



## INFORMATION RELEASE FRIDAY APRIL 30, 2010

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### ANNUAL LAWYER REPORT RELEASED

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The Attorney Registration and Disciplinary Commission (ARDC), the administrative agency that regulates licensed Illinois lawyers, has filed its year 2009 Annual Report with the Supreme Court of Illinois. The report was released to the public this morning when a copy was posted on the ARDC website: [www.iardc.org](http://www.iardc.org).

A summary of the annual report entitled *Highlights from the Annual Report* is attached to this information release.

The ARDC annually evaluates the effectiveness of the disciplinary system. Complete and comprehensive statistics concerning the disciplinary caseload are submitted to the Illinois Supreme Court and are published in the annual report. Few professions account for their regulatory activity in such detail. In addition, the annual report also includes the findings of an independent auditor that the agency's financial statements were accurate and that the ARDC employs appropriate accounting procedures.

In its annual report, the ARDC accounts to the Supreme Court for money received and spent. No tax money is used to fund the agency. All operating funds are taken from an annual registration fee paid by Illinois attorneys. Most lawyers now pay an annual fee of \$289. Of that amount, \$205 is used by the ARDC to pay for lawyer regulation, \$42 is remitted to the Lawyers Trust Fund to fund legal services for the poor, \$7 is sent to the Lawyers Assistance Program Fund, \$10 is submitted to the Supreme Court's Commission on Professionalism, and \$25 funds the Client Protection Program. The Supreme Court of Illinois created the Client Protection Program in 1994 to reimburse clients who lose money because of the dishonest conduct of a lawyer.

Annual reports for the prior nine reporting periods are published at the ARDC website under the tab marked: **ARDC Organizational Information**. The website also includes the Master Roll of Attorneys in Illinois and permits a user to search for certain basic public registration information, including the business address and public disciplinary record, of Illinois lawyers. The site attracts up to 156,000 visits each month and, in 2009, visitors totaled more than 1.6 million. It has a searchable database of disciplinary decisions.

The ARDC consists of four members of the Illinois Bar and three non-lawyers appointed by the Supreme Court. The ARDC Chairman is Benedict Schwarz II of West Dundee. The Commissioners receive no compensation for their services. The Commissioners create ARDC policies, establish an operating budget, appoint members of the Inquiry and Hearing Boards, and manage the Client Protection Program. Subject to the approval of the Supreme Court, the Commissioners appoint the ARDC's chief executive officer, the Administrator. The Administrator is Jerome Larkin.

There are two ARDC offices: One Prudential Plaza in Chicago and One North Old Capitol Plaza in Springfield.

FOR MORE INFORMATION CONTACT:  
**JAMES J. GROGAN. CHICAGO ARDC**  
(312) 565-2600 OR (800) 826-8625



THE ARDC WEBSITE: [WWW.IARDC.ORG](http://WWW.IARDC.ORG)



## HIGHLIGHTS FROM THE 2009 ANNUAL REPORT

### ■ New Rules of Professional Conduct

On July 1, 2009, the Supreme Court of Illinois adopted new ethics rules governing the conduct of all Illinois lawyers, effective January 1, 2010. The new rules govern a broad range of activity, from defining a lawyer's allowable relationship with a client, to selling a law firm and advertising by e-mail. The rules require heightened responsibilities for a lawyer upon learning of wrongful corporate conduct and permit the disclosure of otherwise confidential information to prevent client fraud and other criminal acts. Illinois Supreme Court Chief Justice Thomas R. Fitzgerald stated, "With their adoption, the rules governing the legal profession in Illinois come into phase with how the practice of law has changed over time, with once local law firms growing globally and with issues arising from the growing complexity of the practice, our culture and our world."

### ■ Public Outreach Efforts

The ARDC continues to be a national leader in providing professional responsibility training and ethics seminars to the profession and the public. The adoption of new professional responsibility rules resulted in substantial efforts by the ARDC to educate the Illinois bar and the public about the ethical obligations of licensed attorneys. During 2009, over 200 presentations were made by ARDC Commissioners and staff to bar associations, government agencies, law firms, law schools, public interest groups and other organizations. As a result of these efforts, thousands of Illinois lawyers had the opportunity to pose questions and learn more about lawyer regulation in this state. In addition, the ARDC provided more than 2,000 lawyers with two hours of ethics and professionalism credit at no cost at a number of different ARDC sponsored events.

### ■ Lawyer Population

The names of 84,777 lawyers were contained on the Master Roll of Attorneys as of October 31, 2009. That number does not include the 2,310 attorneys who took their oath of office in late 2009. Overall, the lawyer population in Illinois saw a slight increase of 1% over 2008, continuing a trend of steady but modest increases in the lawyer population since 2001. The number of newly admitted lawyers increased 17% since 2004, compared with an 8.5% increase in the total lawyer population during that same time period. A total of 26% of all attorneys reported a business address outside Illinois, a 4% increase over 2008. The counties with the greatest increase in attorney population include DeKalb (6%), Peoria (3%), Champaign (2%), and Kane Counties (2%).

### ■ Grievances and Formal Disciplinary Charges

During 2009, the Commission docketed 5,834 investigations into alleged attorney misconduct, a 1% decrease from the year before. Similar to years past, the top three areas of a grievance involve problems with the client-attorney relationship including allegations of neglect (37% of all investigations), failing to communicate (17%), and conduct involving fraud or deceit (15%). Consistent with prior years, the top

areas of practice most likely to lead to a grievance are criminal law, domestic relations, tort, and real estate. Approximately 75% of grievances were concluded within 90 days after they were initiated

### ■ Disciplinary Sanctions

During 2009, the Supreme Court entered 130 sanctions against 127 lawyers (three lawyers were disciplined twice). A substantial number of the sanctioned lawyers, 47%, practiced in Cook County. The county with the second highest percentage of sanctioned lawyers was DuPage (9%). More lawyers were disciplined for engaging in conduct involving improper client fund management than any other offense. Of those disciplined, 90% were men; men account for 65% of the overall attorney population in this state. Almost two-thirds of those sanctioned were between 50 and 74 in age.

### ■ Client Protection Program

The Supreme Court of Illinois established the Client Protection Program (CPP) to reimburse clients who lose money due to the dishonest conduct of lawyers who have been disciplined or have died. In 2009, the maximum available award was increased to \$75,000 per claim and \$750,000 per lawyer. Last year, CPP approved 81 claims against 35 lawyers. The Program paid a record \$1,091,473 to claimants. Eight awards were for the \$75,000 maximum, and 36 were for \$2,500 or less. The type of misconduct that led to payout of the 81 approved claims included: conversion of funds (55% of the awards); failing to refund unearned fees (23%); fraud (14%); and improper loans (8%).

### ■ Pro Bono Legal Services

Despite the recent economic downturn, there was an increase in both the number of lawyers providing *pro bono* legal services and the hours of services as well as the number of lawyers making monetary contributions to legal aid organizations and the amount contributed. During the 2009 registration process, 27,200 attorneys indicated that they had provided *pro bono* legal services totaling, in the aggregate, 2,197,041 *pro bono* legal service hours, including 1,113,778 hours of legal service provided directly to persons of limited means, an increase of 2.1% over 2008.

### ■ Ethics Assistance to the Bar

The ARDC's Ethics Inquiry Program, a telephone inquiry resource, continues to serve Illinois attorneys who seek help in resolving hypothetical, ethical dilemmas. In 2009, staff lawyers responded to 4,166 ethics inquiries, an increase of more than 30% since 2006. Questions about the reporting rule continue to be the greatest area of inquiry posed to the Program. Finally, each year, the ARDC publishes and distributes free of charge thousands of copies of the rules governing Illinois lawyers as well as the *Client Trust Account Handbook*, which details a lawyer's duties under Rule 1.15.

### ■ ARDC Website

The ARDC web site ([WWW.IARDC.ORG](http://WWW.IARDC.ORG)) attracts up to 156,000 visits each month, and in 2009 visitors totaled more than 1.6 million. The most visited feature is the Lawyer Search function, which had over 479,000 visits last year, enabling visitors to search the Master Roll for certain basic public registration information, including business address and public disciplinary information about Illinois lawyers. More than 48,000 lawyers took advantage of the online registration program for the 2010 registration year. The number of lawyers who registered online through the website's registration function significantly increased from 37% in 2009 to 57% for the 2010 registration year, due in large part to improvements that were made to the registration form and online process.