



ATTORNEY REGISTRATION AND DISCIPLINARY COMMISSION
of the
SUPREME COURT OF ILLINOIS

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Chicago
April 26, 1996

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 1995 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 activities of the Commission for calendar year 1995 and an accounting and audit of the monies received and expended during the twelve-month period which ended December 31, 1995.

Respectfully submitted,

David M. Hartigan, Chairperson
John P. Clarke
Eldridge T. Freeman, Jr., Ph.D.
Jay H. Janssen
James J. McDonough
Michael J. Reagan
Benedict Schwarz II, Commissioners

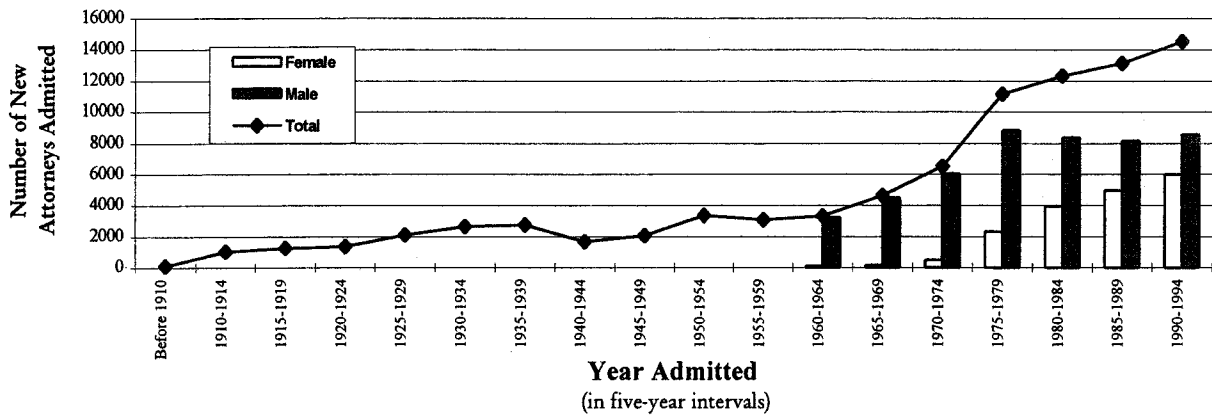
Mary Robinson, Administrator

I. Registration Report

The 1995 Master Roll of Attorneys contains the names of 67,121 attorneys, as of October 31, 1995, after which date the Commission begins the 1996 registration process on November 1. That total does not include the 1,904 attorneys who first took their oath of office in November or December, 1995. The total number of attorneys licensed to practice law in Illinois for 1995 reflects a 3% increase over 1994, and represents overall a 40% increase in the total number of attorneys registered since 1985.

Chart A shows the trends in the Illinois bar admissions over time and reflects the number of new attorneys admitted during five-year intervals, as well as the ratio of males to females admitted in each interval since 1960. The chart shows significant increases in admissions beginning in 1975 and a steady rise in the proportion of new admittees who are women.

Chart A: Trends in Illinois Bar Admissions



The breakdown of presently licensed lawyers by year admitted and gender follows the same trend (Chart B). Over 70% of the lawyers registered in 1995 were admitted in 1975 or after, and the percentage of women increases steadily for each group most recently admitted.

Chart B: Dates of Admission for Attorneys Registered in 1995

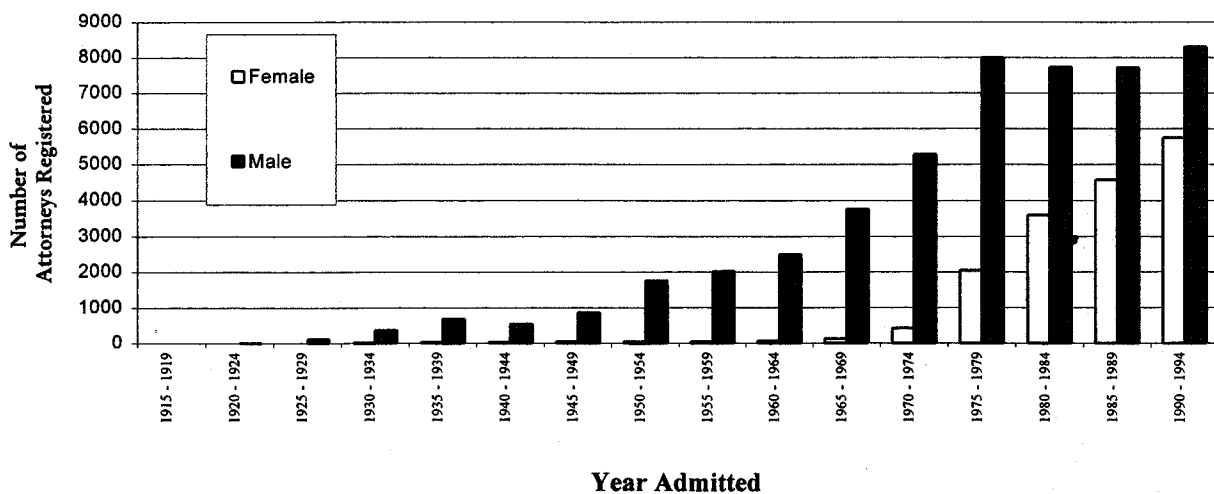


Chart C shows further demographic information for lawyers registered in 1995 and Chart D shows the breakdown by the registration categories set forth in Rule 756.

Chart C: Age, Gender and Years in Practice for Attorneys Registered in 1995

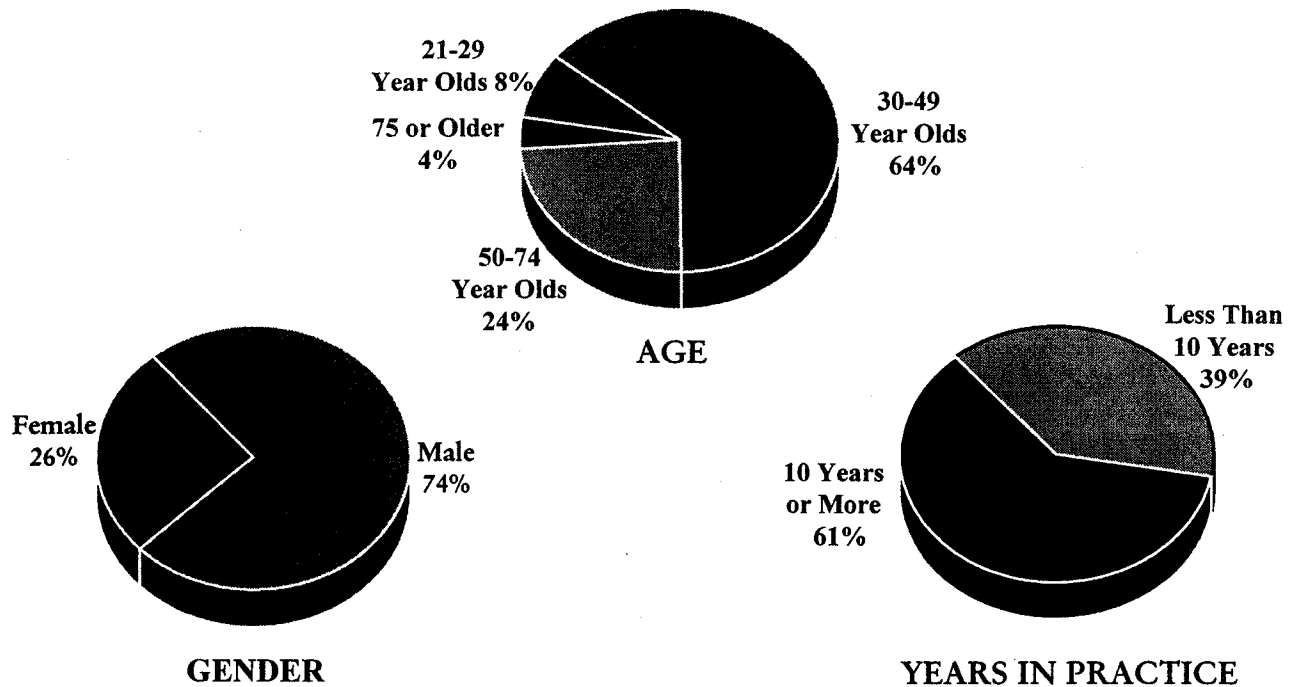


Chart D: Registration Categories for 1995

<i>Category</i>	<i>Number of Attorneys</i>
Admitted between January 1, 1994 and December 31, 1995	3,081
Admitted between January 1, 1992 and December 31, 1993	4,854
Admitted before January 1, 1992	46,016
Serving military duty	273
Serving as judge	898
Birthday before December 31, 1919	2,422
Foreign legal consultant	2
Neither practice, nor reside, nor are employed in Illinois	<u>9,575</u>
Total attorneys active and currently registered	<u>67,121</u>
Removed from the Master Roll (Arrears, Deceased, Inactive and Disciplined Attorneys)	1,041

Charts E and F show the distribution by Judicial Circuit and by County of the 51,212 registered attorneys who report a principal business address in Illinois.

In addition to the 9,575 attorneys who pay a reduced fee because they neither practice nor reside nor are employed in the state, another 6,335 attorneys report a business address outside Illinois but register to be able to practice in Illinois. Those 15,910 attorneys are not included in Charts E and F.

Chart E: Registration By Judicial Districts for 1995

	1991	1992	1993	1994	1995
First District					
Cook County ...	33,716	34,180	35,140	35,704	36,158
Second District					
15th Circuit ...	167	180	189	189	191
16th Circuit ...	868	929	984	1009	1045
17th Circuit ...	592	619	647	661	671
18th Circuit ...	2243	2590	2763	2858	3051
19th Circuit ...	1810	2066	2182	2304	2491
Total	5680	6384	6765	7021	7449
Third District					
9th Circuit ...	195	202	202	201	207
10th Circuit ...	765	782	796	816	831
12th Circuit ...	485	487	508	525	555
13th Circuit ...	285	294	299	299	308
14th Circuit ...	468	487	501	507	506
21st Circuit ...	138	150	152	156	152
Total	2336	2402	2458	2504	2559
Fourth District					
5th Circuit ...	269	277	288	285	270
6th Circuit ...	738	767	776	786	807
7th Circuit ...	1054	1086	1120	1129	1151
8th Circuit ...	180	185	186	192	189
11th Circuit ...	431	448	469	471	482
Total	2672	2763	2839	2863	2899
Fifth District					
1st Circuit ...	335	355	377	386	392
2nd Circuit ...	299	294	290	281	291
3rd Circuit ...	487	508	515	485	494
4th Circuit ...	242	248	249	253	260
20th Circuit ...	712	728	744	692	710
Total	2075	2133	2175	2097	2147
Grand Total					
	46,479	47,862	49,377	50,189	51,212

Chart F: Registered Attorneys by County

Principal Office	Number of Attorneys		Principal Office	Number of Attorneys	
	1994	1995		1994	1995
Adams	113	112	Lee	38	36
Alexander	11	12	Livingston	48	50
Bond	13	14	Logan	37	32
Boone	36	36	Macon	241	240
Brown	7	8	Macoupin	44	44
Bureau	46	43	Madison	472	480
Calhoun	4	4	Marion	50	55
Carroll	15	16	Marshall	13	17
Cass	13	12	Mason	17	15
Champaign	465	484	Massac	21	18
Christian	43	46	McDonough	50	48
Clark	13	14	McHenry	399	427
Clay	14	15	McLean	349	364
Clinton	23	22	Menard	14	14
Coles	94	91	Mercer	13	13
Cook	35704	36158	Monroe	40	37
Crawford	19	19	Montgomery	40	39
Cumberland	6	6	Morgan	50	50
DeKalb	156	167	Moultrie	19	19
DeWitt	21	24	Ogle	50	49
Douglas	18	17	Peoria	674	676
Du Page	2858	3051	Perry	23	22
Edgar	35	33	Piatt	22	23
Edwards	5	5	Pike	10	11
Effingham	38	42	Pope	4	4
Fayette	17	17	Pulaski	8	8
Ford	18	17	Putnam	6	7
Franklin	55	55	Randolph	24	27
Fulton	39	41	Richland	25	26
Gallatin	7	6	Rock Island	366	369
Greene	14	15	Saline	38	38
Grundy	52	56	Sangamon	997	1020
Hamilton	11	11	Schuyler	14	13
Hancock	18	19	Scott	6	6
Hardin	7	7	Shelby	21	19
Henderson	8	9	St. Clair	587	607
Henry	54	50	Stark	14	9
Iroquois	28	29	Stephenson	56	59
Jackson	183	186	Tazewell	109	122
Jasper	7	5	Union	22	24
Jefferson	94	99	Vermillion	137	126
Jersey	18	16	Wabash	17	18
Jo Daviess	30	31	Warren	27	29
Johnson	11	7	Washington	18	17
Kane	810	831	Wayne	11	13
Kankakee	128	123	White	13	13
Kendall	43	47	Whiteside	74	74
Knox	59	61	Will	525	555
Lake	1905	2064	Williamson	88	95
LaSalle	201	209	Winnebago	625	635
Lawrence	17	19	Woodford	19	19

II. Report on Disciplinary Matters and Non-Disciplinary Action Affecting Attorney Status

A. Investigations

During 1995, the Commission docketed 6,505 investigations involving charges against 4,158 different attorneys. This means that about 7% of the registered lawyers became the subject of a complaint in 1995, a figure which is consistent over the past three years. Charts 1 and 2 report the classification of investigations docketed in 1995, based on an initial assessment of the nature

of the misconduct alleged, if any, and the type of legal context in which the facts apparently arose.

As with prior years, the three areas of practice most likely to lead to a complaint of attorney misconduct are domestic relations, tort, and criminal law. Similarly, the violations most commonly reported track those for prior years: neglect of the client's cause, dishonest conduct, and failure to communicate with the client, which account for nearly one-third of all types of misconduct alleged. Most classifications showed little change over 1994.

Chart 1: Classification of Charges Docketed in 1995 by Violation Alleged

Type of Misconduct	Number	Type of Misconduct	Number
Neglect or lack of diligence	1,454	Failing to treat others with courtesy	68
Fraudulent or deceptive activity, including lying to clients, knowing use of false evidence or making a misrepresentation to a tribunal	506	Filing frivolous or non-meritorious claims or pleadings	54
Failing to communicate with client, including failing to communicate the basis of a fee	487	Improper communications with a party known to be represented by counsel	41
Excessive fees, including failing to refund unearned fees	475	Failing to pay tax obligation in bad faith	38
Improper management of client or third party funds, including commingling, conversion, failing to promptly pay litigation costs or client creditors, or issuing N.S.F. checks	411	Threatening criminal prosecution to gain advantage in a civil matter	33
Conduct prejudicial to the administration of justice, including conduct which is the subject of a contempt finding or court sanction	300	Aiding in the unauthorized practice of law, including sharing fees with nonlawyers	31
Incompetence	275	Failing to preserve client confidences or secrets	23
Conflict of interest, including improperly entering into business transactions with clients	153	Avoiding in bad faith the repayment of an educational loan guaranteed by a governmental entity	20
Failing to properly withdraw from representation including failing to return client files or documents	140	Sexual harassment or abuse	19
Not abiding by a client's decision concerning the representation or taking unauthorized action on the client's behalf	89	Improper communications with or harassment of jurors	16
Criminal activity, including criminal convictions, counseling illegal conduct, public corruption	83	Improper division of legal fees	13
Improper trial conduct, including suppressing evidence where there is a duty to reveal	82	Improper <i>ex parte</i> communication	12
Improper commercial speech, including inappropriate written and oral solicitation	77	Incapacity due to chemical addiction or mental condition	7
Practicing law in a jurisdiction where not authorized	69	Failing to register	4
		Improper advances or loans to clients	4
		Failing to report lawyer misconduct	1
		Duplicate files	20
		Other	12
		No misconduct alleged, including prisoner complaints where an appellate review of issues would be more appropriate	1,369
		Reopened for further investigation	119
		Total	6,505

Chart 2: Classification of Charges Docketed in 1995 by Area of Law

Area of Law	Number
Domestic Relations	1,132
Tort (Personal Injury/Property damage)	1,007
Criminal/Quasi-Criminal	659
Real Estate/Landlord-Tenant	461
Contract	405
Probate	302
Labor Relations	240
Bankruptcy	106
Civil Rights	67
Corporate Matters	68
Immigration	41
Local Government Problems	30
Adoption	21
Tax	17
Patent and Trademark	12
Mental Health	3
No misconduct alleged	1,369
No specific area of law identified	499
Other	66
Total	6,505

If an investigation fails to reveal provable misconduct, the Administrator will close the investigation. If an investigation produces evidence of misconduct, the case is referred to the Inquiry Board. The Inquiry Board operates in panels of three, composed of two attorneys and one nonlawyer, all appointed by the Commission. An Inquiry Board has authority to vote a formal complaint if it finds evidence to support a charge, to close an investigation if it does not so find, or to defer the investigation and place an attorney on supervision under the direction of the panel pursuant to Commission Rule 108. The Administrator cannot pursue formal charges without authorization by an Inquiry Board panel.

Comparatively few investigations result in the filing of formal charges. Charts 3 and 4 show the number of investigations docketed and terminated during 1995, and the type of action which terminated the investigations. Chart 5 shows the number of investigations docketed between 1985 and 1995.

The number of new investigative files (6,505) docketed during 1995 was down slightly from new files docketed during 1994. That, along with caseload efforts by the staff, reduced the pending investigative caseload by nearly 300 files at the end of 1995.

Chart 3: Investigations Docketed in 1995

Year	Pending January 1st	Docketed During Year	Concluded During Year	Pending December 31st
1994	2,954	6,567	6,729	2,792
1995	2,792	6,505	6,845	2,452

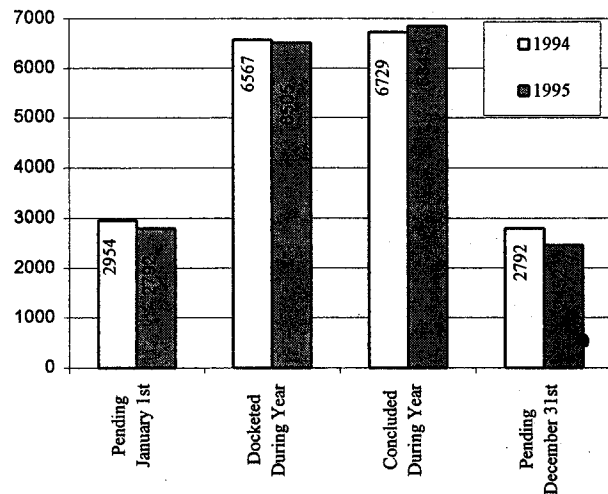
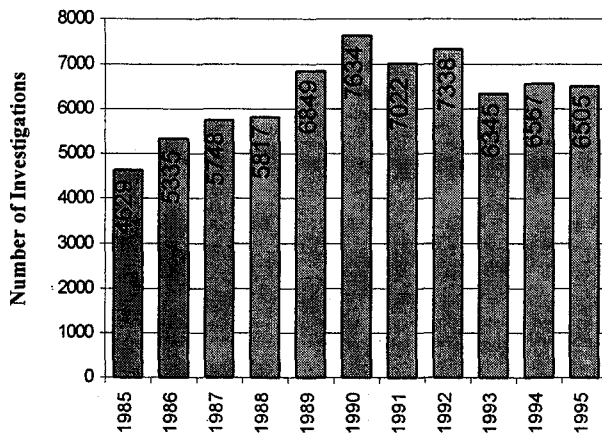


Chart 4: Action Concluding Investigations in 1995

Concluded by Administrator:	
Closed after initial review	1,359
Closed after investigation	5,134
Concluded by Inquiry:	
Closed after panel review	73
Complaint or impairment petition voted	277
Closed upon completion of conditions of Rule 108 supervision	2
Total	6,845

Chart 5: Trend of Investigations Docketed 1985 - 1995*



*The figures for 1985 through 1991 are estimates of the number of investigations docketed per attorney because this method of counting a separate investigation for each attorney first commenced in 1992.

B. Hearing Matters

Once an Inquiry Board panel authorizes the filing of charges, a formal complaint setting forth all allegations of misconduct pending against the attorney is filed, and the matter proceeds before the Hearing Board. The Hearing Board functions much like a trial court in a civil case and is

comprised of three panel members, two lawyers and one nonlawyer, appointed by the Commission. Upon filing and service of the complaint, the case becomes public. In addition to complaints alleging misconduct filed pursuant to Supreme Court Rule 753, and complaints alleging conviction of a criminal offense under Rule 761 and reciprocal discipline under Rule 763, the Hearing Board also entertains petitions for reinstatement pursuant to Rule 767, petitions for transfer to inactive status because of impairment pursuant to Rule 758, and petitions for restoration to active status pursuant to Rule 759.

Chart 6 shows the activity before the Hearing Board in 1995. Filings were comparable to 1994, but by increasing the matters resolved, the Hearing Board reduced the number of pending cases to 82 at the end of 1995 compared with the 106 pending cases at the close of 1994.

Chart 6: Matters Before the Hearing Board in 1995

Cases Pending on January 1, 1995	106
New Cases Filed in 1995:	
Disciplinary Complaints Filed: *	
Rule 753, 761(d)	99
Reinstatement Petitions Filed:	
Rule 767	9
Petitions Alleging Impairment: *	
Rule 758	1
Contested Restoration Petitions:	
Rule 759	4
Total New Cases	113
Cases Concluded During 1995	137
Cases Pending December 31, 1995	82

*The number of cases filed at Hearing is significantly lower than the number of matters voted by Inquiry because multiple investigations against a particular attorney in which an Inquiry Board has voted a complaint are consolidated into a single complaint for purposes of filings at Hearing.

Charts 7A and 7B show the types of misconduct alleged in the 99 disciplinary complaints filed during 1995 and the areas of practice in which the alleged misconduct arose. In large part, the categories most frequently seen in formal charges track the categories most frequently seen in clients' complaints, as reported in Charts 1 and 2.

Chart 7A: Area of Law Involved in Complaints Filed Before Hearing Board in 1995

<i>Area of Law</i>	<i>Number of cases</i>	<i>% of cases filed *</i>	<i>Area of Law</i>	<i>Number of cases</i>	<i>% of cases filed *</i>
Tort	31	31%	Criminal Conduct by Lawyer ...	12	12%
Real Estate	25	25%	Bankruptcy	8	8%
Domestic Relations	20	20%	Labor Relations	4	4%
Probate	18	18%	Debt Collection	3	3%
Contract	15	15%	Civil Rights	1	1%
Criminal	14	14%	Local Government problems ...	1	1%
Corporate Matters	12	12%	Tax	1	1%

*Totals exceed 99 cases and 100% because many complaints allege several counts of misconduct arising in different areas of practice.

Chart 7B: Types of Misconduct Alleged in Complaints Filed Before Hearing Board in 1995

<i>Type of Misconduct</i>	<i>Number of cases*</i>	<i>% of cases filed*</i>	<i>Type of Misconduct</i>	<i>Number of cases*</i>	<i>% of cases filed*</i>
Improper handling of funds	49	49%	Withdrawing from employment without court approval	9	9%
Neglect	44	44%	Aiding or engaging in unauthorized practice of law	8	8%
Of the 44 cases where neglect was charged, the neglect was accompanied by at least one of the following:			Excessive or unauthorized fees	6	6%
Misrepresentation to client	32		Not abiding by client's decision or taking unauthorized action on client's behalf ..	6	6%
Failure to return unearned fees	20		Improper commercial speech, including inappropriate written or oral solicitation ..	3	3%
Failing to communicate with client	44	44%	Violating client privilege	3	3%
Incompetence	26	26%	Bad faith avoidance of student loan	2	2%
Fraudulent or deceptive activity, including schemes to defraud clients or others, falsifying evidence, false statements to tribunal	24	24%	Failure to comply with Rule 764	2	2%
Conflict of interest	14	14%	Improper division of legal fees	2	2%
Arising from business transactions with client	12		Practicing despite failure to register	2	2%
Representing clients with conflicting interests	6		Pursuing or filing of frivolous or non-meritorious claims or pleadings ..	2	2%
Arising from a sexual relationship with client	5		Communication with represented party ..	1	1%
Criminal conduct by the lawyer	15	15%	Conduct harassing or embarrassing a third person	1	1%
Failure to respond to ARDC request for information	9	9%	Failure of lawyer candidate for judicial office to comply with judicial code	1	1%
			Failure to supervise subordinates	1	1%
			Threatening criminal or disciplinary charges to gain an advantage in a civil suit ...	1	1%

*Totals exceed 99 cases and 100% because most complaints allege more than one type of misconduct.

Chart 8 shows the type of action by which the Hearing Board concluded the 137 cases terminated during 1995.

Chart 8: Actions Taken by Hearing Board in Matters Terminated in 1995

A. Disciplinary Cases: Rules 753 & 761(d)	
Recommendation of dismissal or discharge	6
Recommendation of discipline	60
Cases closed by filing of petition for disbarment on consent	25
Cases closed by filing of petition for other discipline on consent	28
Total Disciplinary Cases	119
B. Reinstatement Petitions: Rule 767	
Recommend petition be allowed	5
Recommend petition be denied	3
Petition withdrawn before hearing	4
Total Rule 767 Petitions	12
C. Impairment Cases: Rule 758	
Cases closed by voluntary transfer to inactive status	1
Respondent allowed to practice, with conditions	1
Total Rule 758 Petitions	2
D. Restoration Cases: Rule 759	
Restored to active status	1
Petition dismissed for want of prosecution	1
Motion to withdraw petition allowed	2
Total Restoration Cases	4
TOTAL MATTERS TERMINATED	137

C. Matters Before the Review Board

Either the respondent or the Administrator can file exceptions as a matter of right from the recommendation of the Hearing Board. Those exceptions are heard by the Review Board consisting of nine lawyers appointed by the Supreme Court, who sit in panels of three. The Review Board entertains briefs and oral arguments, and then issues a report and

recommendation affirming, modifying or reversing the recommendation of the Hearing Board. The Review Board can also dispose of a case by approving the filing of a petition for discipline on consent pursuant to Rule 762(b). Chart 9 shows activity at the Review Board during 1995.

Chart 9: Trend of Matters in the Review Board in 1995

Cases pending on January 1, 1995	22
Cases filed during 1995:	
Exceptions filed by Administrator	10
Exceptions filed by Respondent	25
Total	35
Cases decided in 1995:	
Hearing Board affirmed	15
Hearing Board reversed as to findings or sanction	13
Exceptions withdrawn, matter presented to Court on motion to approve Hearing Board Report	3
Closed by other discipline	1
Total	32
Cases pending December 31, 1995	25

D. Supreme Court - Disciplinary Cases

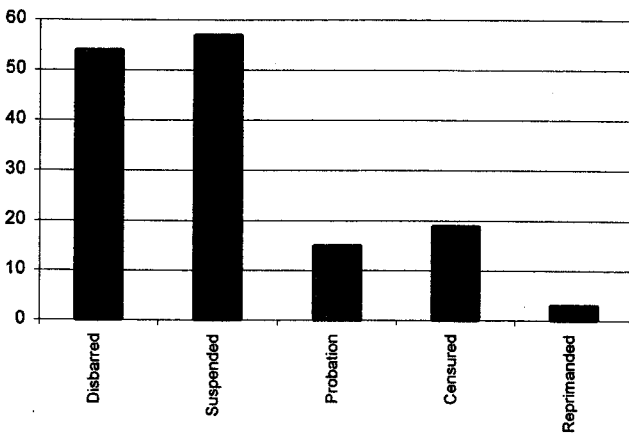
Only the Supreme Court has authority to sanction attorneys for misconduct, except for a Board reprimand which can be imposed in a disciplinary case without order of the Court. The Hearing Board and Review Board reports are recommendations to the Supreme Court.

During 1995, the Court entered 148 sanctions against 147 attorneys, topping the prior record of 132 sanction orders entered in 1989, a year when many Operation Greylord-related orders were filed. Chart 10 reflects the nature of the orders entered.

Chart 10: Disciplinary Sanctions Ordered by the Supreme Court in 1995

Disbarment	54
Suspension	57 *
Censure	19
Probation	15
Reprimand	3
Total	148

*In addition to the 57 suspensions ordered as final sanctions in cases, the Court also ordered 12 interim suspensions during 1995, as reported in Charts 13G and 13J.



Of the 148 sanctions entered, 68 of those were entered pursuant to consent petitions by the Supreme Court in 1995.

Of the 54 disbarments entered in 1995, 34 were disbarments on consent. The Court also approved another 34 petitions for discipline on consent involving lesser sanctions, more than twice the number entered in 1994.

Chart 11: Consent Petitions Allowed by the Supreme Court in 1994 and 1995

	1994	1995
Disbarments	25	34
Suspensions	4	16
Probation (suspension stayed in whole or in part)	5	8
Censures	6	10
Total	40	68

During 1995, the Court heard arguments and issued an opinion in one disciplinary case: *In re Douglas Wayne Smith*, 168 Ill.2d 269, 659 N.E.2d 896, 213 Ill.Dec. 550 (1995). The attorney in *Smith* received a 17-month suspension with 12 months of the suspension stayed, subject to the successful completion of conditions of probation, for engaging in a pattern of neglecting client matters, failing to expedite litigation and failing to communicate with clients.

Chart 12 provides demographic information on lawyers sanctioned during 1995. As was true in prior years, the vast majority of lawyers sanctioned during 1995 have practiced more than 10 years; all are over 30 years old; and most are male.

Disciplinary cases reach the Court in several ways. Chart 13 reflects the actions taken by the Supreme Court in disciplinary matters in varying procedural contexts in which those matters are presented.

Chart 12: Age, Gender and Years in Practice for Attorneys Disciplined During 1995



Chart 13: Orders Entered by Supreme Court in Disciplinary Cases

A. <u>Motions for disbarment on consent: Rule 762(a)</u>	F. <u>Petitions relating to enforcement of subpoenas: Rule 754</u>
Allowed	Suspension ordered for noncompliance
Denied	Motion to quash subpoena allowed
Total	Motion to quash subpoena denied
	Motion to enforce subpoena allowed
B. <u>Petitions for discipline on consent: Rule 762(b)</u>	Motions to quash or enforce subpoenas withdrawn
Allowed:	Total
Suspended	G. <u>Petitions for interim suspension due to conviction of a crime: Rule 761(b)</u>
Suspension stayed in part, probation ordered	Rule enforced and lawyer suspended
Suspension stayed in its entirety, probation ordered	Rule continued
Censured	Rule discharged by imposition of final order of discipline
Total	Total
Denied	H. <u>Petitions for reciprocal discipline: Rule 763</u>
Total	Allowed
C. <u>Petitions for leave to file exceptions to report and recommendation of review board: Rule 753(e)(1) and 761</u>	Denied
Allowed, briefs and oral arguments ordered	Total
Allowed, and different sanctions imposed without briefs	I. <u>Petitions for reinstatement: Rule 767</u>
Denied	Referred to Hearing Board
Total	Allowed after hearing
D. <u>Motions to approve and confirm report of review board: Rule 753(e)(6)</u>	Denied after hearing
Allowed	Withdrawn before hearing
Denied	Withdrawn after hearing
Total	Total
E. <u>Motions to approve and confirm report of hearing board: Rule 753(d)(2)</u>	J. <u>Petitions for interim suspension: Rule 774</u>
Allowed	Allowed
Denied	Dismissed as moot because Rule 762(a) motion allowed
Total	Rule discharged by imposition of final order of discipline
	Total

*Two disbarment on consent petitions were initially denied during the year because of non-conforming affidavits by the respondents, but both were resubmitted with new affidavits and allowed in 1995.

E. Supreme Court - Non-Disciplinary Action

In addition to activity in disciplinary cases, the Supreme Court entertains pleadings in non-disciplinary matters that affect an attorney's status. Chart 14 reflects the orders entered in such cases during 1995. In 1995, 717 disciplinary and non-disciplinary matters were filed with the Court, including 601 requests for transfer to inactive status under Rule 770.

Chart 14: Non-Disciplinary Actions by the Supreme Court

A. <u>Voluntary motions for transfer to inactive status: Rule 770</u>	
Allowed	599
Denied	2
Total	601
B. <u>Petition for restoration to active status: Rule 759</u>	
Allowed	83
Denied	1
Referred to Hearing Board	4
Motion to withdraw petition	2
Dismissed for want of prosecution	1
Total	91
C. <u>Petitions for involuntary transfer to inactive status due to mental disability or substance addiction: Rule 758</u>	
Allowed with conditions	3
Denied	0
Total	3
D. <u>Petition by complainant to require Administrator to further investigate charges or expedite proceedings: Rule 752</u>	
Allowed	0
Denied	19
Total	19
E. <u>Motion for Supervisory order: Rule 383</u>	
Allowed	0
Denied	3
Total	3

Chart 15 shows the number of requests for transfers to inactive status under rule 770 that were allowed between 1985 and 1995.

Chart 15: Transfers to Inactive Status

	<i>Number of 770s Allowed</i>
1995	599
1994	629
1993	330
1992	350
1991	402
1990	386
1989	538
1988	145
1987	139
1986	47
1985	41

Chart 16: A Comparison

	Number of Registered Attorneys	Investigations Docketed ¹	Investigations Docketed Per Attorney ²	Closure By Administrator No Misconduct Alleged	Closure By Administrator After Investigation	Closure By Inquiry After Investigation	Complaint Voted By Inquiry Board
1985	47,400	3,935	est. 4,629	*	1,730	1,239	184
1986	49,177	4,535	est. 5,335	223	2,846	1,094	219
1987	50,635	4,886	est. 5,748	765	4,542	1,275	229
1988	52,611	4,945	est. 5,817	910	4,369	1,167	214
1989	54,866	5,822	est. 6,849	818	5,552	1,266	343
1990	56,896	6,489	est. 7,634	1,023	5,254	1,410	349
1991	58,953	5,969	est. 7,022	608	5,701	839	325
1992	61,107	6,291	7,338	889	5,210	473	277
1993	63,328		6,345	974	5,422	137	241
1994	65,163		6,567	1,224	5,125	133	247
1995	67,121		6,505	1,359	5,134	73	277

¹ This figure represents the number of complaints received, whether or not they included charges against more than one attorney, as reported through 1992.

² This column represents the number of complaints received counting a separate investigation for each attorney named in each complaint, a tracking method commenced in 1992.

* Not available

	Matters Filed With Hearing Board	Matters Filed With Review Board	Matters Filed With Supreme Court ¹	Sanctions Ordered By Court
1985	68	27	211	88
1986	120	49	228	86
1987	103	40	463	103
1988	75	32	390	112
1989	89	23	791	132
1990	105	23	578	100
1991	127	25	604	78
1992	122	37	560	89
1993	106	44	593	114
1994	115	35	869	109
1995	113	35	916	148

¹ The data reported in this column represents both disciplinary and non-disciplinary matters filed with the Court. Non-disciplinary filings account for 717 of the filings reported for 1995.

Developments During 1995

I. Significant Amendments to the Rules Regulating the Profession

A. Supreme Court Rule Changes

1. Rule 708 Committee on Character and Fitness

Effective April 4, 1995, subsection (a) was amended to increase the number of members on the Committees on Character and Fitness and to establish appointments to the Committee for staggered three-year terms. Amended subsection (d) sets forth the procedure for an applicant to seek review of the Committee's decision by the Supreme Court. Also on April 4, 1995, the Court adopted the Rules of Procedure for the Board of Admissions to the Bar and Committees on Character and Fitness governing the functions and procedures of the Board and Committees. Those rules are now in the *Rules of the Supreme Court of Illinois* ("Rule Book") which is published by the Commission and available free of charge by calling the Commission's offices at (312) 565-2600 or (800) 826-8625.

2. New Rule 710 Immunity

This is a new rule, effective April 4, 1995, which provides immunity from all civil liability to any person who communicates information concerning an applicant for admission to the Illinois bar to members, administrators, staff, investigators, agents or attorneys of the Board of Admissions to the Bar or the Committees on Character and Fitness or the Director of Administration.

3. Rule 753 Disciplinary Procedures

Rule 753 was amended, effective December 1, 1995, to clarify the process of review of a Hearing Board report or Review Board report. Subsection (c)(5) was amended to provide that a final order of discipline may be entered after allowance of a petition for leave to file exceptions without briefs or oral argument. The amendment also clarifies that a final order, regardless of the decision on a petition for leave to file exceptions, may impose discipline different from that recommended by the Review Board. Subsection (c)(6) was amended to conform the rule to practice by requiring that the Administrator file a motion to approve and confirm in matters submitted to the Court as agreed because neither party filed exceptions. Subsection (d)(2) was amended to provide that the filing of a notice of exceptions merely docketed a case at Review. A concomitant amendment to Commission Rule 302 provides that the Review Board shall strike the notice of exceptions if the party that filed the notice fails to file a brief.

3. Rule 8.5 Disciplinary Authority; Choice of Law

Amended effective February 14, 1995, subsections (a) and (b) are now substantively identical to ABA Model Rule 8.5. Subsection (a) codifies longstanding law on the jurisdiction of disciplinary authorities over lawyers holding a license from their jurisdiction, regardless of where the alleged misconduct occurs. Subsection (b) was added to determine which law or code of conduct would guide an Illinois tribunal when dealing with attorney conduct in an interstate transaction. A Comment section follows the rule.

B. Commission Rule Changes

1. *Commission Rule 231 Return Date*

Amended effective March 31, 1995, Commission Rule 231 requires a respondent to include in a separate section of the answer to the complaint information relating to the respondent's professional background, such as information on whether respondent has ever been admitted to practice law before any other state court, federal court or administrative agency and information on other professional licenses or certificates received by the respondent.

2. *Commission Rule 276 Exhibits*

This Commission rule is new and became effective June 30, 1995. It governs the form of preparation of documentary exhibits for use at hearing.

3. *Commission Rule 302 Briefs*

Commission Rule 302, which pertains to briefs filed before the Review Board, was amended, effective December 1, 1995, making it consistent with the amendments to Rule 753. In addition, subsection (j) imposes a limit of 20 pages on the reply briefs filed at the Review Board.

4. *Commission Rules 601 - 606 Ethics Inquiry Program*

These rules were added effective March 31, 1995, and establish the purpose, format and procedures of the Ethics Inquiry Program.

II. *Client Protection Program*

The Client Protection Program was created by the Illinois Supreme Court last year under Rule 780 (effective March 28, 1994), to reimburse clients who lost money or property due to the dishonest conduct of lawyers holding an Illinois license. The program may reimburse losses of up to \$10,000 for each client, though the majority of claims submitted have involved sums less than \$10,000. The program does not cover losses resulting from professional negligence or malpractice and does not consider claims involving contractual disputes or personal loans to a lawyer. Awards are made out of the Disciplinary Fund. The rules governing the administration of the program are contained in Commission Rules 501 through 512 (effective March 28, 1994).

In 1995, the Commission approved the payment of \$455,000 to 108 victims of lawyer misconduct. Award payments were made in situations where either the lawyers used funds entrusted to them for safekeeping or where an attorney took money from clients for fees when the lawyer had no intention of performing services. The lawyers generally were disbarred or had their law license suspended.

Over \$600,000 has been awarded to fraud victims in the first two years of the program. The Commission may bring such action to achieve restitution from the disciplined lawyer to the Disciplinary Fund for any amounts paid. By the end of 1995, the Commission has resolved the backlog of claims that had been pending before the now-dissolved Client Security Fund. The number of claims disposed of in 1995 nearly doubled over 1994.

	1994	1995
Claims submitted	213*	152
Claims concluded:		
approvals	40	108
denials	26	80
Amount approved	\$162,111	\$455,000
Number of lawyers	29	49

*This figure includes the 55 claims originally filed with the now-dissolved Client Security Fund.

III. Increased Cost Collection

Under Supreme Court Rule 773, the Commission will seek reimbursement for certain investigative and disciplinary costs from disciplined lawyers. More rigorous collection efforts led to a significant increase in the amount of costs collected in 1995. The amount of costs collected increased from approximately \$70,000 in 1994 to approximately \$221,600 in 1995.

IV. Educational Programs

1. Ethics Inquiry Program

Begun in September 1995, the Commission's Ethics Inquiry Program provides Illinois attorneys and members of the public with general research assistance and information pertaining to hypothetical questions concerning the ethical duties of lawyers. Since its inception, this telephone line has received over 1,000 calls from lawyers and others with questions about ethical dilemmas, the Illinois Rules of Professional Conduct and the Rules of the Commission.

The Ethics Inquiry Program is headed by Ethics Inquiry Counsel, Gina DeCiani. Two paralegals are assigned to the program to assist callers requesting general information and not requiring research assistance. Callers are asked to present any factual questions in the form of a hypothetical because no legal opinion or advisory opinion is being given and any information conveyed will not be considered privileged. Callers are told that the ultimate determination of the resolution of an ethical dilemma is made by the caller.

Although calls to the program touch on virtually every area of professional responsibility, the most commonly asked questions involve:

- ◆ the disciplinary rules governing lawyer advertising, particularly questions dealing with compliance with the requirements of mail advertising
- ◆ the circumstances under which a lawyer's duty to report lawyer misconduct are triggered
- ◆ possible conflicts of interest in representation potentially adverse to former clients
- ◆ unauthorized practice of law by attorneys from other jurisdictions
- ◆ permissible fee arrangements, retainers, contingency fees

2. Publications

In December 1995, the Commission published *ARDC Compiled Professional Responsibility Decisions and Rules on CD-ROM*, a compilation of Illinois disciplinary case law and rules in a CD-ROM format, with Folio VIEWS 3.1® as the search engine. Illinois is only the second state disciplinary agency in the nation to have a project to publish its disciplinary case law and is the only one to have created a comprehensive collection of disciplinary case law and rules.

Prior to this publication, Hearing and Review Board reports and consent petitions, while available to the public upon request, were not compiled and published. General availability became increasingly important as the Illinois Supreme Court moved toward imposition of discipline primarily by order adopting or modifying a Board recommendation or by order accepting a consent petition. Because the factual basis for most discipline orders could be found only by referring to Board reports or consent petitions, the Commission was committed to finding a convenient, practical and inexpensive way to publish the reports and petitions.

The compilation currently contains:

- ◆ Published Illinois Supreme Court disciplinary decisions and selected decisions on professional responsibility issues (1899 to publication date)
- ◆ Illinois Supreme Court orders entered in disciplinary cases (Jan. 1994 to term ending before publication date)
- ◆ Petitions for Discipline on Consent Allowed by the Supreme Court (Jan. 1994 to publication date)
- ◆ 1990 Rules of Professional Conduct and related rules (updated with amendments) 1980 Code of Professional Responsibility (with original Committee Commentary)
- ◆ Review Board reports filed from Jan. 1994 to publication date
- ◆ Hearing Board reports filed from Jan. 1994 to publication date

The first edition (Vol. 1, No.1) was published in December 1995 and was sold out within six weeks. The second edition (Vol. 1, No. 2) was published in January 1996. The next planned updates are: April, July, and October 1996. Future updates of the CD-ROM will eventually include the reports and Supreme Court disciplinary orders filed in 1990 through and including 1993.

The CD is available for \$21.75 and can be ordered by using the order form on the back cover, or requesting an order form from the Commission at (312) 565-2600 or (800) 826-8625. The CD can also be purchased directly from the Chicago Bar Association Shop, 1st Floor, 321 S. Plymouth Court, Chicago, IL 60604, (312) 554-2130. Also, the Commission has made a computer available to the public to search the latest Hearing and Review Board reports at its Chicago and Springfield offices.

The Commission also responded to over 8,000 requests for copies of the Commission's earlier publication, *Client Trust Account Handbook* (December 1994), as well as responding to requests for over 9,000 copies of the Rule Book, which includes the Code of Judicial Conduct, Supreme Court Rules, the 1990 Rules of Professional Conduct, and Commission Rules. The Commission intends to publish educational materials on other areas of concern.

3. *Speeches and Presentations*

The Commission continued its efforts to familiarize lawyers with the ethics rules and concerns by having its legal staff make over 70 presentations to bar associations, law firms, law schools, continuing legal education seminars and civic groups.

V. *Court and Commission Appointments*

1. *Retirement of Commissioner Watts Carey Johnson*

After more than 22 years of service to the Commission, Watts Carey Johnson resigned as a Commissioner of the Attorney Registration and Disciplinary Commission. Mr. Johnson, a lawyer since 1950 and a

longtime resident of Princeton, was first appointed as an Inquiry Board member in 1974. In 1979, he was appointed by the Supreme Court to serve on the Review Board and he was named Chairman of the Review Board in 1988. In early 1990, he was appointed by the Court to be an ARDC Commissioner.

Mr. Johnson was also a member of the Supreme Court Rules Committee since 1977, and he continues to serve as a Commissioner of the Illinois Court of Claims.

2. Appointment of Jay H. Janssen as Commissioner

The Court appointed Peoria attorney Jay H. Janssen to replace Watts C. Johnson as a Commissioner, effective November 27, 1995. Mr. Janssen concentrates his practice in the areas of personal injury, workers' compensation, medical malpractice and products liability litigation. He received his Juris Doctor in 1961 from the University of Illinois and is a 1959 graduate of Bradley University. Mr. Janssen is a member of the Illinois State Bar Association, Illinois Trial Lawyers Association, Illinois Appellate Lawyers Association and American Trial Lawyers Association. He lives in the Peoria area with his wife, Joan.

3. Appellate Litigation Division

In February, 1995, the Commission created an appellate litigation division with the appointment of Rosalyn B. Kaplan, a former Solicitor General of the State of Illinois. Ms. Kaplan supervises appeals for the Commission and reviews all Supreme Court filings. She is a former member of the Board of Directors of the Appellate Lawyers Association and currently the Treasurer. She is also a member of the ISBA Administrative Law Section Council and serves on the ABA Standing Committee on Amicus Curiae Briefs. Ms. Kaplan is a 1981 graduate of the John Marshall Law School.

VI. Relocation of Springfield Office

In November 1995, the Commission relocated and upgraded its Springfield office in an effort to better serve the residents and lawyers in central and southern Illinois, making the office space more efficient, enlarging the Hearing Board rooms and increasing accessibility to the office.



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Members of the American Institute of
Certified Public Accountants

REPORT OF INDEPENDENT AUDITORS

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

We have audited the accompanying statement of financial position of the Attorney Registration and Disciplinary Commission of the Supreme Court of Illinois as of December 31, 1995, and the related statements of activities 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, 1995, and the results of its activities and its cash flows for the year then ended, in conformity with generally accepted accounting principles.

Thomas Havey, LLP

February 13, 1996

- 1 -

**ATTORNEY REGISTRATION AND
DISCIPLINARY COMMISSION OF
THE SUPREME COURT OF ILLINOIS**

STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 1995

ASSETS

Current assets:	
Cash and cash equivalents	\$ 101,929
Accounts receivable - other than fees	1,415
Accrued interest receivable	184,139
Short-term investments (Note 4)	7,794,307
Prepaid expenses and inventory	68,149
Total current	<u>8,149,939</u>
Noncurrent assets:	
Fixed assets net of accumulated depreciation (Note 5)	1,070,928
Long-term investments (Note 4)	6,270,260
Total noncurrent	<u>7,341,188</u>
Total assets	<u>\$ 15,491,127</u>

LIABILITIES AND NET ASSETS

Current liabilities:	
Accounts payable and other accruals	\$ 226,084
Accrued compensated absences	155,125
Deferred fees	5,225,208
Reinstatement deposits	5,500
Total current liabilities	<u>5,611,917</u>
Long-term liabilities:	
Accrued medicare replacement funding (Note 8)	406,881
Deferred rent expense	2,597,103
Total long-term liabilities	<u>3,003,984</u>
Total liabilities	8,615,901
Net assets - unrestricted	6,875,226
Total liabilities and net assets	<u>\$ 15,491,127</u>

See accompanying notes to financial statements.

- 2 -

**ATTORNEY REGISTRATION AND
DISCIPLINARY COMMISSION OF
THE SUPREME COURT OF ILLINOIS**

STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 1995

Revenues:	
Attorney registration fees and charges earned	\$ 7,206,450
Investment income	788,373
Costs collected	221,585
Reduction of over-funded postemployment benefits	164,812
Miscellaneous income	20,840
Total revenues	<u>8,402,060</u>
Expenses (Note 3):	
Salaries and related expenses	5,529,806
Travel	108,931
Postretirement benefits	28,795
Library and continuing education	113,887
General	1,680,340
Computer	66,513
Other	413,312
Client protection program	453,800
Depreciation	350,873
Loss on disposal of fixed assets	18,131
Total expenses	<u>8,764,388</u>
(Decrease) in unrestricted net assets	(362,328)
Unrestricted net assets:	
Beginning of year	<u>7,237,554</u>
End of year	<u>\$ 6,875,226</u>

See accompanying notes to financial statements.

- 3 -

**ATTORNEY REGISTRATION AND
DISCIPLINARY COMMISSION OF
THE SUPREME COURT OF ILLINOIS**

STATEMENT OF CASH FLOWS

YEAR ENDED DECEMBER 31, 1995

Cash flows from operating activities:	
(Decrease) in unrestricted net assets	\$ (362,328)
Adjustments to reconcile decrease in unrestricted net assets to net cash provided by operating activities:	
Depreciation	350,873
Postretirement benefits	28,795
Loss on disposition of fixed assets	18,131
(Increase) decrease in assets:	
Accounts receivable	8,193
Other assets	(1,213)
Increase (decrease) in liabilities:	
Accounts payable and other accruals	71,149
Deferred fees	70,782
Deferred rent expense	505,061
Postemployment benefits	(164,811)
Net cash provided by operating activities	<u>524,632</u>
Cash flows from investing activities:	
Acquisition of fixed assets:	
Computer equipment	(59,024)
Office furniture and equipment	(279,480)
Library	(2,774)
Leasehold improvements	(46,049)
Purchases of investments	(7,749,521)
Sales of investments	7,520,000
Net cash used in investing activities	<u>(616,848)</u>
Net (decrease) in cash and cash equivalents	(92,216)
Cash and cash equivalents:	
Beginning of year	194,145
End of year	<u>\$ 101,929</u>

See accompanying notes to financial statements.

- 4 -

ATTORNEY REGISTRATION AND
DISCIPLINARY COMMISSION OF
THE SUPREME COURT OF ILLINOIS

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 1995

Note 1. 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 required the registration of group legal service plans in which an attorney participates. This requirement was abolished in October, 1994.

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 a 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.

On October 20, 1989 the Supreme Court adopted Rule 769 effective November 1, 1989. Every attorney has a duty to retain all financial records related to the attorney's practice for a period of not less than seven years.

On March 28, 1994 the Illinois Supreme Court adopted Rule 780 establishing the Client Protection Program to reimburse claimants for losses caused by the dishonest conduct of Illinois lawyers. Pursuant to section (d) of the rule, the Commission annually allocates an amount of money to pay these claims.

- 5 -

ATTORNEY REGISTRATION AND
DISCIPLINARY COMMISSION OF
THE SUPREME COURT OF ILLINOIS

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 1995

Note 2. Summary of Significant Accounting Policies

a. Basis of Presentation

The accompanying financial statements reflect the financial position and activities of the Commission. The Commission has adopted the provisions of Statement of Financial Accounting Standards No. 117, "Financial Statements of Not-for-Profit Organizations" (SFAS 117). The Commission's fund balance is entirely unrestricted.

b. Cash and Cash Equivalents

For purposes of the statement of cash flows, cash and cash equivalents include all deposits in checking and savings accounts. Money market accounts and cash balances held in investment trust accounts are not considered cash equivalents since the Commission intends to reinvest these funds.

c. Investments

Investments are stated at amortized cost.

d. Fixed Assets

Fixed 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.

- 6 -

ATTORNEY REGISTRATION AND
DISCIPLINARY COMMISSION OF
THE SUPREME COURT OF ILLINOIS

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 1995

Note 2. Summary of Significant Accounting Policies (continued)

e. Accrued Compensated Absences

The Commission's vacation policy provides time off for full-time salaried employees based on each employee's years of service which are computed from each employee's anniversary date of employment. Employees are not permitted to carry over vacation time from year to year without written approval from the Commission Administrator. An accrual is included in the financial statements representing vacation time earned but unused at December 31, 1995 along with its related retirement contribution.

f. Deferred Fees

Deferred fees represent the annual registration fees received prior to year end which relate to the subsequent calendar year.

g. Deferred Rent Expense

Deferred rent expense consists of a combination of "free rent" and a lease incentive payment received from the landlord. These rent deferrals and incentive payment are being amortized over the life of the lease on a straight-line basis.

h. Income Taxes

The Commission is an tax-exempt organization as determined by the Internal Revenue Service under Section 501(c)(6) of the Internal Revenue Code.

- 7 -

ATTORNEY REGISTRATION AND
DISCIPLINARY COMMISSION OF
THE SUPREME COURT OF ILLINOIS

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 1995

Note 2. Summary of Significant Accounting Policies (continued)

i. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the Commission to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

Note 3. Functional Expenditures by Object

An analysis of the Commission's functional expenses by object is as follows:

	Registration and Discipline	Client Protection	Administration and Support	Total
Salaries and related expenses	\$ 4,578,913	\$ 102,235	\$ 848,658	\$ 5,529,806
Travel	80,174	1,297	27,460	108,931
Postretirement benefits	23,228	549	5,018	28,795
Library and continuing education	94,547	2,149	17,191	113,887
General	1,406,700	30,405	243,235	1,680,340
Computer	55,219	1,255	10,039	66,513
Other	370,502	10,166	32,644	413,312
Client protection program	-	453,800	-	453,800
Depreciation	291,291	6,620	52,962	350,873
Loss on disposal of fixed assets	15,052	342	2,737	18,131
Total	\$ 6,915,626	\$ 608,818	\$ 1,239,944	\$ 8,764,388

- 8 -

ATTORNEY REGISTRATION AND
DISCIPLINARY COMMISSION OF
THE SUPREME COURT OF ILLINOIS

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 1995

Note 4. 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 consist of the following:

	Cost	Market
U.S. Treasury notes and bills	\$ 12,815,825	\$ 13,000,278
Money market funds	1,248,742	1,248,742
Total	\$ 14,064,567	\$ 14,249,020

Short-term investments are readily liquid investments that mature within one year. Long-term investments are holdings in excess of one year.

Investments are classified in the financial statements as follows:

Short-term	\$ 7,794,307
Long-term	6,270,260
Total	\$ 14,064,567

- 9 -

ATTORNEY REGISTRATION AND
DISCIPLINARY COMMISSION OF
THE SUPREME COURT OF ILLINOIS

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 1995

Note 7. Lease and Maintenance Commitments

The Commission leases its Chicago and Springfield offices under operating lease agreements. The terms of the Chicago office lease which began in May 1993 are for 15 years and provide for a minimum annual base rent plus related taxes and operating expenses. In addition, the lease provides a period of 32 months "free rent" with the first rent payment due January 1, 1996. Pursuant to the lease, the landlord advanced a sum equal to the present value of estimated taxes and operating costs for the 32 month period, and the Commission makes monthly payments for actual tax and operating cost assessments during that period. This amount and the value of the "free rent" is included in deferred rent.

The terms of the Springfield office lease which began in November, 1995 are for 7 years and provide for a minimum annual rent. The lease gives the Commission the option to renew the lease for another 7 year period.

Rent expense under all lease agreements was \$1,035,549 in 1995.

Future minimum lease payments including estimated liability for taxes and operating expenses relating to lease agreements in excess of one year are:

Year	Springfield	Chicago	Total
1996	\$ 65,861	\$ 1,019,444	\$ 1,085,305
1997	67,835	1,028,648	1,096,483
1998	69,860	1,066,486	1,136,346
1999	71,943	1,105,953	1,177,896
2000	74,120	1,147,236	1,221,356
2001 through 2005	141,543	5,245,885	5,387,428
2006 through 2007	-	3,624,957	3,624,957
Total	\$ 491,162	\$ 14,238,609	\$ 14,729,771

- 11 -

ATTORNEY REGISTRATION AND
DISCIPLINARY COMMISSION OF
THE SUPREME COURT OF ILLINOIS

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 1995

Note 5. Fixed Assets

Changes in the fixed assets are as follows:

	Balance 1-1-95	Acquisitions	Dispositions	Balance 12-31-95
Computer and related equipment	\$ 796,243	\$ 59,024	\$ 8,448	\$ 846,819
Office furniture and equipment	1,263,374	279,480	123,789	1,419,065
Library	57,281	2,774	-	60,055
Leasehold improvements	67,777	46,049	3,618	110,208
	2,184,675	\$ 387,327	\$ 135,855	2,436,147
Less accumulated depreciation and amortization	1,132,070			1,365,219
Total	\$ 1,052,605			\$ 1,070,928

Note 6. Collection of Fees

The Commission is funded by an annual registration fee assessed on Illinois attorneys. The annual fee for the subsequent year is billed on October 31 and is due January 1. The annual fee is sent directly by registering attorneys 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.

- 10 -

ATTORNEY REGISTRATION AND
DISCIPLINARY COMMISSION OF
THE SUPREME COURT OF ILLINOIS

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 1995

Note 8. Medicare Replacement Reserve Trust

On August 9, 1985 the Commission formed a trust to replace the medicare coverage lost by its employees at that time when the Social Security Administration ruled the Commission was ineligible for benefits.

In a prior year the Commission committed to pay the future cost of medicare premiums for former employees meeting certain criteria who were employed by the Commission before March 31, 1986. Furthermore, the Commission agreed to pay eligible former employees reimbursement credits for supplemental medical and hospitalization insurance coverage beginning at age 65.

Beginning in 1995 the Commission records the liability connected with the previously described commitment in accordance with Statement of Financial Accounting Standards No. 106, "Employers' Accounting for Postretirement Benefits Other than Pensions" (SFAS 106).

The Commission has engaged the services of an actuary to compute the liability.

A summary of actuarial assumptions and methods are as follows:

Measurement date:
July 1, 1995

Actuarial cost method:
Projected unit credit method

Actuarial assumptions:
Mortality - 1983 GAM Table
Discount rate - 7.50% per annum, compounded annually
Expected return on assets - 7.50%
Retirement will occur between age 55 and 65

- 12 -

ATTORNEY REGISTRATION AND
DISCIPLINARY COMMISSION OF
THE SUPREME COURT OF ILLINOIS

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 1995

Note 8. Medicare Replacement Reserve Trust (continued)

Actuarial valuation:

Net periodic postretirement benefit cost:	
Service cost	\$ 29,463
Interest cost	28,127
Expected return on assets	(28,127)
Amortization of transition asset	-
Total	<u>\$ 29,463</u>
Accumulated postretirement benefit obligations:	
Current retirees	\$ 23,938
Current employees:	
Fully eligible	48,605
Not fully eligible	305,543
Subtotal as of July 1, 1995 actuarial valuation	378,086
Estimated services costs July 1, 1995 through December 31, 1995	14,731
Estimated interest costs July 1, 1995 through December 31, 1995	14,064
Total	<u>\$ 406,881</u>

- 13 -

ATTORNEY REGISTRATION AND
DISCIPLINARY COMMISSION OF
THE SUPREME COURT OF ILLINOIS

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 1995

Note 8. Medicare Replacement Reserve Trust (continued)

The Commission maintains a separate trust for the medicare replacement reserve. This Trust is funded on a current basis. The Trust Fund is included in these financial statements. The Trust Fund assets at fair value as of December 31, 1995 are as follows:

Accrued interest receivable	\$ 6,838
Money market account	27,951
U.S. Treasury notes	389,193
Total Plan assets at fair value	<u>\$ 423,982</u>

The actuarial computation of the liability at July 1, 1995 determined that the Trust Fund was over funded by \$164,812. This amount was transferred back to the Commission's general investment portfolio.

The liability will increase or decrease in future years due to changes in eligible employees, benefits paid, and possible changes in assumptions based on experience factors.

Note 9. Employee Benefit Plan

On October 15, 1977 the Commission established a defined contribution retirement plan and trust for the benefit of all eligible 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 based on the decision of the Social Security Administration that employees of the Commission are not covered by Social Security benefits. Employee contributions are no longer permitted under the plan.

The Commission contributes 18% of compensation for eligible employees which totalled \$735,135 in 1995. The Commission also pays the administrative expenses of the plan which totalled \$21,551 in 1995.

- 14 -

ATTORNEY REGISTRATION AND
DISCIPLINARY COMMISSION OF
THE SUPREME COURT OF ILLINOIS

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 1995

Note 10. Cost Reimbursement Revenue

The Commission receives cost reimbursements for investigative and disciplinary costs from disciplined attorneys. Cost reimbursement is billed at the time that discipline is imposed by the Illinois Supreme Court, but may not be a total reimbursement or match the period in which the investigative disciplinary costs were incurred. To collect the cost reimbursements, the Commission invoices attorney-respondents. Beginning in November 1995, The Commission has sought entry of default judgements by the Court, with interest at the rate charged by the State of Illinois (9% at December 31, 1995), for all invoices not paid within 30 days of the initial billing. The Commission has also established payment plans for disciplined attorney-petitioners.

Although collectibility has been enhanced by the Commission's default judgement procedures, the Commission cannot reasonably estimate the collectibility of the cost reimbursements at this time. Whether the Commission can fully collect all cost reimbursements is dependent, among other things, upon the Commission's ongoing experience in collecting these reimbursements, information about the ability of the disciplined attorneys to pay, and an appraisal of the reimbursements considering the current economic environment. Therefore, the Commission records cost reimbursements as revenue under the cost recovery method when the reimbursements are received. The Commission collected \$221,585 in such cost reimbursements in fiscal 1995.

Note 11. Litigation

Various complaints and actions were filed against the Commission in 1995. Several of these matters have been dismissed. Those pending are not perceived as presenting any serious prospect of financial consequences.

- 15 -

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