of action.
39. In order to induce Plaintiff d'ESCOTO to resign, Defendant RANGEL made the following material misrepresentations of fact.
 - a. If Plaintiff d'ESCOTO did not resign immediately, Defendant UNO would lose State funding from the IDCEO for completion of construction of UNO Soccer Academy High School, a charter high school on the Southwest side at 51st and St. Louis;
 - b. If Plaintiff d'ESCOTO did not resign immediately, Defendant UNO would lose State funding for this project and for future construction projects.
 - c. If Plaintiff d'ESCOTO did not resign immediately, it would negatively affect the long-term financial viability of Defendant UNO and the schools it operates;
 - d. If Plaintiff d'ESCOTO did not resign immediately, Defendant UNO would lose State funding for the charter schools currently in operation;
 - e. That there was a perceived conflict of interest with Plaintiff d'ESCOTO's brothers doing business with CSN and Defendant UNO;
 - f. That the perceived conflict violated the terms of the IDCEO grant by Defendant UNO not disclosing that Plaintiff d'ESCOTO's brothers were receiving payments for construction work done on the charter schools constructed by CNS and Defendant UNO;
 - g. If Plaintiff d'ESCOTO did not resign immediately, it would result in further negative publicity that would adversely reflect on Plaintiff d'ESCOTO and his family; and
 - h. If Plaintiff d'ESCOTO did not resign immediately, thousands of underprivileged

minority students and their parents would suffer because construction of UNO Soccer Academy High School would not be completed in time to open for the beginning of the fall 2013 school year.

40. Defendant RANGEL demanded that Plaintiff d'ESCOTO resign and that the resignation be tendered immediately.
41. Defendant RANGEL had a resignation letter prepared by a third-party and demanded that Plaintiff d'ESCOTO immediately sign the letter.
42. Defendant RANGEL made clear that if Plaintiff d'ESCOTO did not sign the resignation letter, he would be terminated.
43. Defendant RANGEL failed to provide Plaintiff d'ESCOTO with a clear, written statement of the terms of his proposed separation from Defendant UNO, which described the consequences of Plaintiff d'ESCOTO's separation, the effect any separation would have on Plaintiff's benefits, compensation, unemployment compensation, ability to obtain references, and the time frame within which Plaintiff's severance would be completed.
44. Each of these acts by Defendant RANGEL were made while acting within the scope of his employment with Defendant UNO, and were part of a scheme to deprive Plaintiff d'ESCOTO of an opportunity for full and careful deliberation of a decision that would profoundly affect Plaintiff d'ESCOTO's career and reputation.
45. Against his will, Plaintiff d'ESCOTO involuntarily agreed to sign the resignation letter prepared for this purpose by Defendant RANGEL.
46. Under the circumstances, Plaintiff d'ESCOTO had no other choice but to sign the resignation letter prepared for this purpose by Defendant RANGEL.

NO FACTUAL BASIS TO DEMAND PLAINTIFF'S RESIGNATION

47. There was no *prima facie* factual basis for threatening to dismiss Plaintiff d'ESCOTO.

48. Plaintiff d'ESCOTO's job performance was exemplary.
49. There were no pending disciplinary charges against Plaintiff d'ESCOTO at UNO.
50. There was no ongoing disciplinary investigation involving Plaintiff d'ESCOTO at UNO.
51. There were no dismissal proceedings pending involving Plaintiff d'ESCOTO at UNO.
52. Plaintiff d'ESCOTO had never been threatened with dismissal, suspension, or otherwise disciplined at UNO prior to his separation.
53. Plaintiff d'ESCOTO never violated any of Defendant UNO's policies and procedures.
54. Plaintiff d'ESCOTO did not violate any of Defendant UNO's Bylaws.
55. Defendant UNO had no policy on conflict of interest for its employees.
56. Defendant UNO did not violate any provisions of the IDCEO grant.
57. Plaintiff d'ESCOTO did not violate any code of business conduct or ethics of Defendant UNO.
58. Plaintiff d'ESCOTO did not violate any conflict of interest policy of Defendant UNO.
59. Plaintiff d'ESCOTO did not violate any nepotism policy of Defendant UNO.
60. Plaintiff d'ESCOTO did not violate any federal, state, county or City rule, regulation or statute while at UNO.
61. Plaintiff d'ESCOTO did not affirmatively or otherwise conceal from Defendant RANGEL or Defendant UNO that his brothers had an ownership interest in d'Escoto, Inc. and/or Reflection Window Co.
62. Plaintiff d'ESCOTO had affirmatively disclosed to Defendant RANGEL that his brothers had an ownership interest in d'Escoto, Inc., and Reflection Window Co.
63. Based on Plaintiff d'ESCOTO's exemplary job performance, Plaintiff d'ESCOTO had an expectation of continued employment with Defendant UNO.
64. The IDCEO requested that Defendant UNO perform an independent audit to determine

whether there was any impropriety in the performance of the contracts between Defendant UNO and d'Escoto, Inc., whereby d'Escoto, Inc. functioned as the owner's representative relating to the construction of UNO Soccer Academy Elementary School, Roberto Clemente Elementary School, and UNO Soccer Academy High School.

65. The audit, which was completed by Coordinated Construction Project Control Services, made the following findings of fact regarding d'Escoto, Inc:

- a. The scope of work contained in both agreements was commercially reasonable for an owner's representative on these types of institutional projects;
- b. d'Escoto, Inc. reasonably and satisfactorily produced and performed the work product expected by each agreement's scope of work;
- c. d'Escoto, Inc. did not receive any greater compensation than usual due to any family members being associated or employed by Defendant UNO;
- d. The fee-rates charged by d'Escoto, Inc. for all schools were within customary ranges, and the fees charged by d'Escoto, Inc. were reasonable for an owner's representative on these types of institutional projects; and
- e. The fee charged by d'Escoto, Inc. was reasonable and the contracted work was performed.

66. The audit conducted by Coordinated Construction Project Control Services also examined the agreements by which Reflection Window Co. provided window walls/exterior work for UNO Soccer Academy Elementary School, Roberto Clemente Elementary School, and UNO Soccer Academy High School.

67. Regarding Reflection Window Co., the audit by Coordinated Construction Project Control Services made the following findings of fact:

- a. The contents of the agreements, both general and specific, including the scope of

work, was commercially reasonable;

- b. Reflection Window Co. performed the work it was contracted to perform;
 - c. There was no basis to conclude Reflection Window Co. received greater compensation due to any family members being associated or employed by Defendant UNO;
 - d. The amount of the subcontracts with Reflection Window Co. were at fair market rate; and
 - e. The Reflection Window Co. bid and final bid subcontract prices were reasonable and were at market rate.
68. On or about June 9, 2013, the IDCEO restored funding of the grant to CSN and Defendant UNO to allow for completion of UNO Soccer Academy and continued operation of the other charter schools operated by Defendant UNO.

COUNT I: RESCISSION: FRAUD

69. Plaintiff incorporates by reference the prior and subsequent allegations of the Complaint as the allegations of this paragraph.
70. At the time Defendant RANGEL made the statements to Plaintiff d'ESCOTO at the February 12, 2013 meeting, Defendant RANGEL knew the statements were untrue.
71. The statements were material to Plaintiff d'ESCOTO's decision whether to resign because the statements were made by Defendant RANGEL at a time when Defendant RANGEL was President, Chief Executive Officer, and a member of the Board of Directors for Defendant UNO.
72. Since Defendant RANGEL was President, Chief Executive Officer, and a member of the Board of Directors for Defendant UNO, Plaintiff d'ESCOTO justifiably relied on the statements of Defendant RANGEL.

73. Plaintiff d'ESCOTO did not know or have reason to know whether the statements made by Defendant RANGEL were false because he was not a member of Defendant UNO's Board of Directors, had not been privy to any discussions with the IDCEO, and he had no time or opportunity to determine whether there was a factual basis for the truth or falsity of the statements made by Defendant RANGEL.
74. In reliance on the false and misleading statements of Defendant RANGEL, Plaintiff d'ESCOTO signed the resignation letter that Defendant RANGEL had previously prepared for this purpose.
75. Rescission of Plaintiff d'ESCOTO's resignation will return the parties to the *status quo ante*.
76. Defendant RANGEL made the aforementioned statements for the purpose of inducing Plaintiff d'ESCOTO to resign.
77. As a direct and proximate result of Defendant RANGEL's misrepresentations of the aforementioned material facts, Plaintiff d'ESCOTO resigned.
78. But for Defendant RANGEL's misrepresentations of the aforementioned material facts, Plaintiff d'ESCOTO would not have resigned or been terminated.

WHEREFORE, Plaintiff MIGUEL d'ESCOTO prays this Honorable Court enter an order rescinding his resignation and reinstating him to his former position as Senior Vice President with Defendant UNO, awarding him back pay and the pecuniary value of the lost benefits for the time period from his separation to reinstatement, and any other additional expenses proximately caused by the Defendants' wrongful conduct. In the alternative, Plaintiff MIGUEL d'ESCOTO prays judgment be entered in his favor in amount in excess of \$50,000, for an award of attorneys' fees and costs incurred to prosecuting this matter, and for such further relief as this Court deems equitable and just.

COUNT II: RESCISSION: CONSTRUCTIVE FRAUD

79. Plaintiff incorporates by reference the prior and subsequent allegations of the Complaint as the allegations of this paragraph.
80. As a result of Defendant RANGEL's superior knowledge and influence, and Plaintiff d'ESCOTO having reposed trust and confidence in Defendant RANGEL based on their past personal friendship, Defendant RANGEL owed Plaintiff d'ESCOTO a fiduciary duty.
81. During their meeting on the evening February 12, 2013, Defendant RANGEL intentionally failed to disclose and affirmatively concealed the following material facts from Plaintiff d'ESCOTO:
- a. The IDCEO had never conditioned continued funding of the grant for completion of construction UNO Soccer Academy on whether Plaintiff d'ESCOTO resigned;
 - b. Defendant UNO's ability to continue receiving State funding was not conditioned on whether Plaintiff d'ESCOTO resigned;
 - c. There was no conflict of interest resulting from d'Escoto, Inc. serving as construction manager and Reflection Window Co. being a subcontractor on construction projects directed by CSN and Defendant UNO;
 - d. That Plaintiff d'ESCOTO had not violated any of Defendant UNO's policies and procedures, or any of the terms and conditions of the IDCEO grant;
 - e. That Defendant RANGEL was aware Plaintiff d'ESCOTO's brothers were receiving payments for construction work done on the charter schools constructed by CNS and Defendant UNO; and
 - f. That Plaintiff d'ESCOTO had adequately disclosed the relationship of d'Escoto, Inc., and Reflection Window Co. as required Defendant UNO's policies and procedures, and the terms of the IDCEO grant.

82. These omissions were material to Plaintiff d'ESCOTO's decision whether to resign because Defendant RANGEL was the President, Chief Executive Officer, and a member of the Board of Directors for Defendant UNO at the time he concealed this information.
83. Since Defendant RANGEL was President, Chief Executive Officer, and a member of the Board of Directors for Defendant UNO, Plaintiff d'ESCOTO justifiably relied on Defendant RANGEL's failure to disclose this information when deciding whether to sign the pre-printed resignation letter Defendant RANGEL had prepared.
84. Plaintiff d'ESCOTO did not know nor have reason to know whether this information was false because he was not a member of Defendant UNO's Board of Directors, had not been privy to any discussions with the IDCEO, and had no time or opportunity to determine whether there was a factual basis for the truth or falsity of the statements made by Defendant RANGEL.
85. Defendant RANGEL concealed this information for the purpose of inducing Plaintiff d'ESCOTO to resign.
86. In reliance on Defendant RANGEL's failure to disclose the aforementioned material facts, Plaintiff d'ESCOTO signed the resignation letter Defendant RANGEL had previously prepared for this purpose.
87. But for Defendant RANGEL's fraudulent concealment of aforementioned material facts, Plaintiff d'ESCOTO would not have resigned or been terminated.
88. As a direct and proximate result of Defendant RANGEL's fraudulent concealment of material facts, Plaintiff d'ESCOTO resigned.
89. Rescission of Plaintiff d'ESCOTO's resignation will return the parties to the *status quo ante*.

WHEREFORE, Plaintiff MIGUEL d'ESCOTO prays this Honorable Court enter an order

rescinding his resignation and reinstating him to his former position as Senior Vice President with Defendant UNO, awarding him back pay and the pecuniary value of the lost benefits for the time period from his separation to reinstatement, and any other additional expenses proximately caused by the Defendants' wrongful conduct. In the alternative, Plaintiff MIGUEL d'ESCOTO prays judgment be entered in his favor in amount in excess of \$50,000, for an award of attorneys' fees and costs incurred to prosecuting this matter, and for such further relief as this Court deems equitable and just.

COUNT III: RESCISSION: DURESS

90. Plaintiff incorporates by reference the prior and subsequent allegations of the Complaint as the allegations of this paragraph.
91. Since Plaintiff d'ESCOTO had not violated any rules, regulations, policies, or procedures of Defendant UNO, there were no basis in fact for demanding Plaintiff to resign.
92. Defendant RANGEL misrepresented the termination of funding to UNO for the express purpose of attempting to preserve his position within the organization when he knew said statements were either false, or were made in reckless disregard for the truth of the matters asserted.
93. The statements made by Defendant RANGEL to Plaintiff d'ESCOTO caused Plaintiff d'ESCOTO to suffer immediate and acute emotional strain and confusion such that he lacked capacity to enter into a valid and enforceable agreement to resign his employment with Defendant UNO.
94. The statements made by Defendant RANGEL left Plaintiff d'ESCOTO bereft of the quality of mind essential to determine whether to sign the letter of resignation Defendant RANGEL had previously prepared for the purpose of compelling Plaintiff d'ESCOTO to resign.

95. The statements made by Defendant RANGEL were not only false, but morally reprehensible because they were motivated by the wrongful purpose of attempting to preserve Defendant RANGEL's employment with Defendant UNO, which included a lucrative salary of approximately \$250,000 and other valuable benefits.

96. The statements made by Defendant RANGEL were not only false, but morally reprehensible because they were motivated by the wrongful purpose of attempting to conceal and prevent disclosure of the fact that Defendant RANGEL had been directly involved in hiring his own relatives and placing them on the payroll of Defendant UNO.

WHEREFORE, Plaintiff MIGUEL d'ESCOTO prays this Honorable Court enter an order rescinding his resignation and reinstating him to his former position as Senior Vice President with Defendant UNO, awarding him back pay and the pecuniary value of the lost benefits for the time period from his separation to reinstatement, and any other additional expenses proximately caused by the Defendants' wrongful conduct. In the alternative, Plaintiff MIGUEL d'ESCOTO prays judgment be entered in his favor in amount in excess of \$50,000, for an award of attorneys' fees and costs incurred to prosecuting this matter, and for such further relief as this Court deems equitable and just.

COUNT IV: RESCISSION: NEGLIGENT MISREPRESENTATION

97. Plaintiff incorporates by reference the prior and subsequent allegations of the Complaint as the allegations of this paragraph.

98. Defendant RANGEL had a pecuniary interest in preserving the flow of grant money from IDCEO to Defendant UNO and other state funding because he was receiving a lucrative salary from Defendant UNO which was being paid, in part, from a management fee directly tied to the number of schools being managed by Defendant UNO.

99. As the President, Chief Executive Officer, and a member of the Board of Directors of

Defendant UNO, Defendant RANGEL owed Plaintiff d'ESCOTO a duty to communicate truthful and accurate information to Plaintiff d'ESCOTO regarding whether Plaintiff d'ESCOTO should resign.

100. At the time Defendant RANGEL made the statements to Plaintiff d'ESCOTO at the February 12, 2013 meeting, Defendant RANGEL was under a fiduciary duty to communicate accurate information to Plaintiff d'ESCOTO based on his superior knowledge of the relationship between Defendant UNO and IDCEO, and the trust and confidence Plaintiff d'ESCOTO placed in Defendant RANGEL by virtue of their past friendship and association.
101. At the time Defendant RANGEL made the statements to Plaintiff d'ESCOTO, Defendant RANGEL carelessly or negligently failed to ascertain whether the statements were true or false.
102. At the time Defendant RANGEL made the statements to Plaintiff d'ESCOTO, the statements were false.
103. Defendant RANGEL either knew or should have know that the statements were material to Plaintiff d'ESCOTO's decision whether to resign because they were made by Defendant RANGEL at a time when Defendant RANGEL was President, Chief Executive Officer, and a member of the Board of Directors for Defendant UNO.
104. Since Defendant RANGEL was President, Chief Executive Officer, and a member of the Board of Directors for Defendant UNO, Plaintiff d'ESCOTO justifiably relied on the statements of Defendant RANGEL.
105. Plaintiff d'ESCOTO did not know nor have reason to know whether the statements made by Defendant RANGEL were false because he was not a member of Defendant UNO's Board of Directors, had not been privy to any discussions with the IDCEO, and he had no

time or opportunity to determine whether there was a factual basis for the truth or falsity of the statements made by Defendant RANGEL.

106. In reliance on the false and misleading statements of Defendant RANGEL, Plaintiff d'ESCOTO signed the resignation letter Defendant RANGEL had previously prepared for this purpose.

107. Defendant RANGEL made the statements for the purpose of inducing Plaintiff d'ESCOTO to resign.

108. As a direct and proximate result of Defendant RANGEL's negligent misrepresentations of material facts, Plaintiff d'ESCOTO resigned.

109. But for Defendant RANGEL's negligent misrepresentations of material fact, Plaintiff d'ESCOTO would not have resigned or been terminated.

110. Rescission of Plaintiff d'ESCOTO's resignation will return the parties to the *status quo ante*.

WHEREFORE, Plaintiff MIGUEL d'ESCOTO prays this Honorable Court enter an order rescinding his resignation and reinstating him to his former position as Senior Vice President with Defendant UNO, awarding him back pay and the pecuniary value of the lost benefits for the time period from his separation to reinstatement, and any other additional expenses proximately caused by the Defendants' wrongful conduct. In the alternative, Plaintiff MIGUEL d'ESCOTO prays judgment be entered in his favor in amount in excess of \$50,000, for an award of attorneys' fees and costs incurred to prosecuting this matter, and for such further relief as this Court deems equitable and just.

COUNT V: RESCISSION: UNDUE INFLUENCE

111. Plaintiff incorporates by reference the prior and subsequent allegations of the Complaint as the allegations of this paragraph.

112. Defendant RANGEL owed Plaintiff d'ESCOTO a fiduciary duty.
113. Since Plaintiff d'ESCOTO was not privy to any communications with the IDCEO, was given little time to consider whether to sign the resignation letter prepared by Defendant RANGEL, and was deprived of the opportunity to consult with an attorney or other personal advisor, Plaintiff d'ESCOTO was in a dependent situation in which Defendant RANGEL was in a dominant role.
114. As a result of Defendant RANGEL's superior knowledge and influence as the President, Chief Executive Officer, and a member of the Board of Directors for Defendant UNO, and their past personal friendship, Plaintiff d'ESCOTO reposed trust and confidence in Defendant RANGEL.
115. Defendant RANGEL prepared or procured the resignation letter Plaintiff d'ESCOTO signed, and Plaintiff d'ESCOTO signed the resignation letter in circumstances wherein Defendant RANGEL was instrumental or participated.
116. As a direct and proximate result of Defendant RANGEL's undue influence, Plaintiff d'ESCOTO signed the resignation letter prepared for him by Defendant RANGEL.
117. But for Defendant RANGEL's undue influence, Plaintiff d'ESCOTO would not have resigned or been terminated.
118. Rescission of Plaintiff d'ESCOTO's resignation will return the parties to the *status quo ante*.

WHEREFORE, Plaintiff MIGUEL d'ESCOTO prays this Honorable Court enter an order rescinding his resignation and reinstating him to his former position as Senior Vice President with Defendant UNO, awarding him back pay and the pecuniary value of the lost benefits for the time period from his separation to reinstatement, and any other additional expenses proximately caused by the Defendants' wrongful conduct. In the alternative, Plaintiff MIGUEL d'ESCOTO

prays judgment be entered in his favor in amount in excess of \$50,000, for an award of attorneys' fees and costs incurred to prosecuting this matter, and for such further relief as this Court deems equitable and just.

COUNT VI: RESCISSION: MISTAKE OF FACT

119. Plaintiff incorporates by reference the prior and subsequent allegations of the Complaint as the allegations of this paragraph.
120. At the time Defendant RANGEL made the statements to Plaintiff d'ESCOTO at the February 12, 2013 meeting, Defendant RANGEL was mistaken as to whether IDCEO would cut off funding to Defendant UNO, including, but not limited to, funding for completion of construction of UNO Soccer Academy High School, if Plaintiff d'ESCOTO did not resign.
121. Plaintiff d'ESCOTO had no way of determining the truth or accuracy of the statements made by Defendant RANGEL because Plaintiff d'ESCOTO was not a member of Defendant UNO's Board of Directors, was not privy to any discussions with the IDCEO or any other state agency providing funding to Defendant UNO, and Plaintiff d'ESCOTO was not allowed sufficient time to determine the truth or accuracy of the statements before being compelled to sign the resignation letter.
122. Whether the State or the IDCEO would cut off funding to Defendant UNO including, but not limited to, funding for the completion of construction of UNO Soccer Academy High School, was a material consideration in Plaintiff d'ESCOTO's decision to sign the resignation letter Defendant RANGEL had prepared for this purpose.
123. Defendant RANGEL's mistaken belief that the State and the IDCEO would cut off funding for, among other things, completion of construction of UNO Soccer Academy High School, had grave consequences to Plaintiff d'ESCOTO because it resulted in the loss of Plaintiff

d'ESCOTO's employment, the cessation of his medical insurance and other benefits, his ability to obtain unemployment compensation, his ability to obtain severance pay, and his ability to obtain references to secure future employment.

124. For these reasons, enforcement of Plaintiff d'ESCOTO's resignation would be unconscionable.

125. Under the circumstances, Plaintiff d'ESCOTO exercised due care to determine the truth or falsity of the statements by Defendant RANGEL because he relied on the truthfulness of Defendant RANGEL, who was a member of Defendant UNO's Board of Directors, was privy to the discussions with the IDCEO and other State agencies providing funding to Defendant UNO, Defendant RANGEL was a personal friend of Plaintiff d'ESCOTO, and Defendant RANGEL was under a duty to provide accurate and truthful information to Plaintiff d'ESCOTO.

126. Rescission of Plaintiff d'ESCOTO's resignation and reinstatement of Plaintiff to his position with Defendant UNO will restore the parties to the *status quo ante*.

WHEREFORE, Plaintiff MIGUEL d'ESCOTO prays this Honorable Court enter an order rescinding his resignation and reinstating him to his former position as Senior Vice President with Defendant UNO, awarding him back pay and the pecuniary value of the lost benefits for the time period from his separation to reinstatement, and any other additional expenses proximately caused by the Defendants' wrongful conduct. In the alternative, Plaintiff MIGUEL d'ESCOTO prays judgment be entered in his favor in amount in excess of \$50,000, for an award of attorneys' fees and costs incurred to prosecuting this matter, and for such further relief as this Court deems equitable and just.

COUNT VII: TORTIOUS INTERFERENCE

127. Plaintiff incorporates by reference the prior and subsequent allegations of the Complaint as

the allegations of this paragraph.

128. Defendant UNO's Board of Directors had ultimate decision-making authority regarding Plaintiff d'ESCOTO's continued employment with the organization and whether to accept Plaintiff d'ESCOTO's resignation.
129. In deciding whether to accept Plaintiff d'ESCOTO's resignation, Defendant UNO's Board of Directors relied upon false information provided to it by Defendant RANGEL regarding whether the IDCEO would cut off funding for completion of construction of UNO Soccer Academy High School, whether other State funding would be similarly cut off, and whether Plaintiff d'ESCOTO voluntarily resigned.
130. The information provided by Defendant RANGEL to Defendant UNO's Board of Directors was untrue in that the IDCEO and other State agencies had never conditioned continued funding of the organization, including providing funding for the completion of construction of UNO Soccer Academy High School, on Plaintiff d'ESCOTO's resignation.
131. Defendant RANGEL acted solely for his own personal interest in soliciting and obtaining Plaintiff d'ESCOTO's resignation because it was done to preserve Defendant RANGEL's employment with Defendant UNO, which included a lucrative salary of approximately \$250,000 per year as approved at the Jan. 24, 2013 Board meeting and other valuable benefits.
132. Defendant RANGEL's interests were totally antagonistic to and unrelated to the interests of Defendant UNO.
133. Plaintiff d'ESCOTO had a reasonable expectation that his employment with Defendant UNO would continue indefinitely because of he had been employed with Defendant UNO for several years and desired to continue his employment, his job performance was exemplary, there were no pending disciplinary or dismissal proceedings instituted against

- him, he had previously disclosed his relationship with d'Escoto, Inc., and Reflection Window Co. to Defendant RANGEL, and Defendant UNO had never expressed concern about the relationship despite having knowledge of it.
134. During the February 12, 2013 meeting, Plaintiff d'ESCOTO told Defendant RANGEL he wanted to continue working for Defendant UNO and did not want to resign.
135. For these reasons, Defendant RANGEL either knew or should have known that that Plaintiff d'ESCOTO had an expectation of continued employment with Defendant UNO.
136. Defendant RANGEL purposefully interfered with Plaintiff d'ESCOTO's legitimate expectation of continued employment with Defendant UNO by compelling Plaintiff d'ESCOTO to resign based on false, misleading, and mistaken information for Defendant RANGEL's own personal pecuniary gain.
137. Defendant RANGEL recommended to Defendant UNO's Board of Directors that Plaintiff d'ESCOTO's resignation would preserve funding of the IDCEO grant to complete construction of UNO Soccer Academy High School and would preserve other State funding for the continued operation of Defendant UNO including, but not limited to, continuing to pay Defendant RANGEL's lucrative salary and benefits.
138. Defendant UNO's Board of Directors undertook an investigation of the relationship between Defendant UNO and d'Escoto, Inc., and Reflection Window Co., which was based in part on the false, misleading, and mistaken information provided to the Board by Defendant RANGEL.
139. Defendant UNO's Board of Directors played an active role in Plaintiff d'ESCOTO's separation from the organization including, but not limited to, concluding there was a sufficient cause to accept Plaintiff d'ESCOTO's resignation.
140. Defendant RANGEL had to obtain the approval of Defendant UNO's Board of Directors as

a condition precedent to Plaintiff d'ESCOTO's separation from Defendant UNO.

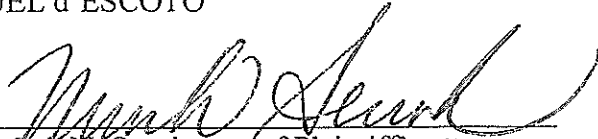
141. Prior and contemporaneous to the February 12, 2013 meeting with Plaintiff d'ESCOTO, Defendant RANGEL contacted various members of Defendant UNO Board of Directors to obtain their approval to demand Plaintiff d'ESCOTO resign from Defendant UNO.

142. As a direct and proximate result of Defendant RANGEL's tortious interference with Plaintiff d'ESCOTO's prospective economic interest, Plaintiff d'ESCOTO has suffered damages in the form of lost wages and benefits, and damage to his personal and professional reputation that has a direct impact on his ability to obtain future employment.

WHEREFORE, Plaintiff MIGUEL d'ESCOTO prays this Honorable Court judgment against Defendant JUAN RANGEL in an amount in excess of \$50,000, for an award of attorneys' fees and costs in prosecuting this matter, and for such further relief as this Court deems equitable and just.

Respectfully submitted,

MIGUEL d'ESCOTO

By: 
Mark N. Senak, one of Plaintiff's attorneys

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