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

NOEMI CALDERON, Plaintiff, v. DYNAMIC MANUFACTURING, INC., Defendant.	No. 2024 CH 09839 Calendar 15 Hon. William B. Sullivan Judge Presiding

ORDER

This matter coming before the Court on the Court's own motion for an evidentiary hearing on the imposition of sanctions pursuant to Illinois Supreme Court Rule 137, the Court having been fully advised in the premises, the Court finds and orders the following:

I. Background

Plaintiff Noemi Calderon ("Plaintiff") brought this suit for alleged employment discrimination against Defendant Dynamic Manufacturing, Inc. ("Dynamic"). Comp. A hearing on Dynamic's Motion to Dismiss ("Motion") was scheduled for June 10, 2025. In the leadup to that hearing, the Court learned, through correspondence with Dynamic's then-counsel, that Dynamic's briefing contained cases hallucinated by ChatGPT, a generative artificial intelligence tool that Dynamic's then-counsel had used in drafting the Motion.

In an initial review of the parties' briefs in preparation for oral argument, the Court was unable to locate two cases cited in Dynamic's Motion. On May 20 and 22, 2025, the Court emailed the parties for clarification of the citations and requested PDFs of the opinions.[1]

Danielle N. Malaty ("Malaty"), the attorney who signed Dynamic's briefing, responded to each email with corrected citations and PDFs of the correct cases.[2] She

[1] Email from the Court to Danielle N. Malaty ("Malaty"), Kevin Herrera, Mark Bihanu, Esmerelda Limon, Brenda Salgado (collectively "Counsel") (May 22, 2025, 3:10 PM CT) (on file with the Court); Email from the Court to Malaty, Tania Hana, and Counsel (May 20, 2025, 10:21 AM CT) (on file with the Court).

[2] Email from Malaty to the Court and Counsel (May 22, 2025, 3:30 PM CT) (on file with the Court); Email from Malaty to the Court and Counsel (May 20, 2025, 12:37 PM CT) (on file with the Court).

also offered to file corrected or amended versions of the Motion in each of her emails.[3] The Court replied both times that such filings were unnecessary.[4]

Thirteen minutes after the Court's reply on May 22, the Court received another email from Malaty correcting two more citations in Dynamic's Motion.[5] Later that same day, the Court received another email from Malaty correcting eight citations in Dynamic's Reply which "[did] not correspond to reported decisions."[6] Malaty provided PDFs of the substitute cases in each email and again offered to file corrected versions of the Motion and Reply respectively.[7]

In total, Malaty's briefing contained twelve faulty citations:

	Faulty Citation	Substituted Citation
1.	*Slayton v. Ill. Dep't. of Human Rights*, 363 Ill. App. 3d 1016, 1030 (2006).	*Hoffelt v. Ill. Dep't of Human Rights*, 367 Ill. App. 3d 628, 633-34 (1st Dist. 2006).
2.	*Bd. of Governors of State Colls. & Univs. v. Ill. Human Rights Comm'n*, 195 Ill. App. 3d 906, 911 (1990).	*Trembczynski v. Human Rights Comm'n*, 252 Ill. App. 3d 966 (1993).
3.	*Lucas v. Ill. Dep't of Human Rights*, 2012 IL App (1st) 112032, ¶¶ 32-34.	*Kidney Cancer Ass'n v. N. Shore Cmty. Bank & Tr. Co.*, 373 Ill. App. 3d 396 (2007).
4.	*Graves v. Indus. Comm'n*, 76 Ill. 2d 471, 476 (1979).	*AFSCME Council 31 v. State Lab. Rels. Bd.*, 216 Ill. 2d 569, 578-79 (2005).
5.	*Nichols v. Sch. Dist. 308*, 2020 IL App (2d) 191116, ¶ 19.	*Hoffelt v. Ill. Dep't of Human Rights*, 367 Ill. App. 3d 628, 633-34 (1st Dist. 2006).

[3] *Id.*

[4] Email from the Court to Malaty and Counsel (May 22, 2025, 3:34 PM CT) (on file with the Court); Email from the Court to Malaty and Counsel (May 20, 2025, 1:05 PM CT) (on file with the Court).

[5] Email from Malaty to the Court and Counsel (May 22, 2025, 3:47 PM CT) (on file with the Court).

[6] Email from Malaty to the Court and Counsel (May 22, 2025, 5:20 PM CT) (on file with the Court).

[7] *Id.*

6.	*Gajda v. Steel Sols. Firm, Inc.*, 2022 IL App (1st) 210984-U, ¶ 22.	*Love v. JP Cullen & Sons, Inc.*, 779 F.3d 697, 701–02 (7th Cir. 2015).
7.	*Swanigan v. City of Chi.*, 775 F.3d 953, 960 (7th Cir. 2015).	*Alexander v. Loyola Univ. Med. Ctr.*, 2024 IL App (1st) 230980-U, ¶ 35.
8.	*Delgado v. Bd. of Trs. of the Univ. of Ill.*, 2021 IL App (1st) 200144, ¶ 42.	*Spencer v. Ill. Human Rights Comm'n*, 2021 IL App (1st) 170026, ¶ 34.
9.	*Robino v. Nordstrom, Inc.*, 2021 IL App (1st) 192329- U, ¶ 24.	*Motley v. Human Rights Comm'n*, 263 Ill. App. 3d 367 (1994).
10.	*Slover v. Bd. of Educ. of Rockford Sch. Dist. No. 205,* 144 F. Supp. 2d 857, 864 (N.D. Ill. 2001).	*Hoffelt v. Ill. Dep't of Human Rights,* 367 Ill. App. 3d 628, 633-34 (1st Dist. 2006).
11.	*Glover v. DePaul Univ.*, 2019 IL App (1st) 180094-U, ¶ 43.	*Castaneda v. Ill. Human Rights Comm'n,* 132 Ill. 2d 304, 138 Ill. Dec. 270 (1989).
12.	*Fields v. Bd. of Educ. of City of Chi.*, 2023 IL App (1st) 221330-U, ¶ 25.	*Stone v. Dep't of Human Rights*, 299 Ill. App. 3d 306, 316 (1998).

None of these twelve cases exist or exist as represented in Dynamic's briefing. *Gajda v. Steel Solutions Firm, Inc.* is a real case, but it was decided in 2015 and does not address the proposition for which Dynamic cited it. *See* 2015 IL App (1st) 142219. *Swanigan v. City of Chicago* is a real Seventh Circuit decision reported at 775 F.3d 953, but it is unrelated to the proposition for which Dynamic cited it. *Delgado v. University of Illinois Board of Trustees* is a real employment discrimination case, but it was filed in the Central District of Illinois in 2024, not the First District Appellate Court. *See Delgado v. Univ. of Ill. Bd. of Trs.*, 24-CV-02270. *Fields v. Board of Education of City of Chicago* discusses constructive discharge, but it is a Seventh Circuit, not First District, opinion discussing constructive discharge under federal, not state, law. 928 F.3d 622 (7th Cir. 2019). The Court found no indication that any of the remaining cases exists at all.

On June 3, 2025 the Court entered an order striking the hearing and resetting the matter for an evidentiary hearing on the imposition of sanctions pursuant to Illinois Supreme Court Rule 137 ("Rule 137"). The Court permitted the parties to file briefing on the potential imposition of sanctions.

Malaty filed her brief on Rule 137 sanctions on June 27, 2025. In the attached affidavit, she admitted that she had used generative artificial intelligence ("AI") when drafting the Motion and the Reply. Malaty Brief, Ex. A ("Malaty Aff."), ¶¶ 15-17. Malaty averred that she began to use AI in her legal practice in January 2025. *Id.* ¶ 6. She had understood that the technology was "limited" and could not replace a human lawyer, but she found using it "compelling" and "akin to brainstorming with a fellow lawyer." *Id.* ¶ 7. When using AI, Malaty would prompt the AI to generate a "first draft," which she reviewed and edited for factual accuracy, overall analysis, and style. *Id.* ¶¶ 10-11, 16. She confessed that she only checked case citations when something in the analysis stood out to her as unfamiliar or wrongly stated. *Id.* ¶¶ 16-17. Malaty averred that she had not known that AI could "hallucinate" legal authority. *Id.* ¶ 13.

Malaty apologized to the Court and to Plaintiff's Counsel both in her brief and in her affidavit. Malaty Brief at 1, 9; Malaty Aff. ¶ 22. She described the efforts she had taken after the Court's May 22 email to mitigate the consequences of her AI use. She stated that she had taken approximately 7.25 hours of continuing legal education on AI. *Id.* ¶ 20. She also stated that she had paid Plaintiff's Counsel $1,000 in compensation for time spent on the hallucinated citations and that they had agreed to "continuing good-faith discussions" for any future reimbursements for this matter. *Id.*

Plaintiff filed her brief on Rule 137 sanctions on June 30, 2025. Pl. Brief at 1. She "presumes no malice" by Malaty but emphasized that Plaintiff's Counsel had "expended significant time and effort in its response to inapposite citations." *Id.* at 3-4. Plaintiff's Counsel confirmed that Malaty had engaged in "good faith" communications regarding the hallucinations and that Malaty had agreed to compensate them for time spent on the citations. Pl. Brief at 4. Plaintiff's Counsel did not take a position on the imposition of sanctions but noted that Malaty had demonstrated remorse. *Id.*

At the hearing on July 14, Malaty testified that she had used ChatGPT to generate the Motion and Reply. She testified that she had not used ChatGPT in her work since the Court's May 22 email, which she said had alerted her to the potential fallibility of the citations generated by ChatGPT. Malaty further testified that she had been the only attorney assigned to the case and had been "particularly busy" and "under a time crunch." She characterized her submission of hallucinated authorities as "unacceptable" and stated "it will never happen again." Malaty repeated her apologies to Plaintiff's Counsel and to the Court while on the stand. She also detailed her agreement to further reimburse Plaintiff's Counsel several thousand more dollars through installment payments in the coming months.

II. Standard

Illinois Supreme Court Rule 137 mandates that an attorney of record must sign every pleading, motion, or other document filed with the Court. Ill. S. Ct. R. 137(a). This signature certifies that the attorney has read the document and that—"to the best of the attorney's knowledge, information, and belief formed *after reasonable inquiry*"—the document is "well grounded in fact and *is warranted by existing law or a good-faith argument for the extension, modification, or reversal of existing law* . . ." *Id.* (emphasis added). Rule 137's purpose is "to prevent counsel from making assertions of fact or law without support." *Lewy v. Koeckritz Int'l, Inc.*, 211 Ill. App. 3d 330, 334 (1st Dist. 1991). Where an attorney makes an insufficient inquiry into existing law, a court may impose appropriate sanctions. *Lecrone v. Leckrone*, 220 Ill. App. 3d 372, 377 (1st Dist. 1991). "The test is what is reasonable under the circumstances. In evaluating the conduct of an attorney . . . who signs a document or makes a motion, a court must determine what was reasonable to believe at that time rather than engage in hindsight." *Lewy*, 211 Ill. App. 2d at 334. This is an objective standard. *Burrows v. Pick*, 306 Ill. App. 3d 1048, 1051 (1st Dist. 1999). Because Rule 137 is penal in nature, courts must strictly construe it. *Lewy*, 211 Ill. App. 2d at 334.

III. Discussion

This Court is not the first faced with the rapid development of generative AI. *See, e.g., Mata v. Avianca, Inc.*, 678 F. Supp. 3d 443 (S.D.N.Y. 2023); *see also Frederick Ayinde, R (on the application of) v. the London Borough of Haringey* [2025] EWHC 1381 (Admin) (KB), [83]-[102] (gathering international cases in which courts received materials containing hallucinated citations). The judiciary has attempted to keep pace with these developments by issuing guidance for legal practitioners interested in using AI and sanctions for those who have used AI irresponsibly. Chief Justice John Roberts of the United States Supreme Court advised in his 2023 year-end report that "any use of AI requires caution and humility." 2023 Year-End Report on the Federal Judiciary, John G. Roberts, C.J. U.S. (Dec. 31, 2023). The Illinois Supreme Court does not discourage AI use by attorneys, so long as such use "complies with legal and ethical standards." Ill. S. Ct. Policy on AI (eff. Jan. 1, 2025) ("S. Ct. Policy").

These legal and ethical standards include Rule 137. For a Rule 137 analysis, the Court must determine whether Malaty made reasonable inquiry that the Motion and Reply were grounded in existing law at the time she filed them. *See In re Marriage of Ahmad*, 198 Ill. App. 3d 15, 21 (2d Dist. 1990).

Malaty averred that she did not know AI could hallucinate cases and statutes. Malaty Aff. ¶ 13. She did, however, know that AI could generate "incorrect statements" and even knew that AI fabrications were termed "hallucinations." *Id.* She testified at the hearing that she had heard of hallucinations in news headlines. Knowing that AI could provide *any* inaccurate content, a reasonable attorney would have ensured that *all* AI-generated content was grounded in existing law before filing

such content with a court. A reasonable attorney would have been cognizant of her duties of technological competence and candor to the tribunal when using new technology with which she had little experience. *See* Ill. S. Ct. Rs. Pro. Conduct 1.1, Comment 8 (eff. Jan. 1, 2016), 3.3(a)(1) (eff. Jan. 1, 2010). This is especially true where an attorney is aware that the technology is fallible.

Reasonable inquiry would have required Malaty to check all her citations even if she had been completely unaware of AI's ability to hallucinate. Rule 137 does not require the signing attorney to personally inquire into the veracity of a court filing's contents. *Chi. Title & Tr. Co. v. Anderson*, 177 Ill. App. 3d 615, 624 (1st Dist. 1988). It does require that a signing attorney have the "requisite knowledge, information, and belief" to certify a filing. *Id.* (quotation omitted). In forming a sufficient basis for certification, an attorney cannot rely solely on conclusory statements from a client or another attorney without more, "regardless of how firmly the attorney may believe such statements . . ." *Id.* (quotation omitted). She must have something of substance, such as factual support, to sustain a reasonable belief that her filing is grounded in existing fact and law. *Id.* at 624-25 (citations omitted). Similarly, an attorney cannot reasonably rely on AI-generated citations alone. Doing so would be the equivalent of accepting conclusory statements without doing any investigation.

Finally, the Illinois Supreme Court's Policy, which went into effect the same month that Malaty began using AI, provides a standard for reasonable inquiry: "All users must *thoroughly* review AI-generated content before submitting it in any court proceeding to ensure accuracy and compliance with legal and ethical obligations. Prior to employing any technology, including generative AI applications, users must understand both general AI capabilities and the specific tools being utilized." S. Ct. Policy (emphasis added).

The Court therefore finds that Malaty violated Rule 137 when she failed to make reasonable inquiry into whether the citations in her Motion and Reply actually existed. Malaty's submission of twelve hallucinated citations is particularly egregious. After extensive review of cases in which attorneys submitted hallucinated citations, the Court found only two cases in which an attorney had submitted more than twelve hallucinated citations. *Coomer v. Lindell*, No. 22-cv-01129-NYW-SBP, 2025 U.S. Dist. LEXIS 128372, at *2 (D. Colo.) (almost thirty cases); *Hamad Al-Haroun v. Qatar Nat'l Bank QPSC* [2025] EWHC 1383 (Admin) (KB), [74] (eighteen cases).

The inclusion of hallucinated citations in court filings poses a host of harms beyond the time and effort expended pursuing non-existent citations. The Southern District of New York in *Mata* observed:

> The opposing party wastes time and money in exposing the deception. The Court's time is taken from other important endeavors. The client may be deprived of arguments based on authentic judicial precedents. There is potential harm to the reputation of judges and courts whose

> names are falsely invoked as authors of the bogus opinions and to the reputation of a party attributed with fictional conduct. It promotes cynicism about the legal profession and the American judicial system. And a future litigant may be tempted to defy a judicial ruling by disingenuously claiming doubt about its authenticity.

678 F. Supp. 3d at 448-49.

No matter the contrition Malaty has shown, no matter the amount of grace Plaintiff has extended Malaty, the Court remains faced with two filings containing twelve nonexistent citations. The Motion and Reply are defective—too defective for this Court's use in deciding whether to dismiss this case. Ruling on Dynamic's Motion would launder nonexistent case law and legitimize hallucinated authorities. That would be intolerable to a judicial system founded on the common-law principles of precedent and *stare decisis*. *See* S. Ct. Policy ("unsubstantiated . . . AI-generated content that . . . obscures truth-finding and decision-making will not be tolerated"). Such is the danger posed by irresponsible use of AI and the danger Rule 137 seeks to avoid. Additionally, ruling on such defective briefing would cloud the record on a potential appeal. *See Shahid v. Essam*, 2025 Ga. App. LEXIS 299 (appellate court vacated and remanded where the trial court's order contained two hallucinated citations). The Court has no choice but to strike Dynamic's Motion pursuant to Rule 137.

Striking the Motion is unavoidable. However, the Court notes that this result is not a sanction imposed on Dynamic. The Court observes that Dynamic is "clearly not at fault for the AI debacle but will bear this outcome as a consequence of [its lawyer's] actions." *Lacey v. State Farm Gen. Ins. Co.*, No. CV 24-5205 FMO (MAAx), 2025 U.S. Dist. LEXIS 90370, at *24. Dynamic's Motion is stricken without prejudice. Dynamic will be permitted to file a renewed Motion to Dismiss.

The Court deeply appreciates the steps Malaty has already taken to compensate Plaintiff and educate herself about AI. However, completely absolving Malaty based on her post-violation actions does not deter irresponsible AI use in the first instance. Balancing the severity of Malaty's Rule 137 violation, her demonstrated intent to right her wrongs, and the interest in deterrence, the Court finds $10 an appropriate sanction for Malaty's conduct.

IV. Conclusion

This Court is now among dozens of courts aware of having received materials containing hallucinated authorities.[8] As of this Order's entry, this is the only case the Court is aware of in Illinois state court where an attorney is confirmed to have submitted materials containing hallucinated citations. The Court emphasizes that—

[8] *See generally, AI Hallucination Cases*, damiencharlotin.com/hallucinations/ (last visited Jun. 16, 2025). As of this Order's entry, this database listed 212 court documents in which a court or tribunal addressed established or alleged use of AI in more than passing reference. *Id.*

although the Supreme Court's policy embraces AI in legal practice—the policy retains a "commitment to upholding foundational principles" and advises that lawyers "are accountable for their final work product." S. Ct. Policy. The judicial system relies on attorneys as officers of the court in its pursuit of efficient and fair administration of justice. *See Coomer*, 2025 U.S. Dist. LEXIS 128372, at *23. The Court stresses that attorneys should proactively follow their legal and ethical obligations in the first instance and reiterates that reasonable inquiry requires AI users to check their citations.

IT IS HEREBY ORDERED:

1. Dynamic's Motion is stricken without prejudice. Dynamic is permitted to refile a Motion to Dismiss.
2. The Court finds that Malaty violated Rule 137 and imposes a sanction of $10 payable to the Clerk of Court within thirty (30) days of this Order's entry.
3. This matter is continued for status to September 15, 2025 at 10:00 a.m. via Zoom (955 3557 3920).

SO ORDERED.

ENTERED:

William B. Sullivan

Judge William B. Sullivan, No. 2142

ORDER OF THE COURT

ENTERED
Judge William B. Sullivan-2142
JUL 16 2025
MARIYANA T. SPYROPOULOS
CLERK OF THE CIRCUIT COURT
OF COOK COUNTY, IL