



ATTORNEY REGISTRATION AND DISCIPLINARY COMMISSION
of the
SUPREME COURT OF ILLINOIS

COMMISSIONERS:

LESTER ASHER, CHAIRMAN
JAMES H. BANDY
GEORGE J. COTSIROLOS
STUART M. MAMER
WILLIAM P. SUTTER

Chicago
April 15, 1976

ADMINISTRATOR:
CARL H. ROLEWICK

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.

On May 21, 1975, the Court amended Rule 751(e) permitting the Commission to report on a calendar year, as opposed to a fiscal year, basis. This report covers the period from July 1, 1975 through December 31, 1975, the transition period from a fiscal year to a calendar year.

A. REGISTRATION

During calendar year 1975 a total of 28,099 attorneys were registered:

<u>Classification</u>	<u>Number of Attorneys as of</u>	
	<u>6-30-75</u>	<u>12-31-75</u>
Admitted 1 year or less	1,805	2,041
Admitted 1 to 5 years	3,843	3,894
Admitted more than 5 years.	17,628	17,733
Admitted 50 years or more	89	120
On active military duty	135	162
75 years or older	648	912
Neither practices, resides nor is employed in Illinois	2,742	3,202
1975 Registration Fee waived.	25	35
Total	<u>26,915</u>	<u>28,099</u>

B. INCOME AND EXPENDITURES

The income resulting from registrations, penalties for late registration and interest received from the investment of cash reserves for the period from July 1, 1975 through December 31, 1975, is listed below:

1. 1975 Registration Fees including penalties and delinquent fees from prior years*	\$ 9,115.00
2. Interest received in investment of cash reserves	7,992.80
Total	<u>\$17,107.80</u>

Cash disbursements made during the six-month period, July 1, 1975 through December 31, 1975, were as follows:

(1) Salaries of Administrator and Staff	\$145,331.96
(2) Employee Hospitalization and Life Ins.	6,583.01
(3) Office Rent and Utilities	17,757.19
(4) Travel Expenses (Commission, Staff, Inquiry, Hearing and Review Boards)	10,925.83
(5) Telephone	7,006.41
(6) Postage	3,022.85
(7) Office Equipment Rental	7,589.86
(8) Office Supplies and Expenses	6,902.62
(9) Insurance (Fire, Theft and Extended Coverage)	1,041.82
(10) Auditing and other outside professional services	4,212.41
(11) Data Processing	14,346.84
(12) Court Reporting for Disciplinary Proceedings	6,552.20
(13) Depreciation Expenses (office equipment)	2,051.44
Total Operating Expenses	<u>\$233,324.44</u>
Net operating loss for the six-month period July 1, 1975 through December 31, 1975	\$216,216.64

*It should be noted that the 1975 registration forms were mailed to all registered Illinois attorneys on November 1, 1974, and that most of the income resulting from that billing was received in the early part of 1975 and is not reflected in this report. The total registration fees received for calendar year 1975 was \$425,301.00.

C. STAFF DEVELOPMENT

As of December 31, 1975, the full time Staff of the Administrator's office consisted of the Administrator and

1. In Springfield:
 - a. Attorney
 - b. Administrative Assistant
 - c. Secretary
 - d. Receptionist/typist

2. In Chicago:
 - a. Attorneys (three)
 - b. Investigators (three)
 - c. Administrative Assistant
 - d. Clerk
 - e. Secretaries (two)
 - f. Receptionist/typist

Part time employment of clerical help on an ad hoc basis is utilized in both the Springfield and Chicago offices. The seasonal nature of registration and the implementation of new data processing programs necessitates such employment.

D. DISCIPLINARY RULE CHANGES

As a result of recommendations from the Commission, the Court made the following rule changes effective October 1, 1975:

1. The titles of Rules 757 and 758 were amended by substituting the phrase "inactive status" for the word "suspension."

2. Rules 759 and 760(1) were amended by adding a reference to new Rule 770.

3. Rule 761 (Suspension upon Conviction of Certain Crimes) was amended: (a) by substituting the phrase "fraud or moral turpitude" in place of the listing of specific crimes for which a suspension is sought; and (b) by

requiring the Administrator to file a petition for temporary suspension in all cases in which an attorney is convicted of a crime involving fraud or moral turpitude.

4. Rule 767 was amended by specifying that the review procedure for petitions for reinstatement is the same as the review procedure in disciplinary cases.

5. Rule 769 was amended to permit the Clerk of the Supreme Court, upon inquiry, to confirm that a complaint has been filed seeking a temporary suspension of an attorney convicted of a crime.

6. Rule 770 (Voluntary Transfer to Inactive Status) was adopted.

E. THE CASELOAD

COMPLAINTS AGAINST LAWYERS

During the six-month period July 1, 1975 through December 31, 1975 a total of 998 communications alleging attorney misconduct was received by the Administrator's Chicago and Springfield offices.

All of the communications were considered and 216 were found not to allege any activity that could be construed as professional misconduct. Some were fee disputes involving amounts which could not be interpreted as unreasonable or over-reaching and were referred to the fee committees of the Chicago Bar Association or the Illinois State Bar Association. Others arose from a misunderstanding of the attorney's responsibilities or were obviously without merit. In all of these situations, replies were sent to the communicating parties explaining why no action was taken and often suggesting other offices or services available to them.

Seven hundred and eighty-two communications were mailed to the attorneys complained of and they were required to respond. In each case a copy of the response was sent to the complainant. After allowing time for additional correspondence from the complainant, each file was reviewed by the legal staff to determine whether the information developed by this correspondence constituted a basis for further inquiry. Frequently, the Commission's investigators collected additional information to aid in this determination.

After the above determination, 383 matters were submitted to and reviewed by the Chairmen of the Inquiry Boards and dismissed as provided by Commission Rule 1.5.

In addition to the complaints received from individuals, 25 investigations were instituted by the Administrator as a result of information received from other sources, such as the news media or as a result of other investigations in the office.

REFERENCE TO INQUIRY BOARDS

In the six-month period covered by this report, 388 matters were referred to the Inquiry Boards for further investigation and a determination whether the matter should be dismissed or a complaint voted.

Panels of the Inquiry Boards meet approximately once a month to review these files. The members often investigate the complaints personally and also employ the services of the Commission's investigators.

At their meetings, the Panels, particularly in Cook County, may interview the complaining witnesses and the attorney-respondents. Before a complaint is voted each attorney-respondent (pursuant to Commission Rule 2.2) is given the opportunity to appear on his own behalf with his counsel before a Panel or a member of a panel, to discuss the charges which have been made against him.

At the conclusion of its investigation, the Inquiry Panel votes either to dismiss the charge or to authorize the preparation and filing of a complaint for a disciplinary proceeding against the attorney-respondent.

Of the 388 matters referred to the Inquiry Boards, 44 resulted in the voting of complaints against the attorneys involved.

HEARINGS

When a formal complaint is voted by an Inquiry Panel, the case is assigned to a staff attorney to prepare, file and try. This attorney uses the services of staff investigators in collecting evidence and preparing the complaint.

During this period 26 complaints were prepared and filed and 19 cases were tried. In 9 cases, the respondents moved to strike their names from the Roll of Attorneys without trial.

REVIEW BOARD

The Review Board considered 11 cases during the last six months of 1975. The Board recommended disbarment in four cases, one suspension, one transfer to inactive status, one censure, one reinstatement to be allowed and one denied. The Board dismissed two cases.

SUPREME COURT

In this six-month period 24 cases were filed in the Supreme Court and 19 were terminated. The cases terminated resulted in three disbarments, two suspensions, two temporary suspensions, the allowance of nine motions to strike names from the Roll of Attorneys, one reinstatement allowed and one denied.

Our experience in the past three years indicates that during an average 12-month period 2000 communications will be received from the public, the legal profession, and public and private agencies. Of these 2000 communications approximately 22% or 440 will contain statements that cannot be construed as professional misconduct and 78% or 1560 will contain information that requires a written response from the attorney complained of.

Of the 1560 matters which necessitate a written response by the attorney, 760 or 49% will be terminated after the attorney response is sent to the complaining party. The remaining 800 or 51% will be referred to the Inquiry Panels for further investigation.

On the average, the Inquiry Panels, after consideration, will dismiss 710 or 89% of the matters referred to them and vote complaints in the remaining 11% or 90 matters.

The following four statistical charts detail the disciplinary caseload of the Administrator's Office, the Inquiry Boards, the Hearing Boards, the Review Board and the Supreme Court for the period from July 1, 1975 through December 31, 1975.

Respectfully submitted,

Attorney Registration and
Disciplinary Commission

James H. Bandy
George J. Cotsirilos
Stuart M. Mamer
William P. Sutter


Chairman

CHART 1

THE TREND OF INVESTIGATIONS
DURING THE PERIOD JULY 1, 1975 THROUGH DECEMBER 31, 1975

	Pending at Start	New Charges Docketed		Total Added	Files Terminated			Total Terminated During Period	Pending at End
		from Indi- viduals	from Adminis- trator		Dismissed by Inquiry Chairman and Admin- istrator	Dismissed by Panel	Complaint Voted by Inquiry Panel		
Chicago	516	621	9	630	347	276	32	655	491
Springfield	226	161	16	177	36	112	12	160	243
TOTAL	742	782	25	807	383	388	44	815	734

CHART 2

THE TREND OF MATTERS BEFORE THE HEARING BOARDS

DURING THE PERIOD JULY 1, 1975 THROUGH DECEMBER 31, 1975

	Pending at Start	Cases Filed			Total Added
		Disciplinary Complaints Rule 753	Petitions for Temporary Suspension Rules 758, 759	Petitions for Reinstatement Rule 767	
Chicago	18	18	1	4	23
Springfield	7	8	0	1	9
TOTAL	25	26	1	5	32

Cases Terminated							Total Terminated	Pending at End
Report and Recommendation			Dismissed	Reprimand by Hearing Board	Name Stricken on own Motion Prior to or During Hearing			
Disciplinary Cases	Petitions for Temporary Suspension	Petitions for Reinstatement						
11	1	1*	0	0	7	20	21	
3	0	1	2	3	2	11	5	
14	1	2	2	3	9	31	26	

*Petition for Reinstatement withdrawn

CHART 3

TREND OF MATTERS BEFORE THE REVIEW BOARD
DURING THE PERIOD JULY 1, 1975 THROUGH DECEMBER 31, 1975

Pending at Start	New Cases Docketed	Cases Terminated		Total Terminated	Pending at End
		with Recommendations to the Supreme Ct.	without Recommendations to the Supreme Ct.		
7	11	9	2	11	7

Discipline Recommended By Review Board to Supreme Court					
Disbarment	Suspension		Censure	Petitions for Reinstatement	
	for Fixed Period	Until Further Order of the Court		Allowed	Not Allowed
4	0	2*	1	1	1

Reprimand by Review Board	Dismissed by Review Board	Remanded to Hearing Board
0	2	0

*Includes 1 transfer to inactive status - Rule 758

CHART 4

TREND OF DISCIPLINARY MATTERS BEFORE THE SUPREME COURT
DURING THE PERIOD JULY 1, 1975 THROUGH DECEMBER 31, 1975

	Disci- plinary Cases	Petitions								TOTAL
		Temporary Suspension		Inactive Status		Strike Name from Roll		Reinstatement		
Pending at Start	2	0		0		0		3		5
FILED	5	2**		2		9		6		24
TERMINATED	5	Allowed	Not Allowed	Allowed	Not Allowed	Allowed	Not Allowed	Allowed	Not Allowed	19
		1	0	1	1	9	0	1	1*	
Pending at End	2	1		0		0		7		10

Discipline Ordered			
Disbar	Suspend	Censure	Dismiss
3	2	0	0

*Includes 1 case dismissed without prejudice prior to hearing.
**Includes 1 case pursuant to Rule 758 and 1 case pursuant to Rule 761.

Alexander K. Kuhn & Co.

CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS
ILLINOIS CPA SOCIETY
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

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

Gentlemen:

We have examined the financial statements of the Attorney Registration and Disciplinary Commission of the Supreme Court of Illinois for the six months ended December 31, 1975.

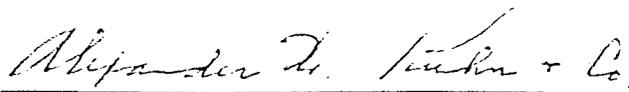
SCOPE OF EXAMINATION

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

ACCOUNTANTS' OPINION

In our opinion, the accompanying financial statements present fairly the financial position of the Attorney Registration and Disciplinary Commission of the Supreme Court of Illinois at December 31, 1975, and the results of its operations and the changes in its financial position for six months then ended, in conformity with generally accepted accounting principle applied on a basis consistent with that of the preceding period.

Respectfully submitted,


Certified Public Accountants

Dated: March 18, 1976
Hillside, Illinois

ATTORNEY REGISTRATION AND DISCIPLINARY COMMISSION
OF THE
SUPREME COURT OF ILLINOIS

INCOME STATEMENT

Six months ended December 31, 1975

INCOME

Attorney Registration Fees & Charges Collected	9,115.00	
Interest Received on Investments	<u>7,992.80</u>	17,107.80

OPERATING EXPENSES

Salaries	145,331.96	
Employee Benefits	6,583.01	
Office Rentals & Utilities	17,757.19	
Travel Expenses	10,925.83	
Telephone & Postage	10,029.26	
Office Equipment Rental, Supplies & Expense	14,492.48	
Insurance	1,041.82	
Outside Professional, Data Processing Services, and Court Reporting Services	25,111.45	
Depreciation Expense	<u>2,051.44</u>	<u>233,324.44</u>

NET LOSS for the Six months ended December 31, 1975

216,216.64

STATEMENT OF CHANGES IN FINANCIAL POSITION

Six months ended December 31, 1975

USE OF WORKING CAPITAL

Net Loss	216,216.64	
Fixed Assets Purchased	<u>4,222.89</u>	220,439.53

SOURCES OF WORKING CAPITAL

Item Included Above Not Involving Expenditure of Cash:		
Depreciation of Fixed Assets		<u>2,051.44</u>

DECREASE IN WORKING CAPITAL

218,388.09

ATTORNEY REGISTRATION AND DISCIPLINARY COMMISSION
OF THE
SUPREME COURT OF ILLINOIS

BALANCE SHEET

December 31, 1975

ASSETS

CURRENT ASSETS

Cash In Bank & On Hand	117,994.00	
Investments (At Cost)	432,046.46	
Prepaid Expenses	<u>1,097.15</u>	551,137.61

FIXED ASSETS

Office Furniture, Equipment & Library	38,873.17	
Less: Accumulated Depreciation	<u>8,062.00</u>	<u>30,811.17</u>

Total Assets

581,948.78

LIABILITIES AND FUND BALANCES

CURRENT LIABILITIES

Accounts Payable		17,799.29
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DEFERRED INCOME

347,149.00

FUND BALANCES

Unrestricted Funds	142,748.54	
Fixed Asset Fund	8,062.00	
Appropriated for Contingencies	<u>66,189.95</u>	<u>217,000.49</u>

Total Liabilities & Fund Balances

581,948.78

ATTORNEY REGISTRATION AND DISCIPLINARY COMMISSION
OF THE
SUPREME COURT OF ILLINOIS

GENERAL NOTES

December 31, 1975

A) ACCOUNTING POLICIES

An amendment of the Supreme Court Rule 751(e) on May 21, 1975, and a Subsequent Resolution by the Commissioners, changed the fiscal year from June 30th to a calendar year ending December 31st. This report reflects that change and covers the period from June 30, 1975 to December 31, 1975.

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

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

B) ACCOUNTS RECEIVABLE

At December 31, 1975 registrations mailed to attorneys which had failed to return such registrations numbered 4,708 with \$68,820.00 due in amount. These are not carried as receivables since it cannot be determined that the amount is properly owed. The Commission has mailed followup registrations for amount due. This mailing was conducted under our supervision.

C) INVESTMENTS

All investments are handled by the Trust Department of the Illinois National Bank of Springfield and all investments are held in safe keeping at that bank.

D) COLLECTION OF FEES

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

E) APPROPRIATION FOR CONTINGENCIES

On January 29, 1976, the Internal Revenue Service rendered a letter of determination that the Commission is a Tax Exempt Organization fully acceptable under the Federal Insurance Contribution Act (Social Security Taxes) and Federal and State Unemployment Tax Acts. Returns are being prepared for filing at this time and the estimated liabilities are as follows:

Social Security Taxes	\$58,700.57
Federal Unemployment Taxes	1,214.39
State Unemployment Taxes	6,274.99
	<u>\$66,189.95</u>

The above figure does not include any interest which will be due on these amounts.

F) LEASE COMMITMENTS

The Commission has the following major lease commitments existing at December 31, 1975:

1. Chicago Office - 9/1/75 through 8/31/80
Present Value of Lease Commitment \$131,780.00.
2. Springfield - 10/1/74 to 1/31/80
Present Value of Lease Commitment \$37,099.37

G) SUBSEQUENT EVENTS

On January 29, 1976 the Internal Revenue Service, from Washington, D.C., officially recognized the Commission as a Tax Exempt Organization Under Section 501(c)(6) of the Internal Revenue Code. Under the Letter of Determination the Commission is Exempt from Federal Income Tax, but liable for Social Security and Unemployment Taxes. The Commission will, however, be required to annually file Form 990 (A Solely Informational Return) with the Internal Revenue Service.