



ATTORNEY REGISTRATION AND DISCIPLINARY COMMISSION
of the
SUPREME COURT OF ILLINOIS

Chicago
April 30, 1992

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

The annual report of the Attorney Registration and Disciplinary Commission for 1991 is submitted to the Court, to the members of the Bar of Illinois, and to the public in accordance with Supreme Court Rule 751.

The report is a statement of the activities of the Commission for calendar year 1991 and an accounting and audit of the monies received and expended during the twelve-month period which ended December 31, 1991.

Respectfully submitted,
James H. Bandy, Chairman
John P. Clarke
Eldridge T. Freeman, Jr.
David M. Hartigan
Watts C. Johnson
Carole R. Nolan
Benedict Schwarz, II, Commissioners

Mary Robinson, Administrator

I. Developments During 1991

A. Disciplinary Matters

During 1991 the Commission continued to handle the disciplinary case load efficiently. The Administrator and the Inquiry Board concluded almost 400 more investigations than were initiated. The Administrator and the staff filed before the Hearing Board 127 complaints, a 20 percent increase over last year and an all time high. A full report on the caseload is presented in Section II below.

B. The Administrator

On November 1, 1991, John C. O'Malley submitted his resignation as Administrator in order to pursue other professional goals. The Commission accepted the resignation of Mr. O'Malley with regret and named Deputy Administrator Jerome Larkin as Acting Administrator.

Mr. O'Malley served as Administrator for three years, after having served the Commission previously in positions progressing from Counsel to Deputy Administrator. He oversaw the implementation in 1989 of major structural changes to the Illinois disciplinary system, including the addition of lay members to the Inquiry Board and the opening of proceedings to the public after filing of a formal complaint. The Commission expresses its gratitude to Mr. O'Malley for his distinguished service to the Court, public and profession.

The Commission conducted an extensive search for a new Administrator. The process was coordinated by a committee chaired by Commissioner David M. Hartigan and including Commission Chairman James H. Bandy and Commissioner John P. Clarke.

Following a review of applications and interviews, the Commission appointed Mary Robinson, whose appointment was approved by the Illinois Supreme Court. Ms. Robinson's credentials included extensive litigation and appellate experience. She has been engaged in the private practice of law in Elgin for the past ten years, following her service as the Director of an office of the

State Appellate Defender. Ms. Robinson assumed the duties of the Administrator on March 16, 1992.

C. Board Membership

As of December 31, 1991, the Review, Hearing and Inquiry boards consisted of 119 officers. 17 of the 51 members of the Inquiry Board are non-lawyers.

The backgrounds of the board members are diverse. 45 percent of the lawyer board members are associated with firms consisting of 1 to 5 attorneys. 18 percent of the board members are associated with firms consisting of 5 to 14 attorneys. 25 percent of the board members are associated with firms consisting of 15 or more attorneys. 9 percent of the members are associated with educational, corporate or government institutions. 3 percent of the board members are retired from the practice of law.

The majority of lawyer board members concentrate their practices in general civil litigation, tort, real estate, probate and labor law. The occupations of non-lawyer board members include accounting, finance, medicine, mental health, public affairs and business.

The board members are from 22 different Illinois counties. 83 percent of the members are male. 17 percent are female. 9 percent are minority.

The majority of the board members are between 35 and 50 years of age. 92 percent of all lawyer board members have been engaged in the practice of law for ten years or more. The remaining 8 percent have practiced between four and ten years.

During 1991, orientation and training seminars were conducted for the newly appointed members of the Inquiry and Hearing Boards.

D. Administrator's Staff

As of December 31, 1991, the staff consisted of 88 employees assigned to the following categories: 4 to the registration department; 7 to the clerk's office; 32 to

investigation and prosecution; and 19 to administration.

During the year, the number of staff counsel increased from 24 to 26. Staff attorneys are supported by paralegals, investigators, secretaries and law clerks. The Commission concentrated efforts on retaining and recruiting staff attorneys with substantial experience, both in terms of practice at the Commission and practice prior to employment at the Commission.

The administrator provides in-house education and training for the staff and encourages participation in other relevant continuing education programs.

E. Changes and Amendments to Rules

On March 25, 1991, the Court amended Rules 774(a)(2) and 776(d)(1) to refer to the Rules of Professional Conduct as opposed to its predecessor Code of Professional Responsibility.

On November 20, 1991, the Court amended Rule 756 by adding paragraph 7 which exempts judicial officers from paying a registration fee.

On November 20, 1991, the Court amended Rule 3.8 of the Rules of Professional Conduct by adding paragraph c. The amendment makes it unethical for a government lawyer to subpoena a lawyer in a criminal proceeding to obtain evidence about a former client, unless certain circumstances exist. On December 27, 1991, the Court stayed the enforcement and effect of the provision pending further review.

During 1991, the Commission made no changes in its rules.

F. Blue Ribbon Committee

In March, 1991, the Court reconvened its Blue Ribbon Committee to Study the Function and Operations of the Attorney Registration and Disciplinary Commission. The Committee was instructed to study Commission Rule 108, which authorized the Inquiry Board to defer certain proceedings with the agreement of the Administrator and

the attorney-respondent subject to designated conditions. The committee was also directed to look into the advisability of the Court's adoption of a rule to expunge records of disciplinary investigations which are closed without disciplinary action.

G. Minority Issues

During 1991, the Commission took action to institutionalize its longstanding commitment to minority involvement within the disciplinary system. The Commission formed a Minority Issues Committee and named Commissioner Eldridge T. Freeman, Jr. as its chair. With the assistance of the Cook County Bar Association, the Commission appointed an additional six minority members to the Inquiry board, and the Administrator hired a third minority lawyer as staff counsel.

H. Relations with the Organized Bar

The Commission continued to maintain positive relations with the organized bar. The staff and board members have referred attorneys to the Cook County Bar Association and the Chicago Bar Association programs that provide law practice management assistance to attorneys who come before the Commission and who have exhibited difficulty in managing their law practice. The Administrator also cooperated with the Chicago Bar Association in the formation of its Lawyer Referral Plan for attorneys who are the subject of disciplinary proceedings. During 1991, based upon the proposal of Commissioner Watts C. Johnson, the Commission established as policy the expectation that staff counsel participate in the functions of the organized bar.

I. Outreach Program

The Commission assisted the Illinois State Bar Association in the preparation of a videotaped guide to Commission procedures. In addition, the Commission cooperated in the production of a videotape on corporate social responsibility and ethics for business law educational services. The Commission continued to assist in the publication of the

annotated Guide to the Illinois Rules of Professional Conduct by Thomas R. Mulroy, Jr. (IICLE, 1991). The guide provides a digest and case summaries of notable disciplinary law.

During 1991, the Commission conducted numerous programs to inform the public and profession about the legal profession, the Illinois Rules of Professional Conduct, the structure and operation of the disciplinary system and recent developments in disciplinary case law.

Commission counsel are available to speak to bar associations, law schools, law firms, professional organizations and public groups on topics of professional responsibility, lawyer discipline and the Illinois Rules of Professional Conduct. There is no charge for this service. Any person interested in obtaining a speaker should send a written request to James J. Grogan, Chief Counsel, at the Commission's Chicago office.

II. Report on Disciplinary Matters

During 1991, the Commission improved the progress of the disciplinary caseload. The Inquiry Board, Administrator and staff reduced the number of pending investigations from 2944 to 2544. The administrator's staff filed before the Hearing Board 127 complaints, an increase of 20 percent over 1990.

The trend toward consent and agreed discipline increased. Of the 82 cases in which discipline was imposed by the Supreme Court (see Chart 6), only 5 consisted of contested appeals to the Court that resulted in reported decisions. In the other 77 cases, the Court acted upon uncontested reports from the Hearing or Review Board, petitions for discipline on consent, and petitions for interim suspension. Only 25 of the 97 Hearing Board reports were the subject of an appeal to the Review Board, and exceptions were filed from Review Board decisions in only 7 of 15 cases.

Charts 1 through 11 account for the caseload progress at various stages. Charts 12

and 13 indicate the types of charges, as to both the area of substantive law involved and the principle violation alleged.

Chart 1: Trend of Investigations

During 1991, the number of investigations docketed decreased by 507, an 8.5 percent decrease. 539 of the 5,962 investigations were docketed as a result of a report of misconduct from a member of the profession, a decrease from the 647 such reports out of 6,469 investigations docketed in 1990.

Pending Jan 01 91	Docketed During 1991	Terminated During 1991	Pending Dec 31 91
2,944	5,969	6,377	2,536*

*The 2,536 files pending as December 31, 1991, involve 2,109 attorneys.

Chart 2: Description of Charges Terminated by Closure or Voting of Complaints

No misconduct stated	608
Closed by the Administrator after investigation	5,701
Closed by inquiry	839
Complaint voted by inquiry	325
Total charges terminated	*7,527

*The number of dispositions is greater than the number of investigative files identified in Chart 1 as terminated in 1991 because some investigative files contain charges against more than one attorney.

Chart 3: Trend of Matters Before Hearing Board

During 1991, the number of matters filed before the Hearing Board increased by 21 over 1990, a 20 percent increase.

Pending Jan 01 91	Docketed During 1991	Terminated During 1991	Pending Dec 31 91
105	127*	97	135

*The difference between the number of complaints voted by the Inquiry board and the number of matters filed before the Hearing Board is due to the consolidation of multiple charges against attorneys in one complaint before the Hearing Board.

Chart 4: Disposition of Hearing Board Reports

Recommendation for discipline submitted to Supreme Court as agreed matter	2
Reprimand	6
Closed as the attorney consented to discipline or transferred to inactive status	12
Recommendation submitted to Review Board as contested matter	25
Awaiting exceptions	2
Complaint dismissed	12*
Petitions to impose discipline on consent	29
Petitions to perpetuate testimony	2
Matters stayed or consolidated	2
Recommendation to transfer to inactive status due to disability	1
Recommendation not to transfer to inactive status due to disability	2
Denial of reinstatement petition	2
Total	97

*The 12 dismissals arise from five cases before the Hearing Board. One case was dismissed without prejudice to allow the Respondent an opportunity to appear before the Inquiry Board. Three cases, one of which involved six Attorney-Respondents, were dismissed on the Administrator's motion following receipt of additional information during discovery. The fifth case was dismissed after a contested hearing.

Chart 5: Trend of Matters in the Review Board

The matters filed before the Review Board during 1991 constitute those Hearing Board reports to which the Administrator, respondent or both parties filed exceptions.

Pending Jan 01 91	Filed During 1991	Terminated During 1991	Pending Dec 31 91
14	25	15	24

Chart 6: Disciplinary Action by Supreme Court

Disbarred	20
Suspended	38
Censured	17
Probation	3
Inactive Status	2
Active Status with Conditions	2
Total	82

Chart 7: Trend of Contested Disciplinary Cases in the Supreme Court

Pending Jan 01 91	Filed During 1991	Terminated During 1991	Pending Dec 31 91
7	3	6	4

Chart 8: Discipline on Consent

A. DISBARMENT ON CONSENT PURSUANT TO RULE 762(a)

1. Trend of Consent Motions

Pending Jan 01 91	Filed During 1991	Terminated During 1991	Pending Dec 31 91
5	19	21	3

2. Disposition of Consent Motions

Motions allowed	17
Motions denied	4

B. OTHER DISCIPLINE ON CONSENT PURSUANT TO RULE 762(b).

1. Trend of Consent Petitions

Pending Jan 01 91	Filed During 1991	Terminated During 1991	Pending Dec 31 91
7	33	35	5

2. Disposition of Consent Petitions

Petitions denied	10
Petitions allowed	25

3. Discipline Imposed

Suspension	14
Censure	8
Probation	3
Total	25

Chart 9: Description of Types of Cases Terminated by the Supreme Court

Disciplinary cases	91
Subpoena or order enforcement	54
Registration enforcement	2
Non-disciplinary transfer to inactive status	406
Reinstatement and restoration	53
Probation or termination	4
Other	37
Total	647

Chart 10: Non-Disciplinary Action by Supreme Court

Transferred to Inactive Status	
Allowed	402
Not allowed	4
Petitions for Reinstatement	
Allowed	3
Not allowed	2
Petitions for Restoration	
Allowed	48
Not allowed	0
Total	459

Chart 11: A Comparison

Actions Taken

	Number of Registered Attorneys	Investigations Docketed	Actions Taken				Matters filed with		
			Closure by Administrator/No Misconduct Alleged	Closure by Administrator After Investigation	Closure by Inquiry After Investigation	Complaint Voted By IBD	Hearing Board	Review Board	Supreme Court
1982	41,274	2,285	*	1,384	723	116	50	27	90
1983	43,116	2,388	*	1,340	855	134	69	40	150
1984	45,171	2,721	*	1,182	1,021	179	49	28	139
1985	47,400	3,935	*	1,730	1,239	184	68	27	211
1986	49,177	4,535	223	2,846	1,094	219	120	49	228
1987	50,635	4,886	765	4,542	1,275	229	103	40	364
1988	52,611	4,945	910	4,369	1,167	214	75	32	390
1989	54,866	5,822	818	5,552	1,266	343	89	23	791
1990	56,896	6,489	1,023	5,254	1,410	349	105	23	578
1991	58,953	5,969	608	5,701	839	325	127	25	604

*not available

Chart 12: Classification of Investigations Docketed in 1991 by Area of Law Involved

Area of Law	Number
Domestic Relations	914
Tort (Personal Injury/Property Damage)	886
Criminal and Quasi-Criminal	796
Real Estate/Landlord-Tenant	461
Contract	445
Probate	284
Labor Relations	213
Bankruptcy	120
Corporate Matters	82
Immigration	34
Local Government Problems	27
Adoption	22
Tax	21
Civil Rights	20
Mental Health	11
Patent and Trademark	11

Chart 13: Classification of Investigations Docketed in 1991 by Violation Alleged

Violation Alleged	Number
Neglect	848
Incompetence	842
Fraud	748
Failure to communicate with client	692
Improper handling of funds	463
Excessive fees	266
Failure to withdraw from employment	159
Conduct prejudicial to the administration of justice	124
Failure to treat others with courtesy	115
Conflict of interest	121
Criminal conduct	60
Improper communication with adverse party	43
Threat of criminal prosecution	43
Failure to register	42
Improper trial conduct	37

III. Registration Report

The 1991 Master Roll of Attorneys contained the names of 58,953 attorneys. The registration categories of those attorneys and their distribution throughout the state are set forth in the following charts.

Chart A: Registration Categories of Attorneys Admitted to the Bar

Categories	Number
Admitted between 01-01-90 and 12-31-91	2,887
Admitted between 01-01-88 and 12-31-89	4,390
Admitted before 01-01-88	40,883
Active Military Duty	220
Birthdate before 12-31-15	2,291
Neither practice, nor reside, nor are employed in Illinois	8,282
TOTAL ATTORNEYS ACTIVE AND CURRENTLY REGISTERED	58,953
REMOVED FROM MASTER ROLL DURING 1991 (ARREARS, DECEASED, INACTIVE AND DISCIPLINED ATTORNEYS)	739

Chart B: Registered attorneys as of October 31, 1991 in the Judicial Districts and Circuits

	1987	1988	1989	1990	1991
First District					
Cook County	29872	30710	31839	32374	33716
Second District					
15th Circuit	175	174	164	166	167
16th Circuit	778	806	802	839	868
17th Circuit	509	533	553	569	592
18th Circuit	1972	2075	2084	2178	2243
19th Circuit	1438	1556	1620	1755	1810
District Total	4872	5144	5223	5507	5680
Third District					
9th Circuit	209	201	200	200	195
10th Circuit	684	691	716	732	765
12th Circuit	405	427	422	464	485
13th Circuit	292	285	284	280	285
14th Circuit	453	447	452	457	468
21st Circuit	133	134	139	133	138
District Total	2176	2185	2213	2266	2336
Fourth District					
5th Circuit	281	278	280	265	269
6th Circuit	709	693	714	722	738
7th Circuit	983	991	1011	1003	1054
8th Circuit	177	178	179	178	180
11th Circuit	402	414	412	417	431
District Total	2552	2554	2596	2585	2672
Fifth District					
1st Circuit	320	318	317	322	335
2nd Circuit	315	300	298	288	299
3rd Circuit	435	454	478	487	487
4th Circuit	262	257	249	243	242
20th Circuit	652	677	695	694	712
District Total	1984	2006	2037	2034	2075
Grand Total	41456	42599	43908	44766	46479

Chart C: In State Registered Attorney Population by County of Principal Office.

COUNTY OF PRINCIPAL OFFICE	NUMBER OF ATTORNEYS		COUNTY OF PRINCIPAL OFFICE	NUMBER OF ATTORNEYS	
	1990	1991		1990	1991
Adams	100	105	Lee	32	33
Alexander	11	11	Livingston	53	53
Bond	13	13	Logan	31	31
Boone	27	29	Macon	216	223
Brown	9	9	Macoupin	43	47
Bureau	47	47	Madison	474	474
Calhoun	5	4	Marion	50	52
Carroll	12	12	Marshall	15	15
Cass	13	12	Mason	16	16
Champaign	427	437	Massac	18	20
Christian	46	46	McDonough	49	47
Clark	15	15	McHenry	319	330
Clay	17	14	McLean	295	310
Clinton	21	21	Menard	12	12
Coles	83	85	Mercer	12	11
Cook	32,374	33,716	Monroe	38	37
Crawford	22	22	Montgomery	34	35
Cumberland	7	6	Morgan	48	50
DeKalb	120	129	Moultrie	19	16
DeWitt	20	20	Ogle	43	44
Douglas	19	18	Peoria	606	634
Du Page	2,178	2,243	Perry	19	20
Edgar	30	32	Piatt	21	24
Edwards	5	5	Pike	13	12
Effingham	33	33	Pope	4	3
Fayette	16	16	Pulaski	7	8
Ford	20	20	Putnam	7	7
Franklin	51	54	Randolph	26	27
Fulton	38	38	Richland	27	27
Gallatin	10	8	Rock Island	328	342
Greene	14	14	Saline	33	34
Grundy	49	48	Sangamon	875	920
Hamilton	13	13	Schuyler	10	10
Hancock	18	16	Scott	7	6
Hardin	5	5	Shelby	18	18
Henderson	5	5	St Clair	594	611
Henry	51	49	Stark	11	10
Iroquois	26	27	Stephenson	54	52
Jackson	155	161	Tazewell	93	99
Jasper	8	7	Union	15	16
Jefferson	92	100	Vermilion	130	131
Jersey	16	17	Wabash	19	20
Jo Daviess	25	26	Warren	29	30
Johnson	6	6	Washington	17	17
Kane	693	711	Wayne	13	14
Kankakee	107	111	White	14	14
Kendall	26	28	Whiteside	66	66
Knox	61	59	Will	464	485
Lake	1,436	1,480	Williamson	73	76
LaSalle	184	190	Winnebago	542	563
Lawrence	17	17	Woodford	18	17

IV. Financial Report

A. Calendar 1991

The Commission approved the final 1991 budget on January 25, 1991. The budget provided funds to expand the staff by one attorney.

The Commission managed its operations within the projections contained in the 1991 budget. A schedule comparing revenues and expenditures budgeted with actual revenues and expenditures is as follows:

Attorney Registration and Disciplinary Commission Accounting of Monies Received and Expended Year Ended December 31, 1991

	Operating Fund		
	BUDGET AMOUNT	ACTUAL AMOUNT	VARIANCE
Revenue			
Total Fees	6,339,560	6,421,644	(82,084)
Costs Recovered	65,000	66,752	(1,752)
Interest	400,000	533,649	(133,649)
Other		488	(488)
Total Revenue	<u>6,804,560</u>	<u>7,022,533</u>	<u>(217,973)</u>
Expenditures			
Salaries and Expenses	4,218,252	3,892,095	326,157
Travel Expenses	103,043	105,631	(2,588)
Library and Con Ed Expense	62,955	57,953	5,002
General Office Expenses	840,052	847,568	(7,516)
Computer Expense	75,000	65,943	9,057
Other Assets	100,000		100,000
Court Reporting	170,150	150,775	19,375
Other Expenses	122,485	150,551	(28,066)
Total Expenditures	<u>5,691,937</u>	<u>5,270,516</u>	<u>421,421</u>
Excess of Revenue Over Expenditures	<u>1,112,623</u>	<u>1,752,017</u>	<u>(639,394)</u>

BRACKETED ITEMS INDICATE ACTUAL REVENUE OR
EXPENSE OVER BUDGET

B. Audited Financial Statements

The Commission engaged the services of Miller, Cooper & Co. Ltd., Certified Public Accountants, to conduct an independent annual audit as required by Rule 751(e)(7). The audited financial statements for the year ended December 31, 1991, are attached as Appendix 1.

V. Evaluations and Recommendations

The significant drop in the number of investigations docketed in 1991 was a positive development, all the more encouraging because a substantial proportion of the decrease was seen in the more serious categories of misconduct, particularly allegations of fraud and improper handling of client funds. The Commission will dedicate efforts to speeding the resolution of disciplinary cases and will devote resources to developing preventative programs with the hope of increasing that trend.

APPENDIX 1

MILLER
COOPER
& Co., Ltd

ACCOUNTANTS AND CONSULTANTS

Independent Auditors' Report

Commissioners and Administrator of the
Attorney Registration and Disciplinary Commission
of the Supreme Court of Illinois
Chicago, Illinois

We have audited the accompanying balance sheet of the Attorney Registration and Disciplinary Commission of the Supreme Court of Illinois as of December 31, 1991 and the related statement of revenues and expenses, fund balances and cash flows for the year then ended. These financial statements are the responsibility of the Commission. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Attorney Registration and Disciplinary Commission of the Supreme Court of Illinois as of December 31, 1991, and results of its operation and its cash flows for the year then ended in conformity with generally accepted accounting principles.

MILLER, COOPER & CO., LTD.

Miller, Cooper & Co., Ltd
Certified Public Accountants

Northbrook, Illinois
March 3, 1992

650 DUNDEE ROAD, SUITE 250
NORTHBROOK, IL 60062-2759
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Attorney Registration and Disciplinary Commission
of the Supreme Court of Illinois
BALANCE SHEET
December 31, 1991

	A S S E T S						Combined Amounts
	Operating Fund	Deferred Fees	Physical Asset and Replacement Fund	Group Legal Service Fund	Medicare Replacement Reserve Trust Fund	Eliminations	
CURRENT ASSETS							
Cash and cash equivalents (note B-2)	\$ 410,175	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 410,175
Accounts receivable - other than fees	7,712	-	-	-	-	-	7,712
Transfers to other funds	-	-	5,987	-	-	< 5,987>	-
Accrued interest receivable	138,737	-	9,683	1,294	11,890	-	161,604
Investments (note C)	1,862,170	4,658,218	108,862	14,379	7,864	-	6,651,493
Prepaid expenses	45,017	-	-	-	-	-	45,017
Total current assets	<u>2,463,811</u>	<u>4,658,218</u>	<u>124,532</u>	<u>15,673</u>	<u>19,754</u>	<u>< 5,987></u>	<u>7,276,001</u>
PHYSICAL ASSETS (note B-3)							
Computer and related equipment	-	-	507,934	-	-	-	507,934
Office furniture and equipment	-	-	778,824	-	-	-	778,824
Library	-	-	71,314	-	-	-	71,314
Leasehold improvements	-	-	18,828	-	-	-	18,828
Total	-	-	1,376,900	-	-	-	1,376,900
Less accumulated depreciation	-	-	875,128	-	-	-	875,128
	-	-	501,772	-	-	-	501,772
OTHER ASSETS							
Investments (note C)	3,052,180	-	316,867	40,000	574,637	-	3,983,684
	<u>\$5,515,991</u>	<u>\$4,658,218</u>	<u>\$ 943,171</u>	<u>\$ 55,673</u>	<u>\$594,391</u>	<u>\$< 5,987></u>	<u>\$11,761,457</u>
LIABILITIES AND FUND BALANCES							
CURRENT LIABILITIES							
Accounts payable	\$ 77,143	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 77,143
Transfers from other funds	5,987	-	-	-	-	< 5,987>	-
Deferred fees (note J)	-	4,658,218	-	-	-	-	4,658,218
Reinstatement deposits	5,500	-	-	-	-	-	5,500
Group legal service registration fees	-	-	-	55,673	-	-	55,673
Total current liabilities	<u>88,630</u>	<u>4,658,218</u>	<u>-</u>	<u>55,673</u>	<u>-</u>	<u>< 5,987></u>	<u>4,796,534</u>
COMMITMENTS (notes E, H and K).							
FUND BALANCES							
General operating fund	5,427,361	-	-	-	-	-	5,427,361
Other fund balances	-	-	943,171	-	594,391	-	1,537,562
	<u>5,427,361</u>	<u>-</u>	<u>943,171</u>	<u>-</u>	<u>594,391</u>	<u>-</u>	<u>6,964,923</u>
	<u>\$5,515,991</u>	<u>\$4,658,218</u>	<u>\$ 943,171</u>	<u>\$ 55,673</u>	<u>\$594,391</u>	<u>\$< 5,987></u>	<u>\$11,761,457</u>

The accompanying notes are an integral part of this financial statement.

Attorney Registration and Disciplinary Commission
of the Supreme Court of Illinois
STATEMENT OF REVENUES AND EXPENSES
Year ended December 31, 1991

	Operating Fund	Physical Asset and Replacement Fund	Medicare Replacement Reserve Trust Fund	Combined Total
Revenues				
Attorney registra- tion fees and charges collected (note D)	\$6,421,644	\$ -	\$ -	\$6,421,644
Interest on investments	533,649	36,049	42,823	612,521
Costs collected	66,752	-	-	66,752
Miscellaneous income	488	-	-	488
	<u>7,022,533</u>	<u>36,049</u>	<u>42,823</u>	<u>7,101,405</u>
Expenses				
Salaries and related	3,779,540	-	-	3,779,540
Travel	105,631	-	-	105,631
Library and continuing educa- tion	57,953	-	-	57,953
General	847,568	662	-	848,230
Computer	65,943	-	-	65,943
Other	301,326	-	-	301,326
Insurance premiums	-	-	5,190	5,190
Depreciation	-	184,797	-	184,797
Disposition of physical assets	-	1,758	-	1,758
	<u>5,157,961</u>	<u>187,217</u>	<u>5,190</u>	<u>5,350,368</u>
Excess <deficiency> of revenues over expenses before transfers	1,864,572	< 151,168>	37,633	1,751,037
Transfers				
Transfer to fund medicare replace- ment reserve trust	< 112,555>	-	112,555	-
EXCESS <DEFICIENCY> OF REVENUES OVER EXPENSES	<u>\$1,752,017</u>	<u>\$< 151,168></u>	<u>\$ 150,188</u>	<u>\$1,751,037</u>

The accompanying notes are an integral part of this statement.

Attorney Registration and Disciplinary Commission
of the Supreme Court of Illinois
STATEMENT OF FUND BALANCES
Year ended December 31, 1991

	Operating Fund	Physical Asset and Replacement Fund	Medicare Replacement Reserve Trust Fund
Balance at beginning of year	\$3,675,344	\$1,094,339	\$ 444,203
Excess <deficiency> of revenues over expenses	<u>1,752,017</u>	<u>< 151,168></u>	<u>150,188</u>
Balance at end of year	<u>\$5,427,361</u>	<u>\$ 943,171</u>	<u>\$ 594,391</u>

The accompanying notes are an integral part of this statement.

Attorney Registration and Disciplinary Commission
of the Supreme Court of Illinois
STATEMENT OF CASH FLOWS
Year ended December 31, 1991

	Operating Fund	Physical Asset and Replacement Fund	Medicare Replacement Reserve Trust Fund
Cash flows from operating activities			
Excess <deficiency> of revenues over expenditures	\$1,752,017	\$< 151,168>	\$ 150,188
Adjustments to reconcile excess <deficiency> of revenues over expenditures to net cash provided by operating activities			
Depreciation	-	184,797	-
Disposition of assets	-	1,758	-
<Increase> decrease in assets			
Accounts receivable	2,266	-	-
Other assets	< 2,357>	< 5,987>	-
Increase in liabilities			
Accounts payable	38,526	-	-
Deferred fees	200,054	-	-
Other liabilities	5,987	-	-
Net cash provided by operating activities	<u>1,996,493</u>	<u>29,400</u>	<u>150,188</u>
Cash flows from investing activities			
Acquisition of capital assets			
Computer and related equipment	-	< 1>	-
Office furniture and equipment	-	< 29,771>	-
Library	-	< 4,278>	-
Purchases of investments - net	<1,779,148>	4,650	< 150,188>
Net cash used by investing activities	<u><1,779,148></u>	<u>< 29,400></u>	<u>< 150,188></u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	217,345	-	-
Cash and cash equivalents at beginning of year	<u>192,830</u>	-	-
Cash and cash equivalents at end of year	<u>\$ 410,175</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral part of this statement.

Attorney Registration and Disciplinary Commission
of the Supreme Court of Illinois
NOTES TO THE FINANCIAL STATEMENTS
December 31, 1991

NOTE A - GENERAL PURPOSE DESCRIPTION

The Commission was appointed by the Illinois Supreme Court under rules 751 through 756 of the Court effective February 1, 1973, and subsequent additional rules and amendments. The purpose of the Commission and the Office of the Administrator is to maintain the Master Roll of Attorneys and to investigate and prosecute claims against Illinois attorneys whose conduct might tend to defeat the administration of justice or bring the court or the legal profession into disrepute.

On April 21, 1977, the Illinois Supreme 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 with the Commission on or before July 1st each year.

On August 9, 1983, the Illinois Supreme Court adopted rule 773, effective October 1, 1983. The rule provided that an attorney-respondent could be responsible for paying the costs incurred in proceedings which led to the imposition of disciplinary sanction.

On October 13, 1989, rule 773 was amended effective immediately. Attorney-respondents have a duty to pay costs involved in the enforcement of certain Supreme Court rules, costs incurred to compel witness testimony where the lawyer has not cooperated with Commission proceedings, and costs incurred to obtain records from a financial institution when the institution's production followed a lawyer's failure to provide records.

Attorney Registration and Disciplinary Commission
of the Supreme Court of Illinois
NOTES TO THE FINANCIAL STATEMENTS
December 31, 1991

NOTE A - GENERAL PURPOSE DESCRIPTION (Continued)

On October 20, 1989, the Supreme Court adopted rule 769, effective November 1, 1989. It is now the duty of every attorney to retain all financial records related to the attorney's practice for a period of not less than ten years.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Fund Accounting - To ensure observation of limitations placed on the use of resources available to the Commission, the accounts of the Commission are maintained in accordance with the principles of fund accounting. This is the procedure by which resources for various purposes are classified for accounting and reporting purposes into funds established according to their nature and purposes. Separate accounts are maintained for each fund and all financial transactions have been recorded and reported by fund group.
2. Cash and Cash Equivalents - For purposes of the statement of cash flows, cash equivalents includes investments with a maturity of three months or less.
3. Physical Assets - Physical assets are stated at cost. Depreciation and amortization are provided over the estimated useful lives of the assets or asset groups principally on the straight-line method. Upon disposal of assets, cost less any proceeds from sale is charged or credited to accumulated depreciation and gains or losses are then included in current income. Leasehold improvements are amortized over the lease period.

Attorney Registration and Disciplinary Commission
of the Supreme Court of Illinois
NOTES TO THE FINANCIAL STATEMENTS
December 31, 1991

NOTE C - INVESTMENTS

All investment transactions are handled by the Trust Department of the First America Bank - Springfield, N.A. and are held in safekeeping at the bank. Investments are carried at cost. The market value of investments exceeds cost by \$181,100 at December 31, 1991.

NOTE D - COLLECTION OF FEES

The Commission is funded by an annual registration fee assessed Illinois attorneys. The annual fee is sent directly to a lock box located at the U.S. Post Office in Springfield, Illinois. The lock box is under the sole supervision of First America Bank - Springfield, N.A. The contents of the lock box are accounted for solely by the bank and all receipts are deposited to the Commission's account. An accounting for these funds is sent regularly to the Commission's registration department for processing and comparison with the registration and billing records. The system is test checked by our independent auditors and the lock box system is also checked by the internal auditors of the bank and the National Bank Examiners.

NOTE E - LEASE AND MAINTENANCE COMMITMENTS

The Commission leases its Chicago and Springfield offices under operating lease agreements. The total of lease payments was \$489,790. The future minimum lease payments for the Springfield office are subject to possible escalation based on the operating expenses of the building.

Attorney Registration and Disciplinary Commission
of the Supreme Court of Illinois
NOTES TO THE FINANCIAL STATEMENTS
December 31, 1991

NOTE E - LEASE AND MAINTENANCE COMMITMENTS

Future minimum lease payments relating to lease agreements are:

1992	\$444,018
1993	463,095
1994	479,751
1995	153,112

NOTE F - TAXABLE STATUS

On January 29, 1976, the Internal Revenue Service issued a determination letter recognizing the Commission as a tax exempt organization under section 501(c)(6) of the Internal Revenue Code. The Commission is required to annually file Form 990 (an information return) with the Internal Revenue Service.

NOTE G - PHYSICAL ASSET REPLACEMENT FUND

This fund consists of amounts which have been transferred from the Operating Fund as determined and designated by the Commission. No transfers were made to this fund in 1991.

NOTE H - MEDICARE REPLACEMENT RESERVE TRUST

On August 9, 1985, the Commission formed a trust to replace the medicare coverage lost by its employees when the Social Security Administration ruled the Commission was ineligible for benefits. The Federal Unemployment Insurance refunds were used to initiate the trust which increases annually by the Commission contributing 4% of compensation for each eligible participant.

Attorney Registration and Disciplinary Commission
of the Supreme Court of Illinois
NOTES TO THE FINANCIAL STATEMENTS
December 31, 1991

NOTE I - 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 funds are invested in a trust account at the First of America Bank - Springfield, N.A.

NOTE J - DEFERRED FEES

The annual registration fee covers the calendar year period. Fees collected in November and December 1991, represent 1992 fees.

NOTE K - EMPLOYEES' RETIREMENT PLAN AND TRUST

On October 15, 1977, the Commission established a Retirement Plan and Trust for the benefit of all qualified employees. The Plan and Trust was effective January 1, 1977 and required both employee and Commission contributions.

Effective January 1, 1985 the Plan was amended and restated to improve retirement benefits in light of the decision of the Social Security Administration that employees of the Commission are not covered by social security benefits.

The Commission contribution for the year ended December 31, 1991 was \$503,109.

NOTE L - LITIGATION

Various complaints and actions were filed against the Commission in 1991 by certain attorney registrants. All of these cases have either been dismissed or appear to lack legal merit.