



ATTORNEY REGISTRATION AND DISCIPLINARY COMMISSION  
of the  
SUPREME COURT OF ILLINOIS

COMMISSIONERS:

JUSTIN A. STANLEY, CHAIRMAN  
LESTER ASHER  
JAMES H. BANDY  
GEORGE J. COTSIRILOS  
JOHN F. GRADY

ADMINISTRATOR:

CARL H. ROLEWICK

August 28, 1974

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

This report is submitted pursuant to Supreme Court Rule 751(e) and (f) and is a statement of the activities of the Attorney Registration and Disciplinary Commission, the Administrator's Office and the Boards of the Disciplinary System. The report covers the period from July 1, 1973 through June 30, 1974, the first full year of operation of the Commission, the Administrator's Office and the Inquiry Boards. It must be noted that the work of the Hearing Boards and the Review Board did not span the entire period. The first hearing under the new disciplinary rules was completed on September 28, 1973. The first matter was referred to the Review Board on December 7, 1973. The Supreme Court entered dispositive orders in the first three cases under the new disciplinary procedures on July 15, 1974, and those cases are not included in the statistics reported herein. Accordingly, this report should not be used to evaluate the effectiveness of the entire system.

A. REGISTRATION

The efforts of the Illinois State Bar Association in compiling a list of all licensed attorneys and the production of the first Master Roll of Attorneys continued through the summer of 1973.

As the advance preparation began for the 1974 registration, the Commission deemed it advisable to analyze the

various mechanical and automated methods for maintenance of the Master Roll. Bids and proposals were sought on different systems from several organizations. The Commission ultimately determined that computerization of the Roll offered the greatest degree of accuracy, security and economy. The bid of the Illinois National Bank of Springfield to computerize totally the registration process was the lowest, and the services of the Bank were engaged.

On November 1, 1973, registration forms were mailed to the 26,507 attorneys who registered in 1973:

Admitted one year or less	1,767
Admitted 1 to 5 years	3,348
Admitted more than 5 years	17,453
Admitted 50 years or more	118
On active military duty	148
75 years or older	890
Neither practices, resides nor is employed in Illinois	2,754
1973 Registration Fee waived	29
	<u>26,507</u>

As of June 30, 1974, 23,959 attorneys registered for 1974 and paid a total of \$368,180.00 in registration fees:

<u>Classification</u>	<u>Registered Attorneys</u>
Admitted 1 year or less	1,210
Admitted 1 to 5 years	3,159
Admitted more than 5 years	16,643
Admitted more than 50 years	69
On active military duty	120
75 years or older	561
Neither practices, resides nor is employed in Illinois	2,073
1973 Registration Fee waived	27
Incomplete registration*	97
Total	<u>23,959</u>

It was expected that some difficulties would arise in the process of computerization of the registration process. Some did; most of these were overcome. As a result of the problems encountered, it was not possible to send a second notice

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\*In process of classification due to errors in completion of the registration form.

to attorneys who failed to register by January 1, 1974. In view of the newness of the registration requirements, the computerization of the Master Roll and the erratic nature of mail deliveries, the Commission determined that second notices should be sent to the attorneys who had not registered by May 31, 1974. Second notices were sent to the non-registered attorneys during the first week of July. Numerous registrations have occurred since that time.

Registration continues on a twelve-month basis. Attorneys are added for the first time almost daily. It is reasonable to estimate that it will be several years before we can expect to have all Illinois attorneys registered. Registered attorneys change their associations, move their offices and change their residences, in and out of state. The volume of these changes is surprisingly high.

#### B. INCOME AND EXPENDITURES

Income during the period from July 1, 1973 through June 30, 1974, was as follows:

(1) 1974 Registration Fees collected	\$368,188.00
(2) Delinquent Fees and Penalties collected	22,693.00
(3) Less: Fees refunded	-764.00
(4) Interest Received on Investments	<u>20,493.28</u>
Total Income	\$410,610.28

Cash disbursements made during the period from July 1, 1973 through June 30, 1974, were as follows:

(1) Salaries	\$211,982.16
(2) Employee Benefits (Hosp. & Life Ins.)	8,196.66
(3) Office Rentals and Utilities	22,114.27
(4) Travel Expenses	11,028.24
(5) Telephone	8,783.75
(6) Postage	4,033.22
(7) Office Equipment Rental	12,652.57
(8) Office Supplies and Expenses	10,030.42
(9) Insurance	2,041.41
(10) Auditing and other outside professional services	3,927.50
(11) Data Processing	15,822.69
(12) Depreciation Reserve	2,040.67
(13) Court Reporting	<u>4,091.25</u>
Total Expenditures	\$316,744.81
Net Income for the period July 1, 1973 through June 30, 1974	\$93,865.47

### C. FISCAL ARRANGEMENTS

1. The Illinois National Bank of Springfield has been designated as the depository of the registration funds. The Bank's lock box service receives all of the fees and credits them to our account.

2. The Data Processing Department of the Illinois National Bank of Springfield receives the registration forms from the Bank's lock box service and compiles the reports which ultimately produce the Master Roll, accounts receivable and accounts paid.

The data processing program, as it is presently functioning, serves as an internal control on the lock box service. The billing operation serves as an internal control on the lock box and the data processing services. These controls, combined with the monthly audit, balanced against the statistical information supplied by the computer, assure us a high degree of fiscal control.

3. Funds not currently used to meet operating expenses are held by the Trust Department of the Illinois National Bank of Springfield as custodian of the Disciplinary Fund. Three types of investments are made: Treasury Notes, Certificates of Deposit and Repurchase Agreements. The type of investment is determined by the current return available and the length of time available before the funds are needed to meet current expenses. By the end of the fiscal year, most of the funds were invested in repurchase agreements which yield in excess of 10% interest per year.

Under a repurchase agreement, the Bank contracts to sell certain Federal Government backed securities from its portfolio to the Commission for a specified period of time, at a specified rate of interest. The specified interest rate does not necessarily bear any relationship to the interest being paid by the individual securities purchased. The interest the Bank pays the Commission is the same rate then presently being paid on Certificates of Deposit. Under the terms of the contract the Bank agrees to buy back the securities on a specific date. Actual ownership of the securities is in the Commission. The only risk the Commission has is that the Bank will not buy back the securities. In that unlikely event, the Commission will lose the high rate of interest contracted for, but will not lose the securities which it has purchased or its contractual right to sue for the higher rate of interest. The advantage to the Commission in purchasing repurchase agreements is the diversification of the investment, high interest yield, and the security of government paper.

4. The auditing firm of Alexander X. Kuhn & Co. has been retained to audit the accounts of the Administrator and the Commission.

5. The Commissioners, the Administrator and each member of the Staff are bonded in the amount of \$100,000.00.

#### D. STAFF DEVELOPMENT

As of June 30, 1974, the full time Staff of the Administrator's office consisted of:

1. In the Springfield office:

- a. Attorney
- b. Secretary
- c. Receptionist/typist

2. In the Chicago office:

- a. Attorney (two)
- b. Investigator (three)
- c. Administrative Assistant
- d. Clerk
- e. Secretary
- f. Receptionist/typist

In addition to the regular staff, two attorneys (one in Springfield and one in Chicago) have been working on a per diem basis. They have been aiding the office in the hearing and review of cases (voted complaints) transferred to the office by the Illinois State Bar Association and the Chicago Bar Association. Pursuant to the administrative order of the Supreme Court of June 1, 1973, the Chicago Bar Association transferred 27 voted complaints to the Administrator's Office, the the Illinois State Bar Association transferred 7 voted complaints.

As of June 30, 1974, the Staff has not been eligible for social security coverage or other pension benefits. Every effort is being made to clarify the status of the Staff and obtain the coverage.

Part time employment of clerical help on an ad hoc basis has been utilized in both the Springfield and Chicago offices. The seasonal nature of registration and the engagement of the data processing services of the Illinois National Bank necessitated such clerical employment.

## E. DISCIPLINARY RULES

As a result of recommendations from the Commission, the Court made several changes in Rules 756-768. The amended rules were adopted on April 1, 1974, and effected the following changes:

1. The Commission's name was changed from "Attorney Registration Commission: to "Attorney Registration and Disciplinary Commission."

2. The size of Inquiry Panels was reduced from seven (with a quorum of four) to three (with a quorum of two).

3. The size of Hearing Panels was reduced from five (with a quorum of three) to three (with a quorum of two).

4. The rule on confidentiality was amended to permit the Administrator to provide the Secretary of the Clients Security Fund of the Bar of Illinois certain information needed to process claims against the Fund.

The rule changes were designed to simplify the organization and administrative structure of the disciplinary process, with the anticipated result of more orderly and expeditious inquiry and hearing sessions.

The reduction in the size of inquiry and hearing panels conforms to the national trend in the handling of disciplinary cases in the large urbanized states.

## F. THE COMMISSION

The Commission met monthly throughout the year. On July 31, 1973, the last Article of the Commission Rules (Reinstatement) was adopted, and the process of continuing re-evaluation of the rules and the effectiveness of the system was begun.

Liaison with the organized bar has been maintained in order to keep the bar abreast of developments in the system and changes when they occur. The individual Commissioners and the Administrator have made numerous personal appearances before various bar groups to explain the system and answer questions.

Of paramount importance to an effective disciplinary system is the ability to develop and change as circumstances and times demand. The Commission provides the system with a

vehicle for continuing reevaluation of the work of the Administrator's Office and the various Boards. When changes are necessary, the Commission has the power to amend its rules or to ask the Supreme Court to amend that Court's rules. The willingness of the Court to receive the recommendations of the Commission is the cornerstone of the present disciplinary structure.

G. THE CASELOAD

The following statistical charts outline the caseload of the Administrator's Office, the Inquiry Boards, the Hearing Boards and the Review Board for the period from July 1, 1973 through June 30, 1974. It must be noted that no cases were ready for hearing until September 14, 1973, and the first case was filed with the Review Board on December 7, 1973.

Respectfully submitted,

Attorney Registration and  
Disciplinary Commission,

By

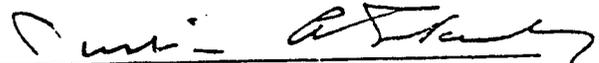
  
Chairman

CHART 1

THE TREND OF INVESTIGATIONS DURING THE PERIOD JULY 1, 1973 THROUGH JUNE 30, 1974

	Pending at Start	New Charges Docketed			Total Added	Total Terminated During Period	Pending at End
		from Individuals	on Public Notice	Transfers and Duplicate Files			
Chicago	417	1361	41	-35	1367	1227	557
Springfield	155	306	10	-3	313	294	174
<b>TOTAL</b>	<b>572</b>	<b>1667</b>	<b>51</b>	<b>-38</b>	<b>1680</b>	<b>1521</b>	<b>731</b>

CHART 2

AN ANALYSIS OF THE PROCESSING OF INVESTIGATIVE FILES DURING THE PERIOD JULY 1, 1973 THROUGH JUNE 30, 1974

	Files Terminated				Files Pending		
	Dismissed by Inquiry Chairman and Administrator	Dismissed by Panel	Complaint Voted by Inquiry Panel	TOTAL	in Office	at Inquiry	TOTAL
Chicago	694	491	42	1227	379	178	557
Springfield	116	166	12	294	115	59	174
<b>TOTAL</b>	<b>810</b>	<b>657</b>	<b>54</b>	<b>1521</b>	<b>494</b>	<b>237</b>	<b>731</b>

**CHART 3**

**THE HEARING BOARDS**

**THE TREND OF COMPLAINTS VOTED AND DISBARMENTS ON CONSENT  
DURING THE PERIOD JULY 1, 1973 THROUGH JUNE 30, 1974**

	Pending at Start	Complaints Filed	Cases Terminated				Total Terminated	Pending at End
			Report and Recommendation of Discipline	Dis-missed	Reprimand by Hearing Board	Name Stricken on Own Motion Prior to or During Hearing		
Chicago	0	45*	6	4	1	10	21	24
Springfield	0	11*	2	0	0	0	2	9
<b>TOTAL</b>	<b>0</b>	<b>56*</b>	<b>8</b>	<b>4</b>	<b>1</b>	<b>10</b>	<b>23</b>	<b>33</b>

\* Includes cases transferred from the Illinois State Bar Association and the Chicago Bar Association.

**CHART 4**

**THE TREND OF PETITIONS FOR REINSTATEMENT BEFORE THE HEARING BOARD  
DURING THE PERIOD JULY 1, 1973 THROUGH JUNE 30, 1974**

	Pending at Start	Petitions Filed	Petitions Disposed of with Recommendation		Pending at End
			to Allow	to Not Allow	
Chicago	0	5*	1	1	3
Springfield	0	1*	1	0	0
<b>TOTAL</b>	<b>0</b>	<b>6*</b>	<b>2</b>	<b>1</b>	<b>3</b>

\* Includes cases transferred from the Illinois State Bar Association and the Chicago Bar Association.

**CHART 5**

**THE TREND OF PROCEEDINGS UNDER ILLINOIS SUPREME COURT RULE 757  
DURING THE PERIOD JULY 1, 1973 THROUGH JUNE 30, 1974**

	Suspension Upon Judicial Determination of Incompetency			
	Pending at Start	Petitions Filed with Court	Petitions Disposed by Court	Pending at End
Chicago	0	0	0	0
Springfield	0	0	0	0
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

CHART 6

THE TREND OF PROCEEDINGS UNDER ILLINOIS SUPREME COURT RULE 757  
DURING THE PERIOD JULY 1, 1973 THROUGH JUNE 30, 1974

Suspension Upon Involuntary Commitment for Mental Treatment				
	Pending at Start	Petitions Filed with Court	Petitions Disposed by Court	Pending at End
Chicago	0	0	0	0
Springfield	0	0	0	0
<b>TOTAL</b>	0	0	0	0

CHART 7

THE TREND OF PROCEEDINGS UNDER ILLINOIS SUPREME COURT RULE 758  
DURING THE PERIOD JULY 1, 1973 THROUGH JUNE 30, 1974

Suspension for Mental Disability or Addiction to Drugs or Intoxicants				
	Pending at Start	Petitions Filed	Report and Recommen- dation	Pending at End
Chicago	0	1	0	1
Springfield	0	0	0	0
<b>TOTAL</b>	0	1	0	1

CHART 8

THE TREND OF PROCEEDINGS UNDER ILLINOIS SUPREME COURT RULE 759  
DURING THE PERIOD JULY 1, 1973 THROUGH JUNE 30, 1974

Reinstatement Upon Termination of Disability				
	Pending at Start	Petitions Filed	Report and Recommen- dation	Pending at End
Chicago	0	0	0	0
Springfield	0	0	0	0
<b>TOTAL</b>	0	0	0	0

CHART 9

THE TREND OF PROCEEDINGS UNDER ILLINOIS SUPREME COURT RULE 761  
DURING THE PERIOD JULY 1, 1973 THROUGH JUNE 30, 1974

Suspension Upon Conviction of Certain Crimes				
	Pending at Start	Petitions Filed with Court	Petitions Disposed by Court	Pending at End
Chicago	0	2	1	1
Springfield	0	3	0	3
<b>TOTAL</b>	0	5	1	4

CHART 10

THE REVIEW BOARD

THE TREND OF PROCEEDINGS BEFORE THE REVIEW BOARD  
DURING THE PERIOD JULY 1, 1973 THROUGH JUNE 30, 1974

Pending at Start	Cases Docketed	Discipline Recommended by Review Board to Supreme Court					Reprimand by Review Board	Dismissed by Review Board	Total Terminated	Pending at End
		Disbarment	Suspension for 1 Year and Until Further Order of the Court	Censure	Petitions for Reinstatement					
					Allowed	Not Allowed				
0	11	1	1	2	2	1	1	9	2	

# Alexander X. Kuhn & Co.

CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS  
ILLINOIS SOCIETY OF  
CERTIFIED PUBLIC ACCOUNTANTS  
AMERICAN INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS

14 SOUTH LA GRANGE ROAD  
LA GRANGE, ILL. 60525  
TELEPHONE 354-6022  
AREA CODE 312

August 21, 1974

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

Gentlemen:

We have examined the Balance Sheet of the Attorney Registration and Disciplinary Commission of the Supreme Court of Illinois as of June 30, 1974, and the related Statement of Income and Changes in Financial Position for the year then ended.

## SCOPE OF EXAMINATION

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

## ACCOUNTANTS' OPINION

In our opinion, the aforementioned financial statements present fairly the financial position of the Attorney Registration and Disciplinary Commission of the Supreme Court of Illinois at June 30, 1974, and the results of its operations and the changes in its financial position for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Respectfully submitted,



Certified Public Accountants

ATTORNEY REGISTRATION AND DISCIPLINARY COMMISSION  
OF THE  
SUPREME COURT OF ILLINOIS

BALANCE SHEET

June 30, 1974

ASSETS

<u>CURRENT ASSETS</u>		
Cash In Bank & On Hand	11,276.72	
Investments (At Cost)	336,149.59	
Prepaid Expenses	<u>1,259.34</u>	348,685.65
<u>FIXED ASSETS</u>		
Office Furniture, Equipment & Library	24,444.00	
Less: Accumulated Depreciation	<u>2,821.99</u>	<u>21,622.01</u>
<b>Total Assets</b>		<u><u>370,307.66</u></u>

LIABILITIES AND FUND BALANCE

<u>CURRENT LIABILITIES</u>		
Accounts Payable	12,838.52	
Accrued Expenses & Taxes	<u>4,630.01</u>	17,468.53
<u>FUND BALANCE</u>		
Balance, July 1, 1973	258,973.66	
Net Income for the year	<u>93,865.47</u>	<u>352,839.13</u>
Balance, June 30, 1974		<u><u>370,307.66</u></u>
<b>Total Liabilities and Fund Balance</b>		

INCOME STATEMENT

Year ended June 30, 1974

<u>INCOME</u>		
Attorney Registration Fees & Charges Collected	390,117.00	
Interest Received on Investments	<u>20,493.28</u>	410,610.28
<u>OPERATING EXPENSES</u>		
Salaries	211,982.16	
Employee Benefits	8,196.66	
Office Rentals & Utilities	22,114.27	
Travel Expenses	11,028.24	
Telephone & Postage	12,816.97	
Office Equipment Rental, Supplies & Expenses	22,682.99	
Insurance	2,041.41	
Outside Professional & Data Processing Services	23,841.44	
Depreciation Expense	<u>2,040.67</u>	<u>316,744.81</u>
<b>NET INCOME</b>		<u><u>93,865.47</u></u>

STATEMENT OF CHANGE IN FINANCIAL POSITION

Year ended June 30, 1974

<u>SOURCES OF WORKING CAPITAL</u>		
Net Income	93,865.47	
Item Included Above Not Involving Expenditure of Cash		
Depreciation of Fixed Assets	<u>2,040.67</u>	95,906.14
<b>Total Sources of Working Capital</b>		
<u>USE OF WORKING CAPITAL</u>		
Fixed Assets Purchased		<u>8,817.73</u>
<b>INCREASE IN WORKING CAPITAL</b>		<u><u>87,088.41</u></u>