



ATTORNEY REGISTRATION AND DISCIPLINARY COMMISSION
of the
SUPREME COURT OF ILLINOIS

COMMISSIONERS:

LESTER ASHER, Chairman
JAMES H. BANDY
GEORGE J. COTSIRILOS
STUART M. MAMER
WILLIAM P. SUTTER

ADMINISTRATOR:
CARL H. ROLEWICK

Chicago
April, 1978

To the Honorable, the Chief Justice and Justices
of the Supreme Court of Illinois:

This report is submitted pursuant to Supreme Court Rule 751(e) and (f) and is a statement of the activities of the Attorney Registration and Disciplinary Commission, the administrator's office and the boards of the disciplinary system for calendar year 1977.

A. REGISTRATION

As of December 31, 1977 a total of 31,936 attorneys were registered on the Master Roll:

Classification	Number of Attorneys
Admitted 1 year or less	2,551
Admitted 1 to 5 years	5,921
Admitted more than 5 years	18,602
On active military duty	131
75 years of age or older	998
Neither practices, resides nor is employed in Illinois	2,954
1977 registration fee excused (hardship)	79

In-state attorney population, as of September 22, 1976 and October 15, 1977, is listed below by the county of the principal office of the attorney:

REGISTERED ATTORNEYS			REGISTERED ATTORNEYS		
COUNTY OF PRINCIPAL OFFICE	9-22-76	10-15-77	COUNTY OF PRINCIPAL OFFICE	9-22-76	10-15-77
ADAMS	70	80	MC HENRY	147	154
ALEXANDER	16	15	MC LEAN	204	208
BOND	12	12	MACON	177	192
BOONE	19	20	MACOUPIN	34	33
BROWN	6	7	MADISON	251	271
BUREAU	37	43	MARION	41	48
CALHOUN	6	6	MARSHALL	11	11
CARROLL	14	16	MASON	15	16
CASS	12	12	MASSAC	9	10
CHAMPAIGN	278	291	MENARD	11	11
CHRISTIAN	34	34	MERCER	15	16
CLARK	14	17	MONROE	15	17
CLAY	13	13	MONTGOMERY	35	38
CLINTON	11	17	MORGAN	44	43
COLES	63	62	MOULTRIE	16	17
COOK	19,072	19,593	OGLE	30	36
CRAWFORD	19	16	PEORIA	397	422
CUMBERLAND	7	7	PERRY	13	13
DE KALB	71	76	PIATT	22	26
DE WITT	16	19	PIKE	12	11
DOUGLAS	15	17	POPE	5	6
DU PAGE	795*	884	PULASKI	5	5
EDGAR	28	27	PUTNAM	5	5
EDWARDS	7	7	RANDOLPH	20	24
EFFINGHAM	23	26	RICHLAND	17	17
FAYETTE	11	12	ROCK ISLAND	253	268
FORD	17	20	ST. CLAIR	304	318
FRANKLIN	31	35	SALINE	26	28
FULTON	38	40	SANGAMON	518	544
GALLATIN	8	7	SCHUYLER	11	11
GREENE	10	11	SCOTT	6	5
GRUNDY	28	25	SHELBY	15	18
HAMILTON	8	8	STARK	8	9
HANCOCK	23	23	STEPHENS	54	53
HARDIN	4	5	TAZEWELL	77	82
HENDERSON	9	10	UNION	13	12
HENRY	42	48	VERMILION	119	113
IROQUOIS	26	26	WABASH	17	19
JACKSON	86	97	WARREN	27	25
JASPER	7	7	WASHINGTON	12	11
JEFFERSON	51	67	WAYNE	16	19
JERSEY	11	14	WHITE	14	17
JO DAVIESS	16	19	WHITESIDE	55	53
JOHNSON	6	6	WILL	246	266
KANE	390	411	WILLIAMSON	35	44
KANKAKEE	84	86	WINNEBAGO	313	336
KENDALL	18	23	WOODFORD	15	16
KNOX	50	54			
LAKE	578	660	No County		
LA SALLE	135	135	specified	110	158
LAWRENCE	12	12			
LEE	37	37			
LIVINGSTON	43	43			
LOGAN	31	30			
MC DONOUGH	36	38			

*This figure is corrected.

B. INCOME AND EXPENDITURES

The income resulting from registration, penalties for late registration, and interest received from the investment of cash reserves for the period from January 1, 1977 through December 31, 1977 was as follows:

1. 1977 registration fees including penalties and delinquent fees from prior years	\$715,270.00
2. Interest received from investment of cash reserves	22,348.71
3. Other miscellaneous income	907.46
Total	\$738,526.17

Cash disbursements made during the period of January 1, 1977 through December 31, 1977 were as follows:

1. Salaries of administrator and staff	\$348,035.84
2. Social security taxes	16,012.27
3. Hospital, medical, life, workmen's compensation and unemployment compensation insurance	19,595.78
4. Office rentals and utilities	40,105.72
5. Travel expenses (commissioners, staff, inquiry, hearing and review boards)	16,631.07
6. Telephone	13,913.50
7. Postage	5,050.08
8. Office equipment rental	18,171.67
9. Library, office supplies and related expenses	15,212.44
10. Insurance (fire, theft and extended coverage)	1,183.64
11. Auditing, bookkeeping, payroll and related professional services	9,296.18
12. Data processing and registration expenses	25,613.96
13. Court reporting expenses for disciplinary proceedings	15,643.00
14. Witness fees and related expenses	1,042.04
15. Seminar expenses	2,325.86
16. Depreciation expenses (office equipment)	5,535.83

Total Operating expenses \$553,368.88

Net operating surplus for the period January 1, 1977 through December 31, 1977 \$185,157.29

C. REGISTRATION FEE INCREASE

In May 1976 the Commission recommended to the Court an increase in the registration fees for 1977. In support of its recommendation the Commission advised the Court that:

- The registration fees had been set by the Court in early 1973 when the disciplinary system was established;
- Rule 756 established eight classifications of attorneys, only two of which paid a registration fee; approximately 6,500 of the 28,000 then registered attorneys did not pay a fee;
- In 1973, 1974 and 1975 the registration fees collected, plus the interest received on temporarily unused funds, were more than adequate to meet the disciplinary system's expenses; a surplus of funds resulted from the initial period of organization and staff development; in fact, complete staffing of the administrator's office was not achieved until January 1976; it has been the Commission's policy not to increase the size of the staff until an increase is clearly warranted;
- In 1976 the surplus funds accumulated during the formative years of the disciplinary system would be substantially depleted;
- The auditor's financial analysis of income and expenditures and a projection of available funds determined that the entire disciplinary fund would be exhausted by the end of October 1977; and
- The registration fees in Illinois were very low as compared to other states.

The Court took the recommendation under advisement. After reviewing the disciplinary fund's financial position, the Court approved the following registration fee increases:

- admitted 1 to 5 years—from \$10.00 to \$15.00;
- admitted more than 5 years—from \$20.00 to \$30.00; and
- neither practicing, residing nor employed in Illinois—from none to \$15.00.

During calendar year 1976 the disciplinary fund sustained a net operating loss of \$62,823.03. As a result of the registration fee increase for 1977, the fiscal condition of the fund has been substantially improved. The net operating surplus of \$185,157.29 for calendar year 1977 will assure that the Commission will not be required to seek an increase in registration fees at least through 1980.

D. STAFF

No changes in the size of the staff occurred during 1977. As of December 31, 1977 the full time staff of the administrator's office consisted of the administrator and (1) in the Springfield office: an attorney, an administrative assistant, a secretary, and a receptionist/typist; (2) in the Chicago office: an assistant administrator and chief counsel, an assistant administrator and chief investigator, three attorneys, three investigators, an administrative assistant, a clerk, two secretaries, and a receptionist/typist.

Temporary employment of clerical help is utilized in both the Springfield and Chicago offices. The nature of the registration process necessitates such employment.

E. GROUP LEGAL SERVICE PLANS

On April 21, 1977 the Court adopted Rule 730 effective May 1, 1977. The rule requires the registration of group legal service plans in which an attorney participates. The plans must be registered in the office of the administrator on or before July 1 of each year. Plans in effect on the initial and annual registration fee for each plan was set at \$50.00. April 21, 1977 were required to be registered on or before June 1, 1977. During 1977, twenty-three group legal service plans were registered. Those plans paid \$1,150.00 in registration fees. Fees paid pursuant to Rule 730 are segregated from the disciplinary fund in an interest bearing account.

F. PUBLICATIONS

During 1977 the Commission published, in booklet form, the disciplinary rules of the Court and the implementing rules of the Commission. The booklet is made available, without charge, to attorneys, bar associations, and interested members of the public.

An informational brochure, directed primarily to the public, was also published. The brochure describes how complaints are processed and what the complaining party should and should not expect from the disciplinary system as a result of filing a complaint. This brochure is made available without charge to bar associations, law schools, continuing education classes, consumer protection agencies, and to anyone requesting information on filing a complaint against a lawyer.

G. 1977 DISCIPLINARY SEMINAR

The third statewide disciplinary seminar was sponsored by the Commission on Saturday, October 29, 1977 at the Drake Oak Brook in Oak Brook, Illinois. It was attended by 70 members of the disciplinary system.

As in the past, the purpose of the seminar was to bring together all of the members of the Boards, Commission and staff to meet, discuss common problems, and make recommendations for improvement of the system. A new dimension was given to the 1977 seminar by inviting a panel of attorneys who represent other attorneys in the disciplinary process to critique the system. The panelists were William J. Harte, William J. Martin and Jerome H. Torshen.

The discussions were frank, open and quite helpful. The panelists emphasized the problems they face in counseling disbarred and suspended lawyers. They pointed out that Illinois has no standards for readmission. As a result, an attorney cannot advise a disbarred or suspended attorney on a course of conduct he should pursue in order to attain reinstatement to the bar. There are no answers to questions such as: how long a sus-

pending or disbarred attorney should wait until he petitions for reinstatement; is restitution necessary; how should an attorney who is disbarred or suspended keep current in the law; and how is rehabilitation proved. In addition, an attorney who is facing disbarment should know in advance what he should do if he hopes to be readmitted to the practice of law.

Currently in petitions for reinstatement the Hearing Board must determine for itself what standards to apply. In reviewing the matter the Review Board may apply additional standards of its own. After the seminar the Review Board communicated to the Commission its concern with the lack of standards for reinstatement and asked that the Commission recommend to the Court the adoption of standards by rule or case decision.

After considering the suggestions emanating from the seminar and the Review Board the Commission recommends to the Court that Rule 767 (Reinstatement) be amended to:

1. specify the minimum time which must elapse before a disbarred attorney is eligible to petition for reinstatement;
2. require that the petitioner bear some of the out-of-pocket expenses connected with the investigation and processing of the petition; and
3. define the standards and factors to be considered by the Hearing Board and the Review Board in determining whether the petitioner is fit to resume the practice of law.

Based on additional suggestions made at the seminar, the Commission recommends that the Court adopt a new rule enunciating the types of discipline.

Proposals for the amended and new rules are attached to this report.

H. THE CASELOAD

The following four statistical charts detail the disciplinary caseload of the administrator's office, the Inquiry Board, the Hearing Board, the Review Board, and the Supreme Court for the period from January 1, 1977 through December 31, 1977.*

Respectfully submitted,
 Attorney Registration and
 Disciplinary Commission
 Lester Asher, Chairman
 James H. Bandy
 George J. Cotsirilos
 Stuart M. Mamer
 William P. Sutter

*Not included are matters filed in courts or administrative agencies relating to the work of the disciplinary system. The Commission or the Administrator were represented by staff attorneys in the following matters during 1977:

- King v. Elrod, et al, U.S. District Court, 77 C 769;
- Butler v. Atty. Regis. & Disc. Comm., U.S. District Court, 77 C 2032;
- In re: John M. Daley, United States Court of Appeals for the 7th Circuit, 76-1657, United States Supreme Court, 76-1720;
- Spurlock v. Burton, et al, Circuit Court of Cook County, 77 L 11358;
- In re: Bernard Koenig, referred by the Supreme Court of Illinois to the Circuit Court of Cook County for hearing, M.R. 1625.
- Syed Mohammed Jawaid Iqbal Jafree v. Atty. Regis. & Disc. Comm. Equal Employment Opportunity Comm., 051771022.

CHART 1

THE TREND OF INVESTIGATIONS DURING THE PERIOD JANUARY 1, 1977 THROUGH DECEMBER 31, 1977

	Pending at Start	New Charges Docketed		Total Added	Files Terminated			Total Terminated During Period	Pending at End
		from Individuals	from Administrator		Dismissed by Inquiry Chairman and Administrator	Dismissed by Panel	Complaint Voted by Inquiry Panel		
Chicago	570	1398	36	1434	758	376	72	1206	798
Springfield	239	203	13	216	78	108	1	187	268
TOTAL	809	1601	49	1650	836	484	73*	1393	1066

*73 complaints voted against 48 attorneys

CHART 2

THE TREND OF MATTERS BEFORE THE HEARING BOARD DURING THE PERIOD JANUARY 1, 1977 THROUGH DECEMBER 31, 1977

	Pending at Start	Cases Filed			Total Added
		Disciplinary Complaints Rule 753	Petitions for Temporary Suspension Rule 758	Petitions for Reinstatement Rules 767 & 759	
Chicago	29	30	1	8	39
Springfield	3	3	0	0	3
TOTAL	32	33	1	8	42

Disciplinary Cases	Cases Terminated							Total Terminated	Pending at End
	Petitions for Temporary Suspension	Petitions for Reinstatement	Petitions for Reinstatement Withdrawn	Dismissed	Reprimand by Hearing Board	Name Stricken on own Motion Prior to or During Hearing			
21	0	4	4	3	2	3	37	31	
3	0	1	0	1	0	0	5	1	
24	0	5	4	4	2	3	42	32	

CHART 3

TREND OF MATTERS BEFORE THE REVIEW BOARD DURING THE PERIOD JANUARY 1, 1977 THROUGH DECEMBER 31, 1977

Pending at Start	New Cases Docketed	Cases Terminated		Total Terminated	Pending at End
		with Recommendations to the Supreme Ct.	without Recommendations to the Supreme Ct.		
13	29	22	6	28	14

Discipline Recommended By Review Board to Supreme Court	Suspension			Petitions for Reinstatement		Reprimand by Review Board	Dismissed by Review Board	Re-referred to Hearing Board
	for Fixed Period	Until Further Order of the Court	Censure	Allowed	Not Allowed			
8	3	5	3	3	0	3	2	1

CHART 4

TREND OF DISCIPLINARY MATTERS BEFORE THE SUPREME COURT DURING THE PERIOD JANUARY 1, 1977 THROUGH DECEMBER 31, 1977

Disciplinary Cases	Petitions								TOTAL			
	Temporary Suspension	Inactive Status**	Disbarment on Consent	Reinstatement	Miscellaneous	Allowed	Not Allowed	Withdrawn				
Pending at Start	6	1	5	4	13	5			34			
FILED	22	6	34	6	8	9			85			
TERMINATED	14	4	2	28	1	9	1	6	2	4	8*	79
Pending at End	14	1	10	0	9	6			40			

Discipline Ordered			
Disbar	Suspend	Censure	Dismiss
3	7	4	0

*6 attorneys suspended pursuant to Rule 754

**Voluntary transfer to inactive status pursuant to Supreme Court Rule 770

Alexander X. Kuhn & Co.

CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS
 ILLINOIS CPA SOCIETY
 AMERICAN INSTITUTE OF
 CERTIFIED PUBLIC ACCOUNTANTS

SUITE 424
 4415 W. HARRISON STREET
 HILLSIDE, ILLINOIS 60142
 TELEPHONE 449-0002
 AREA CODE 312

To the Commissioners and Administrator of the Attorney Registration and Disciplinary Commission of the Supreme Court of Illinois
 203 North Wabash Avenue
 Chicago, Illinois 60601

Gentlemen:

We have examined the financial statements of the Attorney Registration and Disciplinary Commission of the Supreme Court of Illinois for the year ended December 31, 1977.

SCOPE OF EXAMINATION

Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

ACCOUNTANTS' OPINION

In our opinion, the accompanying financial statements present fairly the financial position of the Attorney Registration and Disciplinary Commission of the Supreme Court of Illinois at December 31, 1977 and the results of its operations and the changes in its financial position for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Respectfully submitted,

Alexander X. Kuhn & Co.
 Certified Public Accountants

Dated: May 3, 1978
 Hillside, Illinois

**ATTORNEY REGISTRATION AND DISCIPLINARY COMMISSION
OF THE
SUPREME COURT OF ILLINOIS
BALANCE SHEET
December 31, 1977**

ASSETS			
CURRENT ASSETS			
Cash In Bank	500,548.41		
Accounts Receivable	943.40		
Investments (At Cost)	358,900.14		
Prepaid Expenses	273.95	860,665.90	
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FIXED ASSETS			
Office Furniture, Equipment & Library	48,344.58		
Less: Accumulated Depreciation	18,435.11	29,909.47	
<hr/>			
Total Assets			<u>890,575.37</u>
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LIABILITIES AND FUND BALANCES			
CURRENT LIABILITIES			
Accounts Payable	15,893.20		
Deferred Income	607,527.00		
Group Legal Service Registration Fee Fund	1,174.83	624,595.03	
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FUND BALANCES			
Operating Fund	217,635.76		
Physical Asset & Replacement Fund	48,344.58	265,980.34	
<hr/>			
Total Liabilities And Fund Balances			<u>890,575.37</u>

**ATTORNEY REGISTRATION AND DISCIPLINARY COMMISSION
OF THE
SUPREME COURT OF ILLINOIS
INCOME STATEMENT
Year ended December 31, 1977**

INCOME			
Attorney Registration Fees & Charges Collected	715,270.00		
Interest Received On Investments	22,348.71		
Other Miscellaneous Income	907.46	738,526.17	
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OPERATING EXPENSES			
Salaries	348,035.84		
Social Security Taxes	16,012.27		
Other Employee Benefits	19,595.78		
Office Rentals and Utilities	40,105.72		
Travel & Related Expenses	16,631.07		
Telephone & Postage	18,963.58		
Office Equipment Rentals, Supplies & Expense	33,384.11		
Insurance	1,183.64		
Outside Professional Services, Data Processing & Registration, Court Reporting			
Witness Expense	51,595.18		
Depreciation Expense	5,535.83		
Seminar Expense	2,325.86	553,368.88	
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OPERATING PROFIT			<u>185,157.29</u>

**ATTORNEY REGISTRATION AND DISCIPLINARY COMMISSION
OF THE
SUPREME COURT OF ILLINOIS
STATEMENT OF CHANGES IN FINANCIAL POSITION
Year ended December 31, 1977**

SOURCE OF WORKING CAPITAL			
Net Profit For Year Ended December 31, 1977	185,157.29		
Add: Expenses Not Requiring Use of Funds:			
Depreciation of Fixed Assets	5,535.83	190,693.12	
<hr/>			
USE OF WORKING CAPITAL			
Fixed Assets Purchased			2,858.82
<hr/>			
INCREASE IN WORKING CAPITAL			<u>187,834.30</u>
<hr/>			
	DECEMBER 31,		
	1976	1977	
CURRENT ASSETS	659,603.78	860,665.90	
CURRENT LIABILITIES	611,367.21	624,595.03	
TOTAL WORKING CAPITAL	<u>48,236.57</u>	<u>236,070.87</u>	
<hr/>			
INCREASE IN WORKING CAPITAL			<u>187,834.30</u>

**ATTORNEY REGISTRATION AND DISCIPLINARY COMMISSION
OF THE
SUPREME COURT OF ILLINOIS
GENERAL NOTES
December 31, 1977**

A. ACCOUNTING POLICIES:

The books and other financial records of the Commission are recorded on an accrued basis.

The accounting year of the Commission is December 31, as established by a resolution by the Commissioners dated May 21, 1975.

Fixed assets are carried at cost less accumulated depreciation computed on a straight-line method over an estimated useful life of six to ten years.

The Commissioners have created a fund for the replacement of physical assets. The amount appropriated for the year ended December 31, 1977 was \$7,873.11.

The fund balance at December 31, 1977 totals \$18,435.11.

B. 1977 UNCOLLECTED FEES:

As of January 31, 1977 a total of 2,529 attorneys failed to register. All of them were registered in 1976 and all were sent registration applications for 1977. Their uncollected fees totaled \$51,225. A concerted effort was undertaken by the Administrator to determine the reasons for their failure to register. A second registration application was sent to each of them. Telephone calls and personal visits were made throughout the state to determine whether the unregistered attorneys were engaged in the practice of law. By December 31, 1977 only 604 attorneys were unregistered and \$8,760 in registration fees uncollected. Of the 604 unregistered attorneys, 294 were not residents of Illinois, 42 were on inactive status, 81 were more than 75 years old, 2 were in active military service, and 185 were unaccounted for by reason of death or a change of address without

notification to the Commission. The \$8,760 in uncollected registration fees are not carried as receivables since it cannot be determined that the amount is owed.

C. INVESTMENTS

All investments are handled by the Trust Department of the Illinois National Bank of Springfield and all investments are held in safe keeping at the bank, with the exception of all savings accounts.

D. COLLECTION OF FEES:

The Commission is funded by an annual registration fee assessed against Illinois attorneys. The annual fee is sent directly to a lock box located at the Springfield, Illinois, U.S. Post Office. The box is under the sole supervision of the Illinois National Bank of Springfield. The contents of the box are accounted for solely by the bank. The bank's accounting is then compared to the registration and billing lists as maintained by the computer service of the bank. This system is test checked by our audit, the internal auditors of the bank, and the National Bank Examiners.

E. LEASE COMMITMENTS:

The Commission has the following major lease commitments existing at December 31, 1977.

1. Chicago Office—9/1/75 through 8/31/80. Present value of lease commitment \$76,800.
2. Springfield Office—10/1/74 through 1/31/80. Present value of lease commitment \$19,573.

F. TAXABLE STATUS:

On January 29, 1976 the Internal Revenue Service from Washington, D.C., officially recognized the Commission as a tax exempt organization under Section 501(c)(6) of the Internal Revenue Code. Under the letter of determination the Commission is exempt from federal income tax. However, it is required to annually file form 990 (a solely informational return) with the I.R.S.

G. DEFERRED INCOME:

On November 1, 1977 registrations for the calendar year 1978 were mailed to all attorneys. Any registration fees received from the mailing date to December 31, 1977 are deferred. The amount received during such period was \$607,527.00 which will represent income in 1978.

H. EMPLOYEES PENSION PLAN AND TRUST:

On October 15, 1977 the Commission established a Pension Plan and Trust for the benefit of all qualified employees. Under the terms of the agreement each participating employee is required to contribute four (4%) percent of his or her annual salary to the trust and the Commission is required to contribute a like amount. In addition the employee and Commission may contribute additional amounts.

The plan and trust was effective January 1, 1977, however no contributions were required or made for the year ended December 31, 1977.

The Commission appointed Mr. Joseph H. Reynolds, Sr. to act as trustee.

The Internal Revenue Service has not, as of this date, reviewed the plan and trust for qualification.

I. SUBSEQUENT EVENT:

At its regular monthly meeting on January 14, 1978, the Commissioners authorized the transfer of \$400,000.00 from the checking account to the trust investment account at the Illinois National Bank of Springfield. The funds were invested in short term repurchase agreements.

J. GROUP LEGAL SERVICE REGISTRATION FEE FUND:

All registration fees received for group legal service plans have been segregated from all other funds of the Commission. Presently these monies are invested in a savings account at Bell Federal Savings in Chicago.

May—23