



ATTORNEY REGISTRATION AND DISCIPLINARY COMMISSION
of the
SUPREME COURT OF ILLINOIS

Chicago
April 30, 1993

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 1992 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 1992 and an accounting and audit of the monies received and expended during the twelve-month period which ended December 31, 1992.

Respectfully submitted,

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James H. Bandy
John P. Clarke
Eldridge T. Freeman, Jr.
Watts C. Johnson
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Benedict Schwarz, II, Commissioners

Mary Robinson, Administrator

I. Registration Report

Supreme Court Rule 756 charges the Commission with the responsibility of conducting an annual registration of attorneys licensed to practice law in Illinois, collecting the annual fee prescribed by that rule and maintaining the Master Roll of registered attorneys. The annual registration process begins on November 1st of the year before the registration is effective, and beginning on that date, changes are made in registration data, including information showing the county of an attorney's principle office. The registration data reported here is, therefore, that recorded as of October 31, 1992.

As of that date, the 1992 Master Roll of attorneys contained the names of 61,107 attorneys. That total does not include the 2,122 attorneys who first took their oath of office in November or December 1992.

Chart A reflects the number of attorneys registered by reference to the categories set forth in Rule 756 for determining the annual fee to be paid.

Chart A: Registration Categories

Admitted between 01-01-91 and 10-31-92:	3,093
Admitted between 01-01-89 and 12-31-90:	4,440
Admitted before 01-01-89:	41,460
Serving military duty:	164
Serving as judge:	910
Birthday before 12-31-16:	2,359
Neither practice, nor reside, nor are employed in Illinois:	<u>8,681</u>
Total attorneys active and currently registered:	61,107

Charts B and C show the distribution by County and by Judicial Circuit of the 47,862 registered attorneys who report a principal business address in Illinois, with Chart B reflecting the registration data for the past 5 years.

Chart B: Registered Attorneys by Judicial Districts and Circuits

	<u>1988</u>	<u>1989</u>	<u>1990</u>	<u>1991</u>	<u>1992</u>
First District					
Cook County	30710	31839	32374	33716	34180
Second District					
15th Circuit	174	164	166	167	180
16th Circuit	806	802	839	868	929
17th Circuit	533	553	569	592	619
18th Circuit	2075	2084	2178	2243	2590
19th Circuit	<u>1556</u>	<u>1620</u>	<u>1755</u>	<u>1810</u>	<u>2066</u>
Total	5144	5223	5507	5680	6384
Third District					
9th Circuit	201	200	200	195	202
10th Circuit	691	716	732	765	782
12th Circuit	427	422	464	485	487
13th Circuit	285	284	280	285	294
14th Circuit	447	452	457	468	487
21st Circuit	<u>134</u>	<u>139</u>	<u>133</u>	<u>138</u>	<u>150</u>
Total	2185	2213	2266	2336	2402
Fourth District					
5th Circuit	278	280	265	269	277
6th Circuit	693	714	722	738	767
7th Circuit	991	1011	1003	1054	1086
8th Circuit	178	179	178	180	185
11th Circuit	<u>414</u>	<u>412</u>	<u>417</u>	<u>431</u>	<u>448</u>
Total	2554	2596	2585	2672	2763
Fifth District					
1st Circuit	318	317	322	335	355
2d Circuit	300	298	288	299	294
3rd Circuit	454	478	487	487	508
4th Circuit	257	249	243	242	248
20th Circuit	<u>677</u>	<u>695</u>	<u>694</u>	<u>712</u>	<u>728</u>
Total	2006	2037	2034	2075	2133
Grand Total					
Total	42,599	43,908	44,766	46,479	47,862

In addition to the 8,681 attorneys who pay a reduced fee because they neither practice nor reside nor are employed in the state, another 4564 attorneys report a business address outside Illinois but register to be able to practice in Illinois. Those 13,241 attorneys are not included in Charts B and C.

Chart C: Registered Attorneys by County

PRINCIPAL OFFICE	NUMBER OF ATTORNEYS		PRINCIPAL OFFICE	NUMBER OF ATTORNEYS	
	1991	1992		1991	1992
Adams	105	109	Lee	33	36
Alexander	11	11	Livingston	53	53
Bond	13	13	Logan	31	34
Boone	29	32	Macon	223	233
Brown	9	8	Macoupin	47	47
Bureau	47	48	Madison	474	495
Calhoun	4	3	Marion	52	48
Carroll	12	15	Marshall	15	14
Cass	12	12	Mason	16	16
Champaign	437	451	Massac	20	23
Christian	46	46	McDonough	47	50
Clark	15	15	McHenry	330	359
Clay	14	14	McLean	310	325
Clinton	21	21	Menard	12	14
Coles	85	86	Mercer	11	12
Cook	33,716	34,180	Monroe	37	39
Crawford	22	20	Montgomery	35	40
Cumberland	6	6	Morgan	50	50
DeKalb	129	146	Moultrie	16	19
DeWitt	20	21	Ogle	44	43
Douglas	18	17	Peoria	634	642
Du Page	2,243	2590	Perry	20	22
Edgar	32	36	Piatt	24	26
Edwards	5	6	Pike	12	11
Effingham	33	36	Pope	3	3
Fayette	16	17	Pulaski	8	6
Ford	20	19	Putnam	7	6
Franklin	54	51	Randolph	27	26
Fulton	38	42	Richland	27	26
Gallatin	8	9	Rock Island	342	356
Greene	14	16	Saline	34	6
Grundy	4	53	Sangamon	920	949
Hamilton	13	17	Schuyler	10	12
Hancock	16	16	Scott	6	7
Hardin	5	5	Shelby	18	18
Henderson	5	5	St Clair	611	621
Henry	49	51	Stark	10	13
Iroquois	27	27	Stephenson	52	55
Jackson	161	171	Tazewell	99	107
Jasper	7	8	Union	16	19
Jefferson	100	97	Vermilion	131	134
Jersey	17	17	Wabash	20	20
Jo Daviess	26	31	Warren	30	31
Johnson	6	8	Washington	17	20
Kane	711	752	Wayne	14	12
Kankakee	111	123	White	14	13
Kendall	28	31	Whiteside	66	68
Knox	59	58	Will	485	487
Lake	1,480	1707	Williamson	76	78
LaSalle	190	193	Winnebago	563	587
Lawrence	17	18	Woodford	17	17

Chart D reports age, gender, and tenure information for Illinois attorneys registered for 1992.

Chart D: Age, Gender and Years in Practice for Attorneys Registered for 1992

Gender	
Male	77%
Female	23%
<hr/>	
100%	
Age	
21-29	9%
30-49	65%
50-74	22%
75-or over	4%
<hr/>	
100%	
Years in Practice	
Less than 10	42%
10 or More	58%
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100%	

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

With the intent of more clearly explaining the nature of the disciplinary caseload managed by the Commission and submitted to the Supreme Court, this 1992 Annual Report uses charts and categories that depart in some respects from methods previously used to report the caseload. To the extent the changes interfere with the ability to compare 1992 statistics to those from previous years, effort is made to translate or provide other means of observing trends.

A. Investigations

The Attorney Registration and Disciplinary Commission is charged with the responsibility of investigating and, when appropriate, prosecuting charges of misconduct by attorneys. Charges typically come from clients, other attorneys, judges, and other persons connected with transactions or litigation in which the attorney is involved.

During 1992, the Commission docketed 7338 investigations, involving

charges against 4600 different attorneys. When investigations are docketed, a staff attorney makes an initial assessment of the nature of the misconduct alleged, if any, and the type of legal context in which the facts apparently arose. Charts 1 and 2 report the classifications recorded for investigations docketed in 1992.

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. The violations most commonly reported arise from a client's concern that the attorney is not diligently pursuing the legal matters, concern about the competence with which the matter is being handled, or concern about the client's inability to get information from the attorney. It must be recalled that these charts report complaints as expressed by the person complaining. It is not uncommon for an investigation to reveal that the complaint could be characterized differently.

CHART 1: Classification Of Charges Docketed In 1992 by Violation Alleged

<u>Type of Misconduct</u>	<u>Number</u>		
Neglect or lack of diligence	1,241	Filing frivolous or non-meritorious claims or pleadings	49
Incompetence	818	Practicing law in a jurisdiction where not authorized	48
Failure to communicate with client, including failure to communicate the basis of a fee	714	Improper commercial speech, including inappropriate written and oral solicitation	48
Fraudulent or deceptive activity, including lying to clients, knowing use of false evidence or making a misrepresentation to a tribunal	704	Failure to register	43
Improper management of client or third party funds, including commingling, conversion, failure to promptly pay litigation costs or client creditors, or issuing N.S.F. checks	469	Threatening criminal prosecution to gain advantage in a civil matter	41
Excessive fees, including failure to refund unearned fees	394	Failing to preserve client confidences or secrets	37
Failure to properly withdraw from representation including failure to return client files or documents	217	Avoiding in bad faith the repayment of an educational loan guaranteed by a governmental entity	33
Conflict of interest, including improperly entering into business transactions with clients	186	Engaging in conduct solely intended to embarrass or unlawfully burden third persons	29
Conduct prejudicial to the administration of justice, including conduct which is the subject of a contempt finding or court sanction	184	Lawyer is the subject of grand jury subpoena or other lawful government process	18
Failure to treat others with courtesy	121	Giving or lending something of value to judicial officials	13
Criminal activity, including criminal convictions, counselling illegal conduct, public corruption	97	Improper division of legal fees	12
Not abiding by a client's decision concerning the representation or taking unauthorized action on the client's behalf	59	Sexual harassment or abuse	12
Aiding in the unauthorized practice of law, including sharing fees with non-lawyers	55	Incapacity due to chemical addiction or mental condition	8
Improper communication with a party known to be represented by counsel	55	Failure to disclose fraud on a tribunal or lawyer misconduct	7
Improper trial conduct, including suppressing evidence where there is a duty to reveal	52	Prosecutor's bad faith initiation of criminal charges	6
		Improper advances or loans to clients	5
		Improper ex parte communication	5
		No misconduct alleged	897
		Other	40
		Total	6,717

**CHART 2: Classification Of Charges Docketed
In 1992 by Area Of Law**

<u>Area of Law</u>	<u>Number</u>
Domestic Relations	1,208
Tort (Personal Injury/ Property Damage) ...	1,040
Criminal/Quasi- Criminal	868
Real Estate/Landlord-Tenant	537
Contract	458
Probate	360
Labor Relations	250
Bankruptcy	165
Corporate Matters	86
Immigration	41
Local Government Problems	37
Adoption	29
Tax	28
Civil Rights	26
Mental Health	7
Patent and Trademark	7
Other	48
No specific area of law identified	625
Complaints alleged no misconduct	897
Total	6,717

In furtherance of its duty to protect the public and the integrity of the profession, the Commission requires its counsel to fully investigate all facially viable complaints. Although the primary obligation is to investigate serious cases of misconduct, when feasible, staff counsel will attempt to intervene to resolve underlying difficulties. Frequently, complainants are referred to other organizations that provide assistance in mediating disputes.

If an investigation fails to reveal provable misconduct, staff counsel will seek authorization to close the file. Authorization is given only after a written explanation of the reasons for the closure determination has been approved. Counsel is required to explain in writing to the complainant the basis for closing an 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 lay member, all appointed by the Commission. An Inquiry Panel 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 Panel.

Comparatively few investigations result in the filing of formal charges. Charts 3 and 4 show the number of investigations docketed and terminated during 1992, and the type of action which terminated the investigations.

In previous years, a case in which complaint was made against more than one attorney was docketed as a single investigation. That method of tracking investigations was altered during 1992 so that now, a separate investigation is docketed for each attorney named in a particular complaint. The change was made to track investigations on a theory consistent with action taken throughout disciplinary proceedings, including the imposition of sanctions, which are entered by the Court against each individual attorney, not based upon the subject matter of a complaint. The new method will also provide maximum accountability by identifying and reporting the most discreet unit of investigation.

Chart 3 shows figures for investigations under both the former and the newly adopted methods of tracking. Chart 4 reports cases counted separately for each attorney named.

CHART 3: Trend of Investigations

A. By Number of Charges Received

YEAR	PENDING JANUARY 1st	DOCKETED DURING YEAR	CONCLUDED DURING YEAR	PENDING DECEMBER 31
1991	2944	5969	6377	2536
1992	2536	6291	6032	2795

B. By Number of Charges Against Each Attorney Named

YEAR	PENDING JANUARY 1st	DOCKETED DURING 1992	CONCLUDED DURING 1992	PENDING DECEMBER 31
1992	2894	7338	6849	3383

CHART 4: Action Concluding Investigations In 1992 (by number of charges against each attorney named)

Concluded by Administrator:	
Closed because no misconduct was stated:	889
Closed after investigation:	5210
Concluded by Inquiry:	
Closed after investigation:	473
Complaint voted:	271
Filing of Petition for Discipline on Consent approved:	4
Impairment petition voted:	2
TOTAL	6849

Because the different tracking mechanism was implemented midyear, the number of investigations which these charts show to have been docketed during 1992, under either method of calculating, does not match the totals for the data reported in Charts 1 and 2. Charts 1 and 2 are included to provide general information on categories of complaints. The trends shown in those charts would not be altered if the data were converted to reflect the new method.

B. Hearing Matters

Once an Inquiry 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. 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, 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.

Charts 5 & 6 show the number and nature of the matters filed before the Hearing Board during 1992. In previous years, cases in which charges against more than one attorney were consolidated were counted as one case. Consistent with the effort to report all matters by attorney, the figures in this chart count a separate case for each attorney named in consolidated matters.

CHART 5: Trend Of Matters Before The Hearing Board

Cases Pending on January 1, 1992	140
New Cases Filed in 1992:	
Disciplinary Complaints Filed; Rules 753, 761(d):	105*
Reinstatement Petitions Filed; Rules 767:	11
Petitions alleging Impairment; Rule 758:	4*
Contested Restoration Petitions; Rule 759:	2
TOTAL NEW CASES:	122
Cases Concluded During 1992:	134
Cases Pending December 31, 1992:	128

*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 Panel has voted a complaint are consolidated into a single complaint for purposes of filings at hearing.

The number of new filings before the Hearing Board decreased slightly during 1992 as compared to 1991, when 127 new matters were filed. However, the number of matters terminated by the Hearing Board rose substantially. In 1991, the Hearing Board concluded 97 cases involving 103 attorneys, compared to the 134 matters for as many attorneys concluded during 1992.

Chart 6 shows the types of misconduct alleged in the 95 disciplinary complaints filed during 1992 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. Some exceptions are noteworthy.

Although the field of domestic

relations produced the greatest number of initial charges, it dropped to fifth in the list of areas which most often gave rise to formal complaints in 1992. In the types of misconduct, improper handling of client or third party funds resulted in a significantly greater percentage of formal complaints than initial charges, while neglect, which was the most common source of initial charges, came in a close second on the roster of allegations most frequently made in formal complaints. Neglect and conversion also appeared often in tandem. Out of 58 complaints that alleged either neglect or conversion, 14 alleged both.

CHART 6A: Area of Law Involved in Complaints Filed Before Hearing in 1992

Area of Law	Number (out of 95 filed)	Approx. % of cases filed
Tort	32	34%
Criminal/ Quasi-Criminal	18	20%
Probate	18	20%
Real Estate	14	15%
Domestic Relations	13	14%
Labor Relations	9	9%
Contract	8	8%
Corporate Matters	8	8%
Civil Rights	4	4%
Bankruptcy	3	3%
Other Areas	2	2%

CHART 6B: Types of Misconduct Alleged in Complaints Filed Before Hearing Board in 1992*

Type of Misconduct	No. from 95 filed	% of cases filed
Improper handling of funds	37	39%
Neglect Of the 35 cases where neglect was charged, the neglects were accompanied by the following factors in the number of cases noted: Prejudice to client's cause: 23 Misrepresentations to client: 17 Failure to return unearned fees: 10	35	37%
Fraudulent or deceptive activity, including schemes to defraud clients or others, falsifying evidence, false statements to tribunal	19	20%
Conflict of interest	10	11%
Excessive or unearned fees	8	8%
Incompetence	7	7%
Unauthorized practice of law	5	5%
Conduct prejudicial to the administration of justice, including abuse of court process	4	4%
Criminal conduct	4	4%
Improper solicitation	3	3%
Frivolous pleadings	3	3%
Improper communication with adverse party	2	2%
Improper trial conduct	2	2%
Implying ability to influence tribunal	1	1%
Failure to treat others w/courtesy	1	1%
Improper advances to clients	1	1%

*Totals in these charts exceed the number of complaints filed because complaints frequently allege more than one kind of misconduct arising in more than a single area of practice.

A Hearing Panel can terminate a case on the pleadings, after a contested hearing, or by approving the filing of a petition for discipline on consent pursuant to Rule 762(b). After a hearing has been held in a disciplinary case, the Hearing Board issues a report and recommendation either dismissing the complaint, or finding misconduct and recommending what sanction should be imposed. In impairment cases, the Hearing Board can dismiss the Administrator's petition or find evidence of impairment and recommend that the respondent be transferred to inactive status. In reinstatement and restoration cases, the Hearing Board issues a report recommending that reinstatement or restoration to active status be allowed or denied.

Chart 7 shows the type of action by which the Hearing Board concluded the 134 cases terminated during 1992.

CHART 7: Actions Taken by Hearing Board in Matters Terminated in 1992

A. DISCIPLINARY CASES: Rules 753 & 761(d)		
Cases dismissed on pleadings:		
On motion of Administrator:	1	
On motion of Respondent:	1	
Cases decided after Hearing:		
Recommendation of dismissal or discharge:	5	
Recommendation of discipline:	67	
Cases closed by disbarment on consent:		
	12	
Cases closed upon transfer to inactive status:		
	2	121
Cases closed by filing of petition for discipline on consent:		
	<u>33</u>	
TOTAL DISCIPLINARY CASES:		
B. REINSTATEMENT PETITIONS: Rule 767		
Petition allowed after hearing:		
	0	
Petition denied after hearing:		
	4	
Petition withdrawn after hearing:		
	<u>4</u>	
TOTAL RULE 758 PETITIONS:		8
C. IMPAIRMENT CASES: Rule 758		
Petitions for involuntary transfer to inactive status:		
Cases closed by voluntary transfer to inactive status:		
	1	
Petition dismissed after hearing:		
	2	
Petition allowed:		
	<u>0</u>	
TOTAL RULE 758 PETITIONS:		3
D. RESTORATION CASES: Rule 759		
Contested petitions for restoration to active status:		
Petition dismissed for want of prosecution:		
	1	
Petition dismissed with prejudice:		
	1	
Petition allowed:		
	<u>0</u>	
TOTAL RESTORATION CASES:		2
TOTAL MATTERS TERMINATED:		134

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. The Review Board entertains briefs and oral arguments, and then issues a report and recommendation affirming 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 8 shows the data on cases filed before, and disposed of by, the Review Board.

CHART 8: Trend Of Matters In The Review Board

Cases Pending on January 1, 1992:	25
Cases filed during 1992:	
Exceptions by Administrator:	11
Exceptions by Respondent:	26
TOTAL:	37
Cases decided in 1992:	
Hearing Board affirmed:	6
Hearing Board reversed as to findings or sanction:	12
Cause remanded for new or additional proceedings before Hearing Board:	1
Exceptions withdrawn, matter presented to Court on motion to approve Hearing Board Report:	2
Exceptions mooted by filing of motion for disbarment on consent:	<u>3</u>
TOTAL:	24
Cases pending December 31, 1992:	38

D. Supreme Court - Disciplinary Cases

Only the Supreme Court has authority to sanction attorneys for misconduct, and under the rules of the Court, no sanction other than a Board reprimand can be imposed in a disciplinary case without order of the Court. Disciplinary cases reach the Court in several ways.

In cases that have been heard by the Review Board, either party can petition the Court for leave to file exceptions to the Review Board's report and recommendation. Review by the Court in such cases is discretionary. If neither party excepts, the matter is presented to the Court by motion to approve and confirm the Review Board report. In either event, the Court may affirm the Review Board's report and enter the sanction or other relief recommended; decide to review the matter on the merits and order briefs and argument; or reject the Review Board's recommendation and impose a sanction or other disposition different from that recommended by Review without briefs or argument.

Similarly, if a case has proceeded to Hearing, and neither party files exceptions to the Review Board, the matter is presented to the Supreme Court by motion to approve and confirm the report and recommendation of the Hearing Board. The Court may grant that motion and impose the sanction recommended by the Hearing Panel; deny the motion and remand the case for further proceedings; or alter the Hearing Board's recommendation without further proceedings.

In addition, under Rule 762, matters can be presented to the Court by consent. An attorney may move for disbarment on consent under Rule 762(a) at any point in time. If the motion is allowed, the attorney can apply for reinstatement after three years,

as opposed to the normal five years when disbarment is involuntary. If the motion is denied, the matter proceeds through the regular disciplinary process.

Rule 762(b) provides for discipline other than disbarment on consent. While a case is pending before any of the boards, Inquiry, Hearing or Review, the appropriate Board can approve the filing of a petition for discipline on consent by which the parties agree to the misconduct that has occurred and the sanction that should be imposed. The Court may grant the petition and impose the agreed sanction or deny the petition and remand the case for further proceedings.

During 1992, the Court entered 89 orders imposing sanctions against 87 attorneys in cases presented through one of the above procedures. Chart 9 reflects the nature of the orders entered, and Chart 10 provides demographic information on the lawyers who were disciplined.

CHART 9: Disciplinary Sanctions Ordered By The Supreme Court In 1992

Disbarred	32
Suspended	42
Censured	13
Probation	<u>2</u>
Total	89

CHART 10: Age, Gender, and Years In Practice For Attorneys Disciplined During 1992

<u>GENDER</u>	
Male	93%
Female	<u>7%</u>
	100%

<u>AGE</u>	
21-29	0%
30-49	61%
50-74	38%
75 or over	<u>1%</u>
	100%

<u>YEARS IN PRACTICE</u>	
Less than 10	14%
10 or more	<u>86%</u>
	100%

Chart 11 reflects the actions taken by the Supreme Court in disciplinary matters in the varying procedural contexts in which those matters are presented.

During 1992, the Court reviewed arguments and issued opinions in two disciplinary cases, one of which involved a petition for reinstatement. In re Parker, 149 Ill.2d 222 (1992); In re Bell, 147 Ill.2d 15 (1992). Thus, all but one of the 89 sanction orders entered in 1992 were entered pursuant to a consent petition or a motion to approve the report of the Hearing Board or Review Board. As Chart 11 reflects, the Court accepted three disciplinary cases for review during 1992.

CHART 11: Orders entered by Supreme Court in Disciplinary Cases

A. Petitions for disbarment on consent- Rule 762(a)

Allowed	23
Denied	<u>7*</u>
TOTAL	30

*Two of the 7 petitions denied were resubmitted during 1992 and allowed by the Court. Those petitions are included in the 23 petitions allowed.

B. Petitions for discipline on consent- Rule 762(b)

Allowed:	
Suspended	13
Probation	1
Censured	<u>8</u>
Total	22
Denied	4*
Withdrawn	<u>1</u>
TOTAL	27

*One of the petitions denied was resubmitted during 1990 and allowed by the Court. That petition is included in the 22 petitions allowed.

C.	<u>Petitions for leave to file exceptions to report and recommendation of Review Board: Rule 753(e)(1)</u>	
	Allowed	2
	Allowed, and different sanction imposed without briefs	1
	Denied	<u>5</u>
	TOTAL	8
D.	<u>Motions to approve and confirm report of Review Board: Rule 753 (e)(6)</u>	
	Allowed	3
	Denied, and review ordered on Court's motion	<u>1</u>
	TOTAL	4
E.	<u>Motions to approve and confirm report of Hearing Board: Rule 753(d)(2)</u>	
	Allowed	15
	Denied, and different sanction imposed by Court	<u>1</u>
	TOTAL	16
F.	<u>Petitions relating to enforcement of subpoenas: Rule 754</u>	
	Motion to quash subpoena allowed	1
	Motion to quash subpoena denied	3
	Petition for rule to show cause for failure to honor subpoena allowed	1
	Petition for rule to show cause for failure to honor subpoena denied, with leave to resubmit	<u>1</u>
	TOTAL	6
G.	<u>Petitions for interim suspension due to conviction of a crime - Rule 761(b)</u>	
	Allowed	8
	Denied	6
	Rule continued	<u>7</u>
	TOTAL	21
H.	<u>Petitions for reciprocal discipline: Rule 763</u>	
	Allowed	1
	Denied	<u>0</u>
	TOTAL	1

I. <u>Petitions for reinstatement: Rule 767</u>	
Referred to Hearing Board	10
Allowed after hearing	1
Denied after hearing	2
Withdrawn	<u>4</u>
TOTAL	17

J. <u>Petition for interim suspension: Rule 774</u>	
Allowed	5
Dismissed as Moot	<u>1</u>
TOTAL	6

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 12 reflects the orders entered in such cases during 1992.

CHART 12: Non-Disciplinary Actions By the Supreme Court

A. <u>Voluntary motions for transfer to inactive status: Rule 770</u>	
Allowed	350
Denied	2
Withdrawn	<u>1</u>
TOTAL	353

B. <u>Petition for restoration to active status: Rule 759</u>	
Allowed	38
Denied	3
Withdrawn	<u>1</u>
TOTAL	42

C. <u>Petitions for Involuntary Transfer to Inactive Status Due to Mental Disability or Substance Addiction: Rule 758</u>	
Allowed	0
Denied, but conditions imposed	<u>1</u>
TOTAL	1

D. <u>Petitions for appointment of an examining medical expert: Rule 760</u>	
Allowed	0
Denied	<u>1</u>
TOTAL	1

E. <u>Petition for appointment of a receiver: Rule 776</u>	
Allowed	3
Denied	<u>1</u>
TOTAL	4

F. <u>Petition by complainant to require Administrator to further investigate charges or expedite proceedings: Rule 752</u>	
Allowed	0
Denied	<u>12</u>
TOTAL	12

F. Summary

Chart 13 continues the effort from previous years to show a comparison of data on caseload for a ten year period. As that chart demonstrates, 1992 produced an increase in the number of investigations docketed over 1991, though the number remains below the record figure of 1990. The chart shows a substantial decrease in the number of investigations closed by Inquiry, a result consistent with the fact that substantially fewer matters were referred to Inquiry panels during 1992.

Historically, virtually all investigations were referred to the Inquiry Board. Authorization by Inquiry was required either to file formal charges or to close an investigation. As internal controls were developed, the Administrator's counsel were afforded greater latitude to close matters that did not warrant formal prosecution. Nevertheless, at least through 1990, a substantial number of files that did not result in formal complaints were referred to and closed by Inquiry panels. As Chart 13 shows, Inquiry panels closed over 1000 cases a year from 1984 through 1990.

During 1992, the trend toward concluding matters without referral to Inquiry was accompanied by direction to counsel to more fully investigate charges before a referral to Inquiry would be authorized, with the result that the more thorough investigation often revealed that formal charges were not warranted.

The impact of those trends is dramatically documented in the data for 1992. Only 405 investigations were referred to Inquiry panels during 1992, compared to 915 matters referred during 1991. At the same time, the number of matters voted by Inquiry and the number of formal complaints filed remained about the same as that in 1991, which itself represented an all-time high in the number of matters filed at

Hearing.

Efforts will continue to carefully investigate and select the matters to be referred to the Inquiry Board, and to assure that the most serious matters proceed most expeditiously. As noted previously in this report, the Hearing Board concluded substantially more cases in 1992 than in previous years, a trend consistent with the effort to give priority to the more serious cases. The number of cases filed at Review increased substantially, and efforts will be necessary to assure that those matters can be resolved in an appropriate time frame. At the same time, increased effort will be necessary to address the investigative caseload, so that complainants and attorneys are provided an expeditious determination as to whether formal charges will be pursued.

CHART 13: A Comparison

	NUMBER OF REGISTERED ATTORNEYS	INVESTIGATIONS DOCKETED	CLOSURE BY ADMINISTRATOR/NO MISCONDUCT ALLEGED	CLOSURE BY ADMINISTRATOR AFTER INVESTIGATION	CLOSURE BY INQUIRY AFTER INVESTIGATION	COMPLAINT VOTED BY INQUIRY BOARD	MATTERS FILED WITH HEARING BOARD	MATTERS FILED WITH REVIEW BOARD	MATTERS FILED WITH SUPREME COURT***
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
1992	61,107	6,291**	889	5,210	473	277	122	37	560

* Not available

** This figure represents the number of complaints received, whether or not they included charges against more than one attorney, since that is the figure reported for all prior years. If broken down for each attorney named, there were 7,338 investigations docketed in 1992.

*** The data reported in this column represent both disciplinary and non-disciplinary matters filed with the Court. Non-disciplinary filings account for 412 of the filings reported for 1992.

III. Developments During 1992

A. Commission Appointments

During 1992, the Supreme Court appointed two new Commissioners to serve on the Attorney Registration and Disciplinary Commission. Benedict Schwarz II, a principal in the West Dundee law firm of Schwarz & Ryan, P.C., was appointed by the Court to fill the vacancy created when Mary Robinson resigned as a Commissioner upon being appointed as Administrator in March 1992. James J. McDonough, the named partner in the architectural and engineering firm of McDonough & Associates, was appointed to fill the vacancy created by the resignation of Carol Nolan in August 1992.

In March 1993, the Court accepted the resignation of Commissioner James H. Bandy as Chairman of the Commission and appointed Commissioner David M. Hartigan as Chair. Commissioner Bandy, a retired attorney from Belleville, Illinois, will continue to serve as a Commissioner. He was appointed to the Commission at its inception in 1973, and he served as Chair since 1982. Commissioner Hartigan, a partner in the Chicago firm of Altheimer & Gray, has served on the Commission since 1988.

The Commission is comprised of seven members, four lawyers and three lay members, appointed by the Supreme Court to set policy, to appoint the Administrator subject to the Court's approval, and to appoint Hearing and Inquiry Board members. The Commissioners serve without compensation, and direct the activities of the Commission.

In addition to their efforts in directing internal affairs, the Commissioners represent

the ARDC and speak on disciplinary issues in other forums. Commissioner John P. Clarke, publisher of the State Journal Register in Springfield and Commissioner Watts C. Johnson, a partner in the Princeton law firm of Johnson, Martin, Russell, English, Scoma & Beneke, both serve pursuant to appointment by the Supreme Court on the Court's Special Commission on the Administration of Justice. Both also serve on the Illinois State Bar Association's Liaison Committee to the ARDC, and both were invited to participate in the recent Future of the Courts symposium. Commissioner Johnson also serves on the Supreme Court's Rules Committee.

Commissioner Eldridge T. Freeman, Jr., Ph.D., a professor of management at Chicago State University, lectured at meetings of the National Organization of Bar Counsel and the National Bar Association on management and disciplinary issues. Commissioner Schwarz is a member of the Board of Governors of the Lawyers Assistance Program, an officer of the Kane County Bar Association, a member of the Illinois State Bar Association Family Law Committee, and a member of the Board of Directors of the American Academy of Matrimonial Lawyers. He lectured during 1992 at the ISBA Annual and Midyear Meetings and several Kane County Bar Association seminars on issues involving impairment, mediation, and family law.

B. Special Counsel for Adjudication

In 1992, the Commission created the position of Special Counsel for Adjudication to assure the independence of the adjudicatory proceedings at the Commission. Special Counsel reports directly to the Commission and is responsible for several functions, including advising the Commission on appointments to the Inquiry and Hearing

Boards, overseeing the administration of those Boards, overseeing the Clerk of the Commission, and providing support services to the Boards.

The Commission appointed Vincent Vitullo as the first Special Counsel for Adjudication. Mr. Vitullo has served the Commission since 1978 as an Inquiry Board member and then a member of the Hearing Board. He began his legal career in private practice, became a professor of law at Loyola University School of Law in 1959, and joined the law faculty at the DePaul University College of Law in 1971.

In furtherance of its commitment to a system of volunteer adjudicators, the Commission authorized Special Counsel to hire clerks for the Hearing Board. Concurrently, the Commission hired clerks for the Review Board. The clerks provide research services and assist their respective Boards in drafting Reports and Recommendations, services which the Commission believes are necessary to allow the volunteers who serve on those Boards to meet the present demands of the disciplinary caseload without placing an intolerable burden upon their own practice of law.

C. Expungement and Rule 108

On May 12, 1992, the Supreme Court's Blue Ribbon Committee to Study the Function and Operations of the Attorney Registration and Disciplinary Commission presented to the Court its report on the two issues which the Committee had been reconvened to study: 1) an expungement proposal; and 2) Commission Rule 108, allowing for prehearing diversion in certain disciplinary cases.

As to the expungement proposal, the Blue Ribbon Committee recommended that

the Court adopt a rule requiring that the Administrator destroy records of investigations which are closed by the Administrator or an Inquiry Panel after three years have passed from the date of the closure unless formal proceedings have been initiated against the attorney as a result of other investigations. The Blue Ribbon Committee also endorsed the program of prehearing deferral under supervision embodied by Commission Rule 108, but recommended that the rule be amended to limit the availability of such supervision to cases involving less serious misconduct.

On January 5, 1993, the Supreme Court adopted Rule 778 on Retention of Records. The new rule authorizes retention of records of investigations closed by the Administrator or an Inquiry Panel for three years after the investigation is closed. After three years, those records, including computer data, must be destroyed. The rule provides, however, that destruction of closed investigative files will be deferred by the initiation of formal proceedings or the imposition of discipline in another matter involving the same attorney, in which case, the records can be retained for three years after the termination of the proceedings or the termination of any sanction imposed as a result of the proceedings.

In addition, the Court approved the recommendations of the Blue Ribbon Committee concerning Rule 108. Effective October 23, 1992, the Commission amended Rule 108 consistent with the recommendations. As amended, the rule authorizes prehearing diversion under the supervision of an Inquiry Panel unless: 1) the conduct under investigation involves misappropriation of funds or property of a client or third party; 2) the conduct involves a criminal act that reflects adversely on the attorney's honesty; 3) the conduct resulted in

prejudice to a client or third person, except where restitution would be made a condition of deferral; or 4) the attorney has previously been disciplined or placed on supervision under Rule 108.

D. Other Rule Changes

Effective January 5, 1993, the Court amended Rule 762(a) pertaining to disbarment on consent. As amended, the rule requires that the affidavit that must be executed by an attorney who seeks to be disbarred on consent must include an acknowledgment that if the cause proceeded to hearing, the Administrator would prove by clear and convincing evidence the facts and conclusions of misconduct set forth in the statement of charges filed under the Rule. Under the amendment, in a case where the attorney has been convicted of a crime, it is sufficient that the affidavit state that the judgment of conviction would be offered as evidence and would stand as conclusive proof of the attorney's guilt of the crime for purposes of disciplinary proceedings. As amended, the Rule further provides that if the Court allows the motion for disbarment on consent, the facts and conclusions of misconduct set forth in the Administrator's statement of charges shall be deemed conclusive for purposes of any future disciplinary proceedings, including proceedings on a petition for reinstatement pursuant to Rule 767.

An attorney who is disbarred on consent under Rule 762(a) may seek reinstatement three years after the disbarment order, whereas an attorney who is disbarred after contested proceedings must wait five years before petitioning for reinstatement. The amendment to Rule 762(a) assures an adequate record of the misconduct that led to the voluntary disbarment for purposes of any reinstatement proceedings.

Effective October 30, 1992, the Court amended Rule 3.8 to repeal subsection (c) of that rule. The repealed provision limited the use of compulsory process by prosecutors in criminal proceedings to secure evidence or testimony from attorneys in their capacity as counsel for past or present clients. The Court had initially adopted subsection (c) on November 1, 1991, but had stayed enforcement of the provision by order entered December 27, 1991. The stayed provision has now been eliminated.

E. Master Roll and Supreme Court Roll of Attorneys Linked

The Clerk of the Illinois Supreme Court has the responsibility of maintaining the Roll of Attorneys licensed by the Supreme Court to practice law in Illinois. Attorneys are placed on the Court's Roll when they execute the oath of office at the time of their initial admission to the bar. The Roll reflects any changes in an attorney's status as ordered by the Court, either for disciplinary or nondisciplinary reasons.

Concurrently, under Rule 756, the Attorney Registration and Disciplinary Commission maintains the Master Roll of attorneys registered to practice law in the State of Illinois for each year of registration. Attorneys are included on the Master Roll if they appear on the Court's Roll and if they register and pay whatever fee is due under Rule 756 for the year at issue.

In 1992, the Clerk of the Supreme Court, Juleann Hornyak, and the Attorney Registration and Disciplinary Commission implemented a computer link-up so that the Clerk and the Commission can share a data base and assure consistency between the Rolls, and so that the Clerk has direct access to the registration status of all attorneys included on the Court's Roll.

F. Audit by Auditor General

On October 1, 1992, Chief Justice Benjamin K. Miller, on behalf of the Illinois Supreme Court, requested that Auditor General William J. Holland conduct fiscal and compliance audits of the Attorney Registration and Disciplinary Commission and the Board of Admissions to the Bar for the year 1992. The Auditor General agreed to do so, and agreed that the compliance audits will assess compliance by the two entities with the internal procedures and regulations of each. In an exchange of correspondence, the Chief Justice and the Auditor General each acknowledged that the audit was requested and the request was accepted as a matter of comity between the judicial and legislative branches of government, without prejudice to the position of the judicial branch that the funds received by the two agencies are not state funds.

G. Programs

The Commission continued its efforts to familiarize lawyers with ethics rules and concerns through presentations to bar associations, law firms, and law schools, and through participation in seminars. The Administrator, Chief Counsel James J. Grogan, and other staff counsel made presentations to over 40 different groups over the course of the year.

In addition, Commission counsel continue to participate as members of, or liaisons to several committees of the various bar associations in the state to foster the exchange of information, and to cooperate in developing programs and proposals that will impact on the disciplinary system directly or that will generally add to the bar's dedication to professionalism.

Commission staff also participated extensively in the activities of the National Organization of Bar Counsel, and collaborated with the American Bar Association's Center for Professional Responsibility. Deputy Administrator, Jerome Larkin, was elected Treasurer of the National Organization of Bar Counsel in August, 1992, and he will become that organization's president in 1995.

The Commission also began an externship program with the Northwestern University School of Law. As part of an advanced professional responsibility symposium, students aid staff counsel in investigations, research, and presentation of hearing matters.

H. Plans to Move Chicago Office

Since the inception of the Commission in 1973, its Chicago offices have been housed at 203 North Wabash. In the beginning, the entire Chicago staff consisted of the first Administrator, Carl Rolewick, and 9 employees. In its first year of operation, the Commission registered 23,959 attorneys, and investigated charges in 1521 matters. Until 1989, all Commission proceedings were confidential so that members of the public were not admitted to hearings or Review Board arguments. During 1973, the Commission's Hearing Board held 9 hearings, and the Review Board heard oral argument in 2 cases.

Today, the Commission has 105 employees. For 1992, the Commission registered 61,107 attorneys, and investigated 7,338 charges. Hearing and Review Board proceedings are open to the public, and those Boards held public trials or oral arguments in 111 cases during 1992.

The Commission's growth caused it to expand its offices at 203 North Wabash several times, until it now has space on four floors. Further expansion needs and other considerations led the Commission to explore leasing other properties, particularly in light of favorable market conditions. On December 30, 1992, after much searching and negotiating, the Commission executed a lease with the Prudential Building at 130 East Randolph Drive in downtown Chicago.

The move, which is planned for June 1993, will allow the Commission to nearly double its present space, with a threefold increase in the space available for public proceedings. The Prudential will finance the full cost of constructing the 38,000 square feet of space on two floors to meet Commission specifications, as well as other costs associated with the move.

Plans for the new space include two courtrooms for Hearing and Review Board proceedings, each of which is larger than the single room in the present quarters, as well as expanded reception and conference areas available to the public, witnesses and litigants who appear for the public proceedings. In addition, there will be several interview rooms and improved accommodations for members of the public who appear at the Commission offices to present complaints.

IV. Financial Report

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, 1992 are attached as Appendix 1.

In addition, the Auditor General conducted an audit of the Attorney

Registration and Disciplinary Commission for 1992. The Auditor General will prepare a separate report to be presented to the Court independently.

V. Evaluation and Recommendations

Progress was seen during this transitional year toward the goal of bringing formal cases to a more expeditious conclusion, both in the substantial increase in cases concluded at Hearing and in the substantial decrease in cases referred to Inquiry where no formal proceedings were likely to result. The decrease in investigations docketed during 1991 was unfortunately short-lived, and 1992 saw a rise in the number of complaints received and a concomitant increase in the investigative docket pending at the conclusion of the year. Serious efforts must now be devoted to concluding those investigations expeditiously. To that end, the Commission has authorized an expansion in the staffing of the intake group, and new internal procedures for monitoring the investigative caseload are planned.

In addition, educational efforts will be undertaken to assist lawyers in avoiding the patterns of conduct that typically result in disciplinary investigations, with the goal of reducing the investigative caseload and better serving the public by prevention of the more common complaints.

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, 1992 and the related statements 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, 1992, and results of its operations 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
January 29, 1993

Attorney Registration and Disciplinary Commission
of the Supreme Court of Illinois
BALANCE SHEET
December 31, 1992

	A S S E T S					Eliminations	Total All Funds
	Operating Fund	Physical Asset and Replacement Fund	Group Legal Service Fund	Medicare Replacement Reserve Trust Fund			
CURRENT ASSETS							
Cash and cash equivalents	\$ 594,239	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 594,239
Accounts receivable - other than fees	8,609	-	-	-	-	< 54 >	8,609
Transfers to other funds	-	54	-	-	-	-	172,492
Accrued interest receivable	150,307	6,907	1,314	13,964	-	-	4,051,775
Investments	3,513,494	376,309	46,521	115,451	-	-	57,480
Prepaid expenses	57,480	-	-	-	-	-	78,476
Reimbursable leasehold improvements	78,476	-	-	-	-	-	129,415
Total current assets	4,402,605	383,270	47,835	129,415	< 54 >		4,963,071
PHYSICAL ASSETS							
Computer and related equipment	-	523,112	-	-	-	-	523,112
Office furniture and equipment	-	778,806	-	-	-	-	778,806
Library	-	78,019	-	-	-	-	78,019
Leasehold improvements	-	18,828	-	-	-	-	18,828
Total	-	1,398,765	-	-	-	-	1,398,765
Less accumulated depreciation	-	1,026,926	-	-	-	-	1,026,926
	-	371,839	-	-	-	-	371,839
OTHER ASSETS							
Investments	7,226,932	286,654	14,760	631,787	-	-	8,160,133
	\$ 11,629,537	\$ 1,041,763	\$ 62,595	\$ 761,202	\$ < 54 >		\$ 13,495,043
LIABILITIES AND FUND BALANCES							
CURRENT LIABILITIES							
Accounts payable	\$ 137,349	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 137,349
Accrued expenses	88,616	-	-	-	-	-	88,616
Transfers from other funds	54	-	-	-	< 54 >	-	4,943,208
Deferred fees	4,943,208	-	-	-	-	-	8,000
Reinstatement deposits	8,000	-	-	-	-	-	62,595
Group legal service registration fees	-	-	62,595	-	-	-	62,595
Total current liabilities	5,177,227	-	62,595	-	< 54 >		5,239,768
COMMITMENTS							
FUND BALANCES							
General operating fund	6,452,310	-	-	761,202	-	-	6,452,310
Other fund balances	-	1,041,763	-	-	-	-	1,802,965
	6,452,310	1,041,763	-	761,202	-	-	8,255,275
	\$ 11,629,537	\$ 1,041,763	\$ 62,595	\$ 761,202	\$ < 54 >		\$ 13,495,043

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, 1992

	Operating Fund	Physical Asset and Replacement Fund	Medicare Replacement Reserve Trust Fund	Total All Funds
Revenues				
Attorney registration fees and charges earned	\$ 6,497,079	\$ -	\$ -	\$ 6,497,079
Investment income	571,211	31,606	49,990	652,807
Costs collected	66,464	-	-	66,464
Miscellaneous income	126	-	-	126
	<u>7,134,880</u>	<u>31,606</u>	<u>49,990</u>	<u>7,216,476</u>
Expenses				
Salaries and related	4,060,565	-	-	4,060,565
Travel	92,543	-	-	92,543
Library and continuing education	70,488	-	-	70,488
General	914,496	-	-	914,496
Computer	100,344	-	-	100,344
Other	425,876	-	-	425,876
Insurance premiums	-	-	5,299	5,299
Depreciation	-	175,407	-	175,407
Disposition of physical assets	-	828	-	828
	<u>5,664,312</u>	<u>176,235</u>	<u>5,299</u>	<u>5,845,846</u>
Excess (deficiency) of revenues over expenses before transfers	1,470,568	< 144,629>	44,691	1,370,630
Transfers				
Transfer to fund medicare replacement reserve trust	< 122,120>	-	122,120	-
Transfer to physical asset replacement fund	< 243,221>	243,221	-	-
EXCESS OF REVENUES OVER EXPENSES	<u>\$ 1,105,227</u>	<u>\$ 98,592</u>	<u>\$ 166,811</u>	<u>\$ 1,370,630</u>

The accompanying notes are an integral part of this statement.

-6-

Attorney Registration and Disciplinary Commission
of the Supreme Court of Illinois
STATEMENT OF FUND BALANCES
Year ended December 31, 1992

	Operating Fund	Physical Asset and Replacement Fund	Medicare Replacement Reserve Trust Fund	Total All Funds
Balance at beginning of year as previously reported	\$ 5,427,361	\$ 943,171	\$ 594,391	\$ 6,964,923
Prior-period adjustment for unaccrued compensated absences	< 80,278>	-	-	< 80,278>
Balance at beginning of year as restated	5,347,083	943,171	594,391	6,884,645
Excess of revenues over expenses	1,105,227	98,592	166,811	1,370,630
Balance at end of year	<u>\$ 6,452,310</u>	<u>\$ 1,041,763</u>	<u>\$ 761,202</u>	<u>\$ 8,255,275</u>

The accompanying notes are an integral part of this statement.

-7-

Attorney Registration and Disciplinary Commission
of the Supreme Court of Illinois
STATEMENT OF CASH FLOWS
Year ended December 31, 1992

	Operating Fund	Physical Asset and Replacement Fund	Medicare Replacement Reserve Trust Fund	Total All Funds
Cash flows from operating activities				
Excess of revenues over expenditures	\$ 1,105,227	\$ 98,592	\$ 166,811	\$ 1,370,630
Adjustments to reconcile excess of revenues over expenditures to net cash provided by operating activities				
Depreciation	-	175,407	-	175,407
Disposition of assets	-	828	-	828
<Increase> decrease in assets				
Accounts receivable	< 897>	-	-	< 897>
Other assets	< 24,033>	8,709	< 2,074>	< 17,398>
Reimbursable leasehold improvements	< 78,476>	-	-	< 78,476>
Increase in liabilities				
Accounts payable	60,206	-	-	60,206
Deferred fees	284,990	-	-	284,990
Other liabilities	4,905	-	-	4,905
Net cash provided by operating activities	<u>1,351,822</u>	<u>283,536</u>	<u>164,737</u>	<u>1,800,195</u>
Cash flows from investing activities				
Acquisition of capital assets				
Computer and related equipment	-	< 31,142>	-	< 31,142>
Office furniture and equipment	-	< 8,454>	-	< 8,454>
Library	-	< 6,706>	-	< 6,706>
Purchases of investments - net	< 1,167,858>	< 237,234>	< 164,737>	< 1,569,829>
Net cash used in investing activities	<u>< 1,167,858></u>	<u>< 283,536></u>	<u>< 164,737></u>	<u>< 1,616,131></u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	<u>184,064</u>	<u>-</u>	<u>-</u>	<u>184,064</u>
Cash and cash equivalents at beginning of year	410,175	-	-	410,175
Cash and cash equivalents at end of year	<u>\$ 594,239</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 594,239</u>

The accompanying notes are an integral part of this statement.

-8-

Attorney Registration and Disciplinary Commission
of the Supreme Court of Illinois
NOTES TO THE FINANCIAL STATEMENTS
December 31, 1992

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.

-9-

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

- 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.
- Cash and Cash Equivalents** - For purposes of the statement of cash flows, cash equivalents include all investments with a maturity of three months or less.
- 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.

-10-

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 \$187,200 at December 31, 1992.

NOTE D - COLLECTION OF FEES

The Commission is funded by an annual registration fee assessed Illinois attorneys. 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. 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. Total payments under all lease agreements were \$521,198 in 1992. The future minimum lease payments for the Springfield office are subject to possible escalation based on the operating expenses of the building.

The commission entered into a new lease agreement in December 1992 effective May 1993 for new office facilities in Chicago, Illinois. The remaining lease payments due on the existing office space which expires in March 1995 is subject to negotiation with the landlord.

-11-

NOTE E - LEASE AND MAINTENANCE COMMITMENTS (Continued)

The terms of the new office lease are for 15 years and provides 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.

Future minimum lease payments, including estimated liability for taxes and operating expenses, relating to lease agreements are:

Year	Amount
1993	\$ 948,842
1994	998,476
1995	496,789
1996	1,027,225
1997	1,064,552
1998 through 2002	5,940,784
2003 through 2007	7,226,710
	<u>\$ 17,703,378</u>

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.

NOTE H - 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. 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.

-12-

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 1992, represent 1993 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 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 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, 1992 was \$556,161.

NOTE L - LITIGATION

Various complaints and actions were filed against the Commission in 1992. Several of these matters have been dismissed. Those pending are not perceived as presenting any serious prospect of financial consequences.

-13-

Board Members For 1992:

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Martin H. Katz

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Melanie Rovner Cohen
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William M. Dickson
Philip Ambrose Doran
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