

2022 Annual Report

of the Attorney Registration and Disciplinary
Commission of Illinois



ARDC
ATTORNEY REGISTRATION &
DISCIPLINARY COMMISSION

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ARDC 50th Anniversary Timeline: The History of the ARDC (1973-2023)

2022 ARDC Board Member Roster

ARDC Commission Staff



ATTORNEY REGISTRATION AND DISCIPLINARY COMMISSION
of the
SUPREME COURT OF ILLINOIS

One Prudential Plaza
130 East Randolph Drive, Suite 1500
Chicago, Illinois 60601-6219
(312) 565-2600 (800) 826-8625
Fax (312) 565-2320

3161 West White Oaks Drive, Suite 301
Springfield, Illinois 62704
(217) 546-3523 (800) 252-8048
Fax (217) 546-3785

Chicago
April 28, 2022

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

The annual report of the Attorney Registration and Disciplinary Commission for 2022 is submitted to the Court, to the members of the Bar of Illinois, and to the public in accordance with Supreme Court Rule 751.

The report is a statement of activities of the Commission for calendar year 2022 and an accounting and audit of the monies received and expended during the twelve-month period that ended December 31, 2022.

Respectfully submitted,

Timothy L. Bertschy, Chairperson
John H. Simpson, Vice Chairperson
Lashana T. Jackson
Kate L. McCracken
Cedric D. Thurman
J. Nelson Wood, Commissioners

Jerome Larkin, Administrator
Scott Renfroe, Deputy Administrator, Appeals
Peter L. Rotskoff, Deputy Administrator, Litigation
Althea K. Welsh, Deputy Administrator, Intake & Administration

As an administrative agency of the Supreme Court of Illinois, the ARDC assists the Court in regulating the legal profession through attorney registration, education, investigation, prosecution and remedial action.

Through our annual registration process, we compile a list of lawyers authorized to practice law. We provide ready access to that list so that the public, the profession and courts may access lawyers' credentials and contact information.

We educate lawyers through seminars and publications to help them serve their clients effectively and professionally within the bounds of the rules of conduct adopted by the Court. We provide guidance to lawyers and to the public on ethics issues through our confidential Ethics Inquiry telephone service.

The ARDC handles discipline matters fairly and promptly, balancing the rights of the lawyers involved and the protection of the public, the courts and the legal profession. Grievances are investigated confidentially. Disciplinary prosecutions are adjudicated publicly and result in recommendations to the Court for disposition. Our boards consist of independent, diverse groups of volunteer lawyers and non-lawyers who make recommendations in disciplinary matters.

We advocate for restitution and other remedial action in disciplinary matters. We seek to provide reimbursements through our Client Protection Program to those whose funds have been taken dishonestly by Illinois lawyers who have been disciplined.



ARDC Annual Report of 2022 and Highlights written and compiled by Mary F. Andreoni, Ethics Education Senior Counsel, ARDC.



A Report of the Activities of the ARDC in 2022
Initiatives, Statistical Summaries and
Trends Impacting the Regulation of Lawyers in Illinois

ARDC Marks 50th Anniversary

On February 1, 1973, the Illinois Supreme Court, upon petition of the Chicago and Illinois State Bar Associations, created the ARDC. Before then, the Chicago Bar and the Illinois State Bar Associations had assisted the Court in the registration and discipline of Illinois lawyers, but the Court concluded that those duties required significantly more resources and improved procedures. Known initially as the Attorney Registration Commission, the ARDC was charged with the administrative responsibility for the registration and discipline of Illinois lawyers. The Court appointed the five founding Commissioners - Justin A. Stanley (Chair), Lester Asher, James H. Bandy, George J. Cotsirilos John F. Grady. Carl H. Rolewick was appointed founding Administrator, effective March 1, 1973.

Over the course of 50 years, the Illinois legal profession has grown from approximately 26,500 lawyers in 1973 to over 95,000 at the end of 2022. Over 225,000 grievances have been investigated by the ARDC and more than 4,800 disciplinary sanctions have been imposed by the Illinois Supreme Court. The ARDC has evolved over time beyond its initial mission to provide remedial and educational services and other resources to assist lawyers in meeting the constantly-changing challenges that impact the practice of law.

From its beginning through the present, the ARDC has been viewed as a leading U.S. lawyer regulatory agency. Through attorney registration, education, investigation, prosecution and remedial action, the ARDC is always seeking to find new ways to assist the Court in protecting the profession and the public. ARDC's initiatives have shaped the legal profession in Illinois and will continue to impact the profession into the 21st century. See ARDC 50th Year Anniversary Timeline, Appendix.

The Commission recognizes the countless contributions of those who helped to establish the ARDC and the hundreds of volunteer board members and staff who served and continue to serve to make the ARDC as it is today.

Retirement of Jerome (Jerry) Larkin as Administrator



Jerome (Jerry) Larkin, who has served as Administrator of the ARDC since 2007, announced that he will conclude his service at the end of 2023. Jerry joined the ARDC as staff counsel after he received his *juris doctor* degree from Loyola University School of Law and was licensed to practice law in 1978. As staff counsel, he investigated, litigated and appealed countless attorney disciplinary cases. He later served as Senior Counsel, Chief Counsel, Assistant Administrator, and then Deputy Administrator from 1988 until his appointment as Administrator in 2007. Jerry is the fourth Administrator of the ARDC. He follows the late Carl H. Rolewick (1973-1988), John C. O'Malley (1988-1991) and Mary Robinson (1992-2007). Jerry served as an agency-wide leader for each of his predecessors and served as Acting Administrator from November 1, 1991 to March 15, 1992.

Jerry is a past President of the National Organization of Bar Counsel (NOBC), the bar association of lawyer regulators, and was awarded the NOBC President's Award for lifetime achievement in the field of lawyer regulation. In 2003, he received the ARDC's 25-year leadership and service award. He was also a recipient of the ABA CoLAP Meritorious Service Award in 2009 and, most recently, in 2022 he received from the Lawyers' Assistance Program of Illinois its Michael J. Howlett, Jr. Award in recognition of his promotion of LAP within the Illinois legal community. Jerry is an *ex officio* member of the Illinois Supreme Court Commission on Professionalism and the Minimum Continuing Legal Education Board.

Throughout the 16 years of Jerry's tenure as Administrator, he has collaborated with internal and external stakeholders in seeking improvements that enhance the integrity of the disciplinary process and contribute to its fairness. The ARDC is recognized as one of the most effective lawyer regulatory agencies in the country. His leadership has helped to steer the ARDC through the changing needs of the legal profession and public particularly in the wake of the pandemic. Among some of the ARDC's many accomplishments during Jerry's service as Administrator are:

- **Increasing** focus on the development of quality education and meaningful outreach programs for the profession and public on the ethical duties of lawyers, including overseeing the launch of a revised ARDC website improving on-line registration as well as providing more e-learning CLE offerings to the profession;
- **Implementing** a proactive, first-in-the-nation, law office management self-assessment program for practicing lawyers who do not carry malpractice insurance, known as Proactive Management-Based Regulation (PMBR) course;

- **Developing** the use of more remedial programs that address lawyer misconduct at an earlier stage of intervention and minimize harm to the public and the legal system, including the use of diversion, intermediaries, Commission Rule 108 deferrals and LAP referrals, while also seeking interim suspension more regularly in cases involving public protection concerns;
- **Hosting** the International Conference of Legal Regulators (ICLR), virtually in 2020 and 2021, and in-person in Chicago in 2022, bringing together legal regulators from all over the world to share ideas and find solutions;
- **Increasing** the focus on the Commission's commitment to diversity, equity and inclusion in the disciplinary process and the legal system including issuing the Commission's Statement on Racism, diverse and inclusive recruitment of both staff and membership on ARDC Boards, and appointment of the Commission's first Diversity, Inclusion and Equity director;
- **Commissioning** a study and report looking at regulatory reforms that address the nationwide access to justice challenge including the ARDC Intermediary Connecting Services Initiative;
- **Increasing** efforts to further the Commission's well-being initiatives, including working to adopt and prioritize strategies to improve the mental health and well-being of the legal profession as well as the entire ARDC staff;
- **Managing** a multi-year reorganization initiative in response to ongoing caseload decreases, the anticipated retirement of senior staff lawyers, and the need to reassign existing legal staff in order to implement new strategies and efficiencies particularly as they relate to proactive and education efforts;
- **Directing** office upgrades including transition to a Cloud-based system which moved the office to become paperless as well as allowing the ARDC to seamlessly pivot during the pandemic to remote proceedings and receiving grievances;
- **Forming** a practices committee to review ARDC practices and rules in order to allow for the quicker resolution of investigations and recommend improvements to inform the fairness and pace of caseload handling; and
- **Overseeing** the renovation and modernization of the ARDC Chicago office to ensure optimal space utilization and a workplace that increases productivity and provides a good hybrid workspace environment that best serves the public and profession.

The Commission has hired the global executive consulting firm of Korn Ferry to assist in the search for the next Administrator. More detailed information about the position, its

responsibilities and how to apply for the position can be found on the ARDC website at <https://iarcd.org/files/ardcadministratorpositiondescription.pdf>.

Commission Board Changes

Hon. David K. Overstreet Named as Illinois Supreme Court's Liaison to the ARDC

Justice David K. Overstreet became the Supreme Court's liaison officer to the ARDC in March 2023, after the retirements of Justice Rita B. Garman, who was ARDC liaison from 2021 until July 7, 2022, and Justice Anne M. Burke, who was ARDC liaison from July 2022 until November 30, 2022. As the Court's liaison, he will continue to provide support and guidance to the ARDC. Justice Overstreet was elected to the Illinois Supreme Court from the Fifth Judicial District in 2020 and also currently serves on the Illinois Judicial Conference, as the vice-chair of the Public Relations Task Force of the Illinois Judicial Conference and is the Supreme Court Liaison to the Supreme Court Commission on Access to Justice, Supreme Court Committee on Character and Fitness, and the Supreme Court E-Business Policy Advisory Board.

Drinda L. OConnor Resigns as Commissioner

Drinda L. OConnor, who was appointed by the Illinois Supreme Court to serve as a public member Commissioner, beginning on January 1, 2021 for a term expiring on December 31, 2023, resigned her position on June 22, 2022. She had served on the Commission's Special Counsel Committee, which is charged with reviewing reports from Special Counsel, and prior to her appointment as Commissioner served on the ARDC Hearing Board (2016-2020). Ms. OConnor, who is retired, had worked at a number of state governmental agencies including as the Deputy Chief of Operations for the Illinois Department of Human Services (DHS).

ARDC Organization Initiative

ARDC Chicago Office Lease Modification and Renovation

The ARDC's disciplinary caseload decreased steadily between 2013 and 2019. In 2020, the onset of the COVID-19 pandemic saw a further sharp decline. Although the caseload showed signs of rebounding in 2022, the years between 2013 and 2021 saw a 28% reduction in new grievances filed with the ARDC. Over those years, the agency also reduced its legal staff by over 30%, from 52 lawyers in 2013 to 33 lawyers in 2022.

In 2019, in response to the decreasing caseload and staffing needs, the ARDC began exploring the possibility of reducing the size and associated cost of its Chicago office. Coincidentally, the COVID-19 pandemic hit in early 2020, causing the ARDC to pivot to a largely remote work

environment. IT enhancements made to facilitate remote work added efficiency to the review and processing of grievances. Further efficiencies were gained with the advent of remote hearings in disciplinary cases and the agency's increased reliance on technology to deliver educational programs online. In this time of rapid workplace changes, the ARDC recognized an opportunity to significantly reduce its footprint while shifting to a hybrid work model blending onsite and remote work, thereby cutting expenses and meeting the evolving needs of its workforce and the labor force more generally.

In 2020, the ARDC began negotiating with its Chicago landlord to modify its existing lease at One Prudential Plaza. The eventual outcome was a 40% size reduction effective August 1, 2022, and a decrease of \$3.5 million in cumulative rental expenses over the five years that remained on the existing lease. The lease was also extended by three years to 2030. The renegotiation further provided a tenant improvement allowance of over one million dollars to partially fund a renovation project that would enhance security, modernize the office space with the addition of open and collaborative work areas, and upgrade the agency's technological systems to better support in-person and remote work, proceedings, and programs.

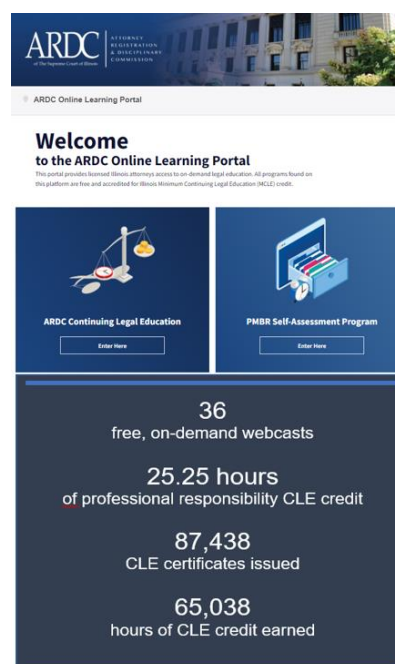
Approximately 50% of the renovation project was reserved for qualified minority- and women-owned contractors, subcontractors, and suppliers. The Chicago office renovation was completed in early 2023. The ARDC expects the modernized space and technological upgrades to support employee engagement and performance in the hybrid work environment, help with the attraction and retention of talent, and enhance the agency's overall effectiveness.

Education Initiative

Providing quality education and meaningful outreach programs for the profession and public on the ethical duties of lawyers is a significant part of the ARDC's mission. The ARDC Education Group is responsible for producing instructional e-learning webcasts through the ARDC Online Learning Portal, the ARDC Annual Report, hundreds of hours of in-person and virtual CLE presentations, the Ethics Inquiry Program and various publications and training courses.

E-Learning MCLE Accredited Seminars

The ARDC is a leading CLE provider in Illinois, producing recorded MCLE-accredited webcasts to meet the growing demand for easily accessible online programming and resources. ARDC webcasts are free of charge, and available 24/7 on the ARDC website. In 2022, there were 36 on-demand,



The screenshot shows the ARDC Online Learning Portal website. At the top, it says "ARDC" and "ILLINOIS JUDICIAL BRANCH AGENCY OF DISCIPLINARY AND ETHICS". Below that is a "Welcome to the ARDC Online Learning Portal" message. There are two buttons: "ARDC Continuing Legal Education" and "PMBR Self-Assessment Program". At the bottom, a dark blue box contains the following statistics for 2022:

| |
|---|
| 36 |
| free, on-demand webcasts |
| 25.25 hours |
| of professional responsibility CLE credit |
| 87,438 |
| CLE certificates issued |
| 65,038 |
| hours of CLE credit earned |

recorded webcasts available on the ARDC website, providing 25.25 hours of professional responsibility CLE credit. 87,438 certificates of CLE completion were issued in 2022, totaling 65,038 hours of professional responsibility CLE credit earned.

One of the ARDC webcast offerings is the Proactive Management-Based Regulation (PMBR) program, a four-hour interactive, law office management self-assessment course. Since 2018, lawyers in private practice without malpractice insurance are required to complete the course every two years. See IL Supreme Court Rule 756(e)(2). Approximately 12% of lawyers fall into this category. See Chart 9B Malpractice Disclosure Reports: Active Status Lawyers, Currently Practicing Law and in Private Practice, Appendix.

The third iteration of the PMBR course was published in May 2022. The 2022-2023 version consists of six components covering the topics of the duty to report misconduct, conflicts of interest arising from a lawyer's own interests, advertising and technology, stress management, securing documents from alteration, and virtual practice. 6,503 lawyers were required to take the PMBR course to be registered for 2023. As of April 2023, 4,752 lawyers (73.1%) completed the course; 603 lawyers (9.3%) obtained malpractice insurance; 704 lawyers (10.8%) were exempt from PMBR because of a change from Active status to either Retired or Inactive status; and 442 lawyers (6.8%) have yet to complete the course. From its launch in 2018 through 2022, 15,119 attorneys required to take the PMBR course have completed the course. Additionally, the course or any of its components is open to all lawyers. In 2022, over 36,000 CLE certificates of completion were issued from the aggregate of all six components of the 2022-2023 PMBR course.

All ARDC CLE on-demand recorded webcasts, including the PMBR course, can be accessed from the ARDC website from the [ARDC Online Learning Portal](#).

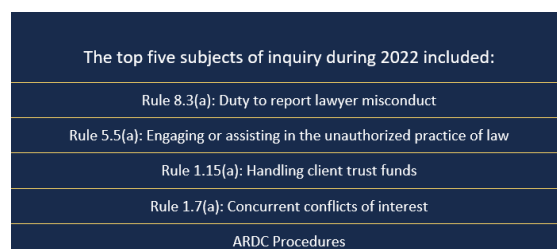
Speaking Engagements

An important part of the ARDC's outreach efforts and as a service to the Illinois bar, the ARDC offers experienced presenters to speak to lawyer and citizen groups at no charge. Each year ARDC Commissioners and staff members present to bar associations, government agencies, law-related organizations, schools and civic organizations throughout the state and country on a variety of subjects related to lawyer regulation. ARDC staff lawyers gave 113 speeches, most of which were done virtually, in 2022.



Ethics Inquiry Program

The ARDC Ethics Inquiry Program assists attorneys and the public with general questions about a lawyer's professional responsibilities.



Since the Program began in October 1995, the Program has received over 77,000 inquiries from lawyers seeking guidance in resolving important issues in their practice. In 2022, staff lawyers responded to at least 2,540 calls from lawyers, providing research assistance and guidance regarding ethics issues and the Illinois Rules of Professional Conduct, free of charge. The perennially top area of inquiry is a lawyer's mandatory duty to report lawyer or judicial misconduct under Rule 8.3 of the Illinois Rules of Professional Conduct. See Chart 26 Attorney Reports (2008-2022), Appendix, which shows the trend of lawyer reports for the past fifteen years from 2008 through 2022.

Lawyers with inquiries are requested to present their questions in the form of a hypothetical. Callers may remain anonymous if they so choose. An inquiry can be made by calling the Commission offices in Chicago (312-565-2600) or Springfield (217-546-3523). Additional information about the Program can be obtained on the ARDC website at [Ethics Inquiry Program](#).

Publications

ARDC lawyers frequently write alerts, e-blasts, newsletters and articles on a wide range of legal ethics topics and emerging trends for publication, including authoring a series of articles that appear in the Illinois Supreme Court's monthly newsletter, [Illinois Courts Connect](#). These publications and resources can be explored on the ARDC website at www.iardc.org. The ARDC website also provides links to the rules governing Illinois lawyers as well as periodic announcements on the latest developments concerning lawyer regulation.

ARDC Website



The ARDC website (www.iardc.org) serves as an important source of information to the public and the legal profession about all aspects of the regulation of the legal profession in Illinois. A vital tool in the ARDC's education and outreach efforts, there are

over 1.4 million visits every year. Most users utilize the Lawyer Search function, which provides ready access to the public, the profession, and the judiciary to lawyers' credentials and contact information. The ARDC website also handles all registration matters for over 95,000 lawyers each year and is a portal for connecting the legal profession to important updates impacting Illinois lawyers, educational resources to assist lawyers in their practice, and CLE programming.

Hosting International Conference of Legal Regulators (ICLR)

The ARDC hosted for the third time the ICLR 2022 Conference in Chicago between October 26 and 28. The ICLR (www.iclr.net) provides a unique opportunity to bring legal regulators from around the globe together to share knowledge and best practices and find solutions to common challenges. Held in-person as well as virtually, Chief Justice Mary Jane Theis welcomed over 100 conference attendees. Session topics covered admission and qualification processes, the

scope of legal regulation, cybersecurity, anti-money laundering regulation, alternative licensure options, and the role of data in legal regulation. The next conference will be held in Dublin, Ireland.

Lawyer Well-Being Initiative

ARDC is committed to promoting well-being both within the legal profession as well as in the workplace. The challenges presented by the pandemic have served to increase focus on adopting and prioritizing strategies to improve the mental health and well-being of lawyers. Those efforts include presenting educational seminars on stress management, self-care, mindfulness and healthy lifestyles. There are currently four CLE-accredited webcasts on the ARDC website on the topic of well-being. Also, remedial efforts undertaken by the ARDC Probation and Lawyer Deferral Services Department and ARDC staff counsel assist lawyers that are the subject of a disciplinary investigation or prosecution to address the cause of misconduct and prevent future harm. See Probation, Referral and Diversion, at Page 29. Within the ARDC, the ARDC established a staff well-being committee as part of the ARDC's commitment to the ABA Well-Being Pledge¹ to provide staff with resources on wellness issues.

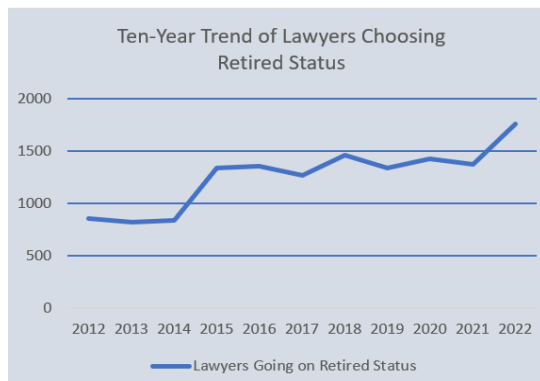
¹ The ABA Well-Being Pledge is part of the [ABA Well-Being Campaign](#) to improve the substance use and mental health landscape of the legal profession, with an emphasis on helping legal employers support healthy work environments. The ARDC is one of 206 legal employers that took the Pledge.

Master Roll Demographics

Attorney Population in 2022

The 2022 Master Roll of Attorneys for the state of Illinois totaled 95,711 lawyers at the end of the 2022 registration year, comprised mostly of Active and Inactive status lawyers, a gain of 231 more lawyers or a 0.2% increase over 2021. The total number of Illinois registered lawyers has seen little increase in the last few years. Since 2015, there has been a less than a 1% net annual rate of growth of the Illinois legal population. This is consistent with the slowing in the growth of the legal profession nationwide as reported by the ABA National Lawyer Population Survey 2022. According to the report, there were approximately 1.33 million lawyers in the U.S. in 2022, virtually unchanged from the previous years, and not much above the 2015 figure of 1.3 million.² Illinois' average annual growth rate between 2000 and 2015 was 1.6% as compared to 0.3% between 2016 and 2022. See 2015 ARDC Annual Report,³ Chart 25 Registration Growth and Disciplinary Investigations (2000-2015) and Chart 25A, Appendix for years 2007 to 2022.

| Year | Lawyer Population | % Change Over Prior Year |
|------|-------------------|--------------------------|
| 2018 | 94,608 | -0.2% |
| 2019 | 94,662 | 0.6% |
| 2020 | 94,907 | 0.3% |
| 2021 | 95,480 | 0.6% |
| 2022 | 95,711 | 0.1% |



One contributing factor to the static net growth in Illinois is the number of lawyers electing to go on Retired status each year. There has been a steady increase since 2015 in the number of lawyers electing Retired status. Although the overall number of lawyers removed from the Master Roll declined in 2022, the number of lawyers moving to Retired status increased significantly in 2022. 1,753 lawyers moved to Retired status in 2022, an increase of 28% as compared to 1,369 lawyers in 2021. Nearly 75%

of these lawyers were over the age of 60 and 55% were on Active status at the time they voluntarily moved to Retired status. There was also an appreciable increase in the number of lawyers removed for non-compliance with the MCLE Basic Skills requirement from 27 in 2021 to 51 in 2022. See Chart 4 Attorney Removals from the Master Roll: 2012-2022 Registration Years, Appendix.

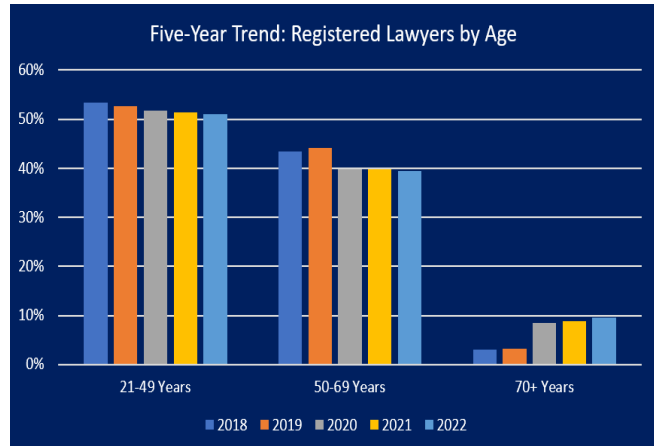
² See [ABA National Lawyer Population Survey 2022](#), at p. 22-24.

³ All ARDC Annual Reports (1973-2022) can be found on ARDC website at <https://www.iardc.org/About/AnnualReports>

Age, Gender and Years in Practice

Registered Lawyers By Age and Years in Practice

In 2022, over 49% of lawyers are over the age of 50, a 3% increase since 2018. The number of lawyers over the age of 70 has more than tripled from 3.1% of the profession in 2018 to 9.6% in 2022. See Chart 1A Gender, Age and Years in Practice (2018-2022), Appendix. According to the 2022 ABA Profile of the Legal Profession,⁴ lawyers are on average older than the general working population: 13% of all lawyers are 65 or older as compared to only 7% of all U.S. workers 65 or older.



Also, the percentage of lawyers less than five years in practice declined since 2012, from 14% of the profession in 2012, to slightly less than 10% in 2022, while lawyers more than 30 years in practice increased by more than 5% in the same ten-year period.

Registered Lawyers by Years in Practice: 2012, 2018 and 2022

| | <5 Years | 5-10 Years | 11-20 Years | 21-30 Years | 30+ Years |
|-------------|----------|------------|-------------|-------------|-----------|
| 2012 | 14% | 16% | 25% | 23% | 22% |
| 2018 | 11.0% | 14.9% | 26.0% | 21.4% | 26.7% |
| 2022 | 9.8% | 15.8% | 26.6% | 20.7% | 27.1% |

Registered Lawyers By Gender

The number of female lawyers has continued to gradually increase to now comprising 40.0% of Illinois lawyers in 2022. This represents the highest percentage of female lawyers in the profession since this statistic was first reported in 1992, when women constituted 23% of the legal profession in Illinois. See Chart 1A Gender, Age and Years in Practice (2018-2022), Appendix. Illinois is also above the national average of 38% female lawyers in the United States.⁵

For lawyers less than ten years in practice, female lawyers constitute 47.5% of the profession; however, that percentage decreases after 20 years in practice. The percentage of female lawyers between 20 and 30 years in practice drops to 41.9% of that practice range. The gap between the number of female and male lawyers after 30 years in practice significantly

⁴ [ABA Profile of the Legal Profession 2022](#), at p. 31.

⁵ *Id.* at p. 25.

increases where only 25.8% of lawyers are female. See Chart 1B Comparison of Female and Male Lawyers By Years in Practice (2021-2022), Appendix, for more detailed years-in-practice intervals. One possible factor is that a larger number of female lawyers are in a government setting (49%) as opposed to private practice (30%). See 2020 ARDC Annual Report at page 14.⁶

| YEARS IN PRACTICE | FEMALE | MALE | TOTAL | %MORE MALE THAN FEMALE |
|-------------------------|-----------------|-----------------|--------|------------------------|
| Between 0 and 10 years | 11,302 47.5% | 12,479 52.5% | 23,781 | 5.0% |
| Between 10 and 20 years | 11,717 47.0% | 13,231 53.0% | 24,948 | 6.0% |
| Between 20 and 30 years | 8,150 41.9% | 11,286 58.1% | 19,436 | 16.3% |
| 30+ years | 6,542 25.8% | 18,802 74.2% | 25,344 | 48.4% |

Principal Business Location

All Active and Inactive Registered Lawyers

Of the 95,711 lawyers registered in 2022, 65,839 or 68.8% of Active and Inactive attorneys reported a principal business address in Illinois, a slight decrease of 0.9% over 2021. Lawyers practicing principally in Illinois have made up less than 70% of the Illinois legal population since 2013. See Chart 1C Principal Business Location: In-State vs. Out-of-State Lawyers 2000-2022, Appendix.

29,872 or 31.2% of registered attorneys reported a principal business address outside Illinois in 2022. The top five jurisdictions for out-of-state lawyers are: Missouri; California; District of Columbia; Texas; and Florida. See Chart 1C, Appendix.

Some of the decline of Illinois-centric lawyers over the past ten years can be attributed to the national trend toward a relaxation of the rules allowing for reciprocal admission to another state. 21,047 or 70% of out-of-state lawyers reported holding a license in another jurisdiction in addition to their Illinois license.

8,825 or 30% of the 29,872 lawyers with a principal business location outside Illinois did not report a license in another jurisdiction and presumably hold only an Illinois license, a 1% increase over the prior year. These 8,825 lawyers are located principally in California, District of Columbia, Texas, Florida and New York.

⁶ See fn. 3.

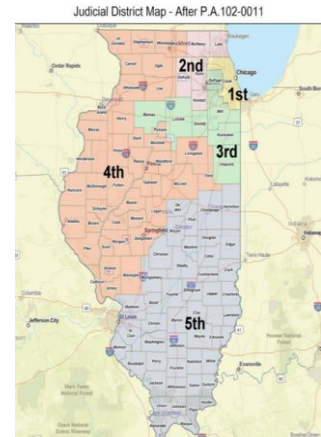
Active and Inactive Registered Lawyers Located in Illinois: By County⁷

Of the 65,839 Active and Inactive lawyers in 2022 located in Illinois, 87.0% or 57,262 lawyers in Illinois practice within the six most populous counties in the state, commonly referred to as metropolitan Chicago (Cook, DuPage, Kane, Lake, McHenry and Will). 71.1% or 46,812 lawyers in Illinois are found in Cook County.

13.0% or 8,577 lawyers in Illinois are located in the remaining 96 counties of the state, a 0.2% decrease over 2021.

58 of the 102 counties in Illinois decreased slightly over the prior year. The lawyer population decreased in all of the metropolitan Chicago counties with the exception of Will County. 28 counties experienced a modest increase, including Will County which increased by 1.4% over the prior year. The lawyer population remained the same in 16 counties See Chart 3, Registered Active and Inactive Attorneys By County (2021-2022), Appendix.

Each of the five judicial districts experienced a decrease in lawyer population over 2021: First District (Cook County) (0.8%); Second District (3.2%); Third District (1.4%); Fourth District (3.1%); and Fifth District (1.6%). See Chart 2, Active and Inactive Lawyers By Judicial District and Circuit (2018-2022).



Practice Demographics

Beginning with the 2016 registration year, lawyers on Active status and engaged in the practice of law must report *pro bono*, trust account, malpractice insurance information, and other practice-related information during the annual registration process as required by Supreme Court Rule 756(c) through (g). Except for a lawyer's contact information and whether a lawyer maintains malpractice insurance, the data collected is confidential and is reported in the aggregate and does not appear in a lawyer's listing on the Master Roll.

⁷ See New Judicial District Map, effective January 1, 2022, Chart 2B, Appendix.

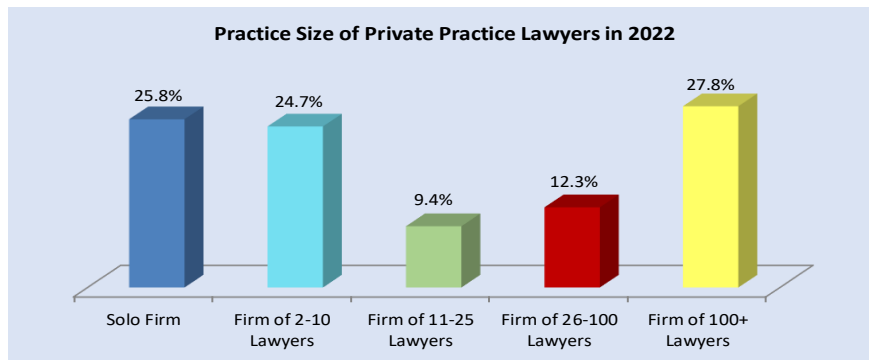
Practice Setting: Active Status

There were 83,425 lawyers or 87% of all registered lawyers with an Active status license in 2022. 73,861 or 88.5% reported that they are currently practicing law.⁸ 49,108 or 66.5% are in a private practice setting, up slightly over 2021 but reflecting a 2% overall decrease since 2018. See Chart 6A 2018-2022 Practice Setting: Active Status and Currently Practicing, Appendix.

| Practice Setting | 2018 | 2019 | 2020 | 2021 | 2022 |
|---------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Private Practice | 68.5% 49,970 | 67.8% 49,996 | 66.7% 48,798 | 66.1% 48,650 | 66.5% 49,108 |
| Corporate In-House | 14.3% 10,423 | 14.8% 10,901 | 15.4% 11,231 | 15.5% 11,379 | 15.5% 11,464 |
| Government/Judicial | 11.4% 8,321 | 11.6% 8,607 | 12.1% 8,874 | 12.4% 9,164 | 11.9% 8,802 |
| Other | 3.1% 2,233 | 3.0% 2,220 | 3.0% 2,177 | 3.1% 2,271 | 3.1% 2,317 |
| Not-for-Profit | 2.1% 1,544 | 2.2% 1,607 | 2.2% 1,628 | 2.3% 1,728 | 2.4% 1,737 |
| Academia | 0.6% 461 | 0.6% 456 | 0.6% 448 | 0.6% 434 | 0.6% 433 |

Practice Size: Private Practice

Of the 49,108 lawyers in private practice, the number of lawyers at law firms of ten lawyers or less dropped 2.1% from 52.6% in 2021 to 50.5% in 2022. The number of solo practitioners declined from 27.2% to 25.8% and lawyers at firms of 2 to ten lawyers decreased from 25.4% to 24.7% over the prior year. Conversely, lawyers at firms of 26 or more lawyers rose 2.1% in 2022. Law firms of 26 to 100 lawyers increased from 11.7% to 12.3% in 2022 and firms of 100+ lawyers rose from 26.3% to 27.8% of private practice lawyers, making 100+ lawyer firms the largest private practice size setting. The smallest private practice setting is law firms of 11 to 25 lawyers, which stayed the same in 2022 at 9.4%. See Chart 6B 2018-2022 Practice Size: Active Status, Currently Practicing, and in Private Practice, Appendix.



More than 30% of all lawyers in private practice are over the age of 60 and lawyers over the age of 70 account for 12% of all private practice lawyers. Nearly 55% of all solos in private practice are over the age of 60. Those over the age of 70 account for 26% of solos, more than double what they represent in the private practice lawyer population. See 2022 Practice Setting Demographics By Age: Charts 6A-1 and 6B-1, Appendix.

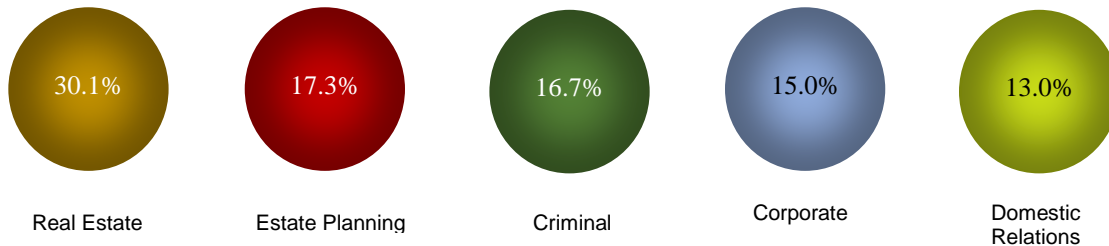
⁸ Not included in the practice setting demographics are the 9,564 lawyers, or 11.5% of all Active status lawyers, who reported that they are not currently engaged in the practice of law and are not required under Ill. S.Ct.R. 756(g)(4) to provide practice setting information. This represents a 3.2% increase over 2021 in the number of Active status lawyers that report that they are not currently practicing law. 70% are under the age of 60 of which 56% are female and 44% are male.

Succession Planning

Active status lawyers engaged in the practice of law must disclose whether the entity at which they practice law has established a written succession plan. See IL Supreme Court Rule 756(g). A succession plan is a plan for how the law firm will function in the event of the lawyer's death, disability or other inability to continue a law practice. At a minimum, such a plan should identify another person, preferably a lawyer, who agrees to assume responsibilities for notifying clients and disposing of client-related materials and other property. This is particularly critical for lawyers in a solo practice who work alone.

Of the 12,692 Active status lawyers that identify as solo practitioners engaged in the private practice of law, only 21.9% reported that they have a written succession plan, a slight 0.9% over the prior year. 72.3% reported that they do not have a written succession plan and 5.8% indicated that they are not sure of whether they have a plan in place. See Chart 7A 2018-2022 Succession Planning: Active Status, Currently Practicing, and in Private Practice, Appendix.

The top five practice areas identified by solo practitioners who responded "No" to the succession planning question are real estate, estate planning, criminal, corporate and domestic relations.



3,889 or 30.6% of all solo practitioners reported that they have no succession plan and no malpractice insurance of which 2,395 or 61.6% are 60 or more years old. See Chart 7B, Appendix.

Report on *Pro Bono* Activities

All registered lawyers are required to report voluntary *pro bono* service and monetary contributions in their annual registration even though *pro bono* activities are voluntary. See IL Supreme Court Rule 756(f). Although the number of lawyers providing *pro bono* legal services and making monetary contributions decreased slightly in 2022, *pro bono* service hours and monetary contributions both increased over the prior year.

Of the 95,711 lawyers registered for 2022, 29,594 or 30.9% reported that they had provided during 2022, a total of 1,720,999 *pro bono* legal service hours or an average of 58 hours of *pro bono* time per lawyer engaged in *pro bono* service, above the aspirational goal of ABA Model Rule 6.1 of providing at least 50 hours of *pro bono* legal services per year. See ABA Model Rule 6.1, Comment [1].

66,117 lawyers reported that they had not provided *pro bono* legal services of which 9,320 or 14.1%, indicated that they were prohibited from providing *pro bono* legal services because of their employment.

The information reported by individual attorneys concerning voluntary *pro bono* service and trust accounts is confidential under Supreme Court Rule 766 and is not reported as part of a lawyer's individual listing on the Master Roll and is not displayed on the ARDC website (www.iardc.org).

Report on *Pro Bono* Hours (2018-2022)

| | 2018 | 2019 | 2020 | 2021 | 2022 |
|---|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Type of <i>Pro Bono</i> Services | Service Hours | Service Hours | Service Hours | Service Hours | Service Hours |
| <i>Legal services to persons of limited means</i> | 1,129,983 | 1,096,544 | 1,076,943 | 991,862 | 1,011,596 |
| <i>Legal services to enumerated organizations designed to address needs of persons of limited means</i> | 355,969 | 333,371 | 316,254 | 281,117 | 281,389 |
| <i>Legal services to enumerated organizations in furtherance of their purposes</i> | 473,603 | 444,546 | 439,032 | 402,939 | 390,508 |
| <i>Training intended to benefit legal service organizations or lawyers providing pro bono services</i> | 48,051 | 44,001 | 51,384 | 39,885 | 37,506 |
| Total: | 2,007,606 | 1,918,462 | 1,883,613 | 1,715,803 | 1,720,999 |
| Number of Lawyers & %Total of Lawyer Population: | 32,866 35% | 31,954 34% | 31,325 33% | 30,646 32% | 29,594 31% |

16,858 lawyers reported \$18,105,801 in monetary contributions in 2022, an average of \$1,074 per contributing lawyer.

Monetary Contributions to *Pro Bono* Service Organizations (2018-2022)

| | 2018 | 2019 | 2020 | 2021 | 2022 |
|---|--------------|--------------|--------------|--------------|--------------|
| <i>Amount Contributed</i> | \$18,223,917 | \$16,930,744 | \$17,116,265 | \$17,550,990 | \$18,105,801 |
| <i>Number of lawyers who made contributions</i> | 20,709 | 18,206 | 17,936 | 18,096 | 16,858 |
| <i>% of lawyers who made contributions</i> | 21.9% | 19.2% | 18.9% | 19.0% | 17.6% |

Not reflected in the above chart is the fact that most Illinois lawyers contribute to the funding of legal aid through the \$95 portion of the full annual registration fee paid by Active status lawyers that is remitted to the Lawyers Trust Fund of Illinois, as well as the contributions lawyers have made to other charitable and not-for-profit organizations. For the 2022 registration year, \$7,180,273.95 was remitted through registration fees to the Lawyers Trust Fund of Illinois in 2022. A total of \$95,631,912 has been remitted to the Lawyers Trust Fund since the 2003 registration year, the first year the ARDC began the collection and remittance of this fee as provided in Supreme Court Rules 751(e)(6) and 756(a)(1).

Trust Accounts

Every Active and Inactive status lawyer is required to disclose in their registration under Supreme Court Rule 756(d), whether they or their law firm maintained a trust account during the preceding year and to disclose whether the trust account was an IOLTA (Interest on Lawyer Trust Account) account, as defined in Rule 1.15(f) of the Rules of Professional Conduct. Most lawyers in private practice need to have a trust account because they handle client or third-party funds at some point in the course of their practice. If no trust account was maintained during the preceding 12 months, the lawyer is required to disclose the reason why no trust account was maintained.

From the 95,711 lawyers who were registered for 2022, 49.8% or 47,684 of all registered lawyers reported that they or their law firm maintained a trust account sometime during the preceding 12 months. 81.9% of these trust accounts were IOLTA accounts and 18.1% were non-IOLTA accounts. See Chart 8A, 2022 Trust Account Disclosure Reports 2022, Appendix.

Of the 48,027 lawyers who reported that they or their law firm did not maintain a trust account, 50.6% reported that they had no outside practice because of their full-time employment in a corporation or governmental agency. For sole practitioners in private practice, 31.8% reported that they did not maintain a trust account as compared to less than 10% of all private practice law firms with 2 or more lawyers that responded in the negative. See Chart 8B, 2018-2022 Trust Account Disclosure Reports, Appendix.

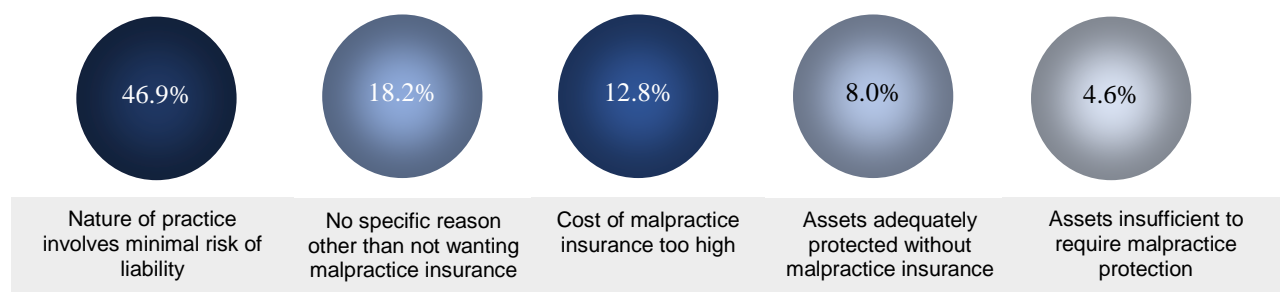
Malpractice Insurance

Supreme Court Rule 756(e) requires most Illinois lawyers to disclose whether they carry malpractice insurance coverage and, if so, the dates of coverage. The Rule does not require Illinois lawyers to carry malpractice insurance in order to practice law under the authority of their Illinois license.⁹ Many clients may assume that their lawyer has malpractice insurance. The disclosure of malpractice coverage in a lawyer's registration report is part of the publicly available information about a lawyer on the ARDC website. Lawyers not currently engaged in the practice of law, in-house counsel and government lawyers typically do not carry malpractice insurance.

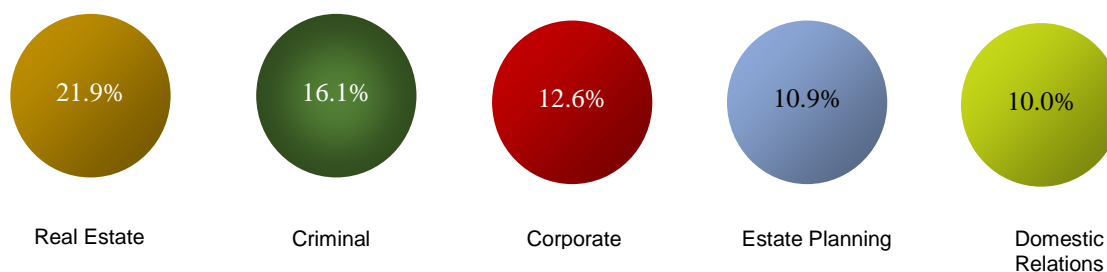
⁹ Under Ill.S.Ct.R. 756(e)(2), Active status lawyers in private practice reporting no malpractice insurance must complete every other year the Proactive Management-Based Regulation (PMBR) course. See Page 8.

In 2022, 54.8% of all 95,711 registered lawyers reported that they have malpractice insurance, a figure that has remained generally consistent over the past five years. See Chart 9A Malpractice Disclosure: 2018-2022, Appendix. Of the 49,119 lawyers with an Active status license and currently engaged in private practice (who most likely may have the need to carry malpractice), however, that number increases significantly. 88.0% of lawyers in private practice reported that they carried malpractice insurance, an increase of 1.1% over 2021. In terms of practice size, 62.9% of sole practitioners reported that they carried malpractice insurance as compared to at least 94.1% of firms with 2 or more lawyers. See Chart 9B Malpractice Disclosure: Active Status, Currently Practicing Law and in Private Practice: 2018-2022, Appendix.

The overwhelming reason given by solo practitioners who responded “No” to the malpractice question was a belief that the lawyer has a minimal risk of malpractice because of the nature of the lawyer’s practice. The top five reasons given by solo practitioners are:



The top five practice areas identified by solo practitioners who responded “No” to the malpractice question are:



These are the same top five practice areas identified by solos who answered “No” to the succession planning question. See Page 16.

Investigations

Investigations Initiated in 2022

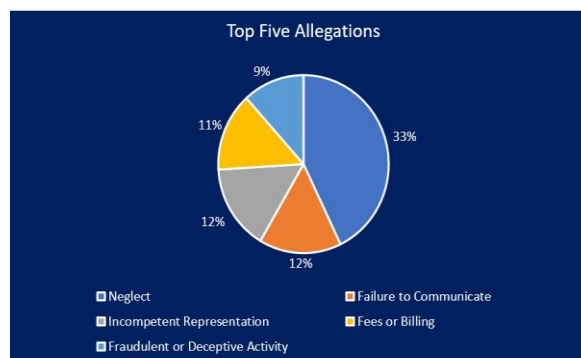
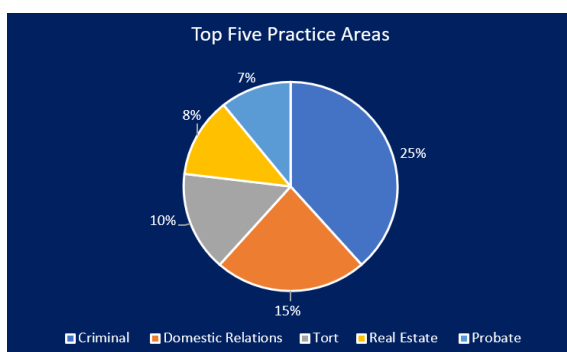
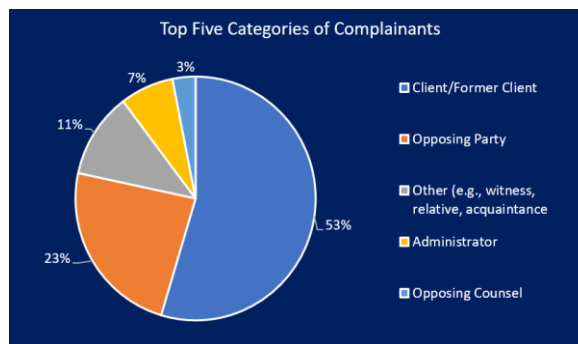
The Commission opened 4,359 investigations in 2022, 478 more investigations than in 2021; an 18.2% increase over the previous year and the first increase in the caseload since the impact of the pandemic beginning in 2020. See Chart 10 Ten-Year Trend of Types of Investigations: 2012-2022, Appendix.



The 4,359 investigations docketed in 2022 involved charges against 3,257 different attorneys, representing 3.4% of all registered attorneys. Out of these 3,257 attorneys, 541 lawyers or 16.6% were the subject of more than one investigation docketed in 2022. See Chart 11, Demographics of Lawyers the Subject of Investigations Docketed in 2022, Appendix.

Disciplinary Investigations

More than 50% of grievances are brought by a lawyer's client or former client and 68% of grievances stem from a breakdown in the attorney-client relationship: neglect of a client's cause, failure to communicate, billing and fee issues, and failure to provide competent representation. See Chart 11B Categories of Complainants in Docketed Investigations in 2022, Appendix. Allegations of neglect are perennially the top complaint, comprising 26% of all grievances in 2022. Consistent with prior years, the top practice areas most likely to lead to a grievance of attorney misconduct are criminal law, domestic relations, tort, real estate, and probate. See Chart 12 2022 Classification of Charges and Chart 13 2022 Area of Law, Appendix.



Unauthorized Practice of Law Investigations (UPL)¹⁰

52 investigations were opened in 2022 involving UPL charges against 34 unlicensed individuals or entities, nine out-of-state lawyers, seven disbarred lawyers and one suspended lawyer. See Chart 18A Rule 779 Unauthorized Practice of Law Investigation (2018-2022), Appendix. Contract and criminal law (both 19%) and domestic relations (12%) were the top three areas of law involved in UPL investigations in 2022. See Chart 18B Area of Law in 779 Investigations in 2022, Appendix.

UPL proceedings against a disbarred Illinois attorney or against a person, entity or association that is not licensed to practice law in any other United States' jurisdiction may be brought as civil or contempt actions commenced in the circuit court. There were two matters filed in the circuit court in 2022 for indirect civil contempt against two disbarred Illinois lawyers who continued to practice law. In one case, the disbarred lawyer pled guilty and was held in indirect criminal

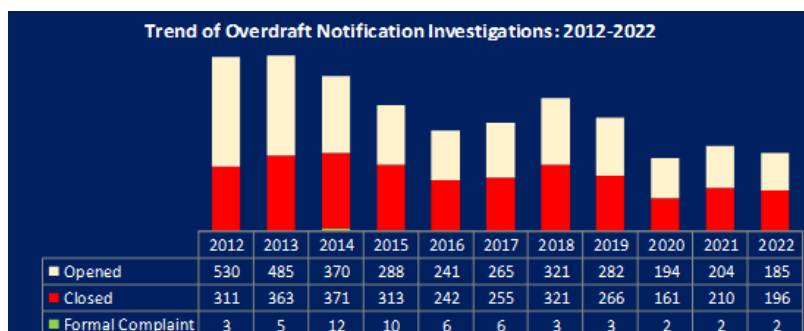
¹⁰ Since 2011, the ARDC has the authority under Supreme Court Rule 779 to investigate UPL allegations against suspended and disbarred Illinois lawyers, out-of-state lawyers licensed in another jurisdiction, and persons not licensed in any jurisdiction and, if necessary, file a civil or contempt proceeding in the circuit court.

contempt and sentenced to one day supervision, enjoined from the unlicensed practice of law, and ordered to pay \$1,400 to the complaining witness.

Overdraft Trust Account Notification Investigations

In 2022, 185 overdraft notification investigations were opened, a 9.3% decrease over 2021, and the lowest number of overdraft grievances received in a year since Rule 1.15(h) of the Rules of Professional Conduct was adopted in 2012. Under Rule 1.15(h), an overdraft of an IOLTA or non-IOLTA client trust account must be reported by the financial institution to the ARDC.

Most overdrafts are found to be the result of a mathematical, clerical or accounting error rather than intentional misuse of client funds. To the extent that an overdraft investigation reveals problems with the lawyer’s handling of trust funds or the lawyer’s recordkeeping practices, the investigation will remain open subject to the lawyer completing certain conditions to ensure that necessary practice corrections are made before an investigation is closed. Included in those remedial measures can be requiring the lawyer to review sections of the ARDC’s [Client Trust Account Handbook](#) or to view one of the ARDC’s webinars covering the requirements of Rule 1.15. Evidence that client funds were converted can result in the filing of a formal complaint against the lawyer. Two investigations resulted in the filing of formal charges in 2022. Since 2012, 3,365 trust account overdraft investigations were opened; only 54 or 1.6% of overdraft grievances resulted in formal disciplinary charges.



Investigations Concluded in 2022

In 2022, 4,346 investigations were concluded of which 4,211 were closed by the Administrator’s staff: 1,621 grievances closed after initial review of the complainant’s concerns and 2,590 grievances closed after investigation did not reveal sufficiently serious, provable misconduct. See Chart 15 Investigations Concluded in 2021. In keeping with the Commission’s policy that disciplinary matters be handled expeditiously, more than 97% of the 1,621 grievances not warranting in-depth investigation were concluded within 60 days of the docketing of the grievance. For the 2,590 grievances warranting a greater level of investigation, about 20% were concluded more than 180 days after the investigation was opened. See Chart 16 Timeliness of Investigations Concluded in 2022, Appendix.

Where there is evidence of serious misconduct, the case is referred to the Inquiry Board, unless the matter is filed directly with the Supreme Court under Rules 757, 761, 762(a), or 763. The Inquiry Board sits in panels of three, comprised of two attorneys and one nonlawyer, all appointed by the Commission. An Inquiry Board panel has the authority to vote a formal complaint if it finds sufficient evidence to support a charge, to close an investigation if it does not so find, or to place an attorney on supervision under the direction of the Inquiry Board panel pursuant to Commission Rule 108. The Administrator cannot pursue formal charges without authorization by an Inquiry Board panel.

2.4% or 106 of the grievances concluded in 2022, resulted in prosecution - six grievances, involving six lawyers, resulted in the filing of a petition for discipline directly with the Supreme Court and 99 grievances were voted as disciplinary complaints by the Inquiry Board against 50 lawyers. Also, one complaint was filed in the Circuit Court charging a disbarred lawyer with engaging in the unauthorized practice of law. An additional 26 files were closed after Inquiry Board review and three grievances were concluded upon completion of Commission Rule 108 conditions. See Chart 15 Investigations Concluded in 2022, Appendix.

Receivership of a Lawyer's Practice Under Supreme Court Rule 776

Supreme Court Rule 776 provides for the appointment of a receiver to inventory a lawyer's files and fulfill the duties necessary to close the practice in the event of a lawyer's death, disability or disappearance and where there is "no partner, associate, executor or other responsible party capable of conducting the lawyer's affairs is known to exist."

The ARDC provides assistance to family, friends, and professional colleagues who have undertaken to close a lawyer's practice as well as to those individuals appointed by a court as a receiver. In the absence of someone to assume this responsibility, the ARDC will seek to be appointed receiver to ensure that clients' interests are not prejudiced by the lawyer's absence from the practice. Most receiverships involve the appointment of a receiver due to the lawyer's death.

There were six receiverships of a lawyer's law practice filed in the circuit court in 2022 of which the ARDC was appointed receiver in two matters. The ARDC provided assistance to the appointed receiver in four matters. Between 2018 and 2022, the ARDC has been appointed a receiver of a lawyer's practice in 14 instances, four of which were still pending in 2022. See Chart 23, ARDC-Appointed Receiverships (2018-2022), Appendix. In addition, 24 investigations were initiated in 2022 to determine if a receivership was necessary. See Chart 10, Appendix. Of those 24 investigations, 17 were closed where the evidence showed that clients' interests were being protected and the disposition of the lawyer's practice was appropriately handled. In most instances, the ARDC may make suggestions to family members about how to close a law office of a deceased or disabled lawyer when a formal receivership is unnecessary.

Disciplinary and Regulatory Proceedings

Hearing Board Filings

Most disciplinary prosecutions begin with the filing of a formal complaint. A formal complaint is initiated against the attorney when an Inquiry Board panel authorizes the filing of charges. The matter then proceeds before a panel of the Hearing Board, comprised of two lawyers and one nonlawyer, appointed by the Commission. Proceedings are public except for hearings held pursuant to Supreme Court Rule 758 (petition to transfer a lawyer to disability inactive status).

| Hearing Board Caseload | Pending January 1st | Filed During Year | Concluded During Year | Pending December 31st |
|------------------------|---------------------|-------------------|-----------------------|-----------------------|
| 2022 | 53 | 56 | 56 | 53 |
| 2021 | 55 | 53 | 55 | 53 |
| 2020 | 61 | 40 | 46 | 55 |
| 2019 | 81 | 51 | 71 | 61 |
| 2018 | 81 | 64 | 64 | 61 |

The Hearing Board hears complaints alleging misconduct filed pursuant to Supreme Court Rule 753, complaints alleging conviction of a criminal offense under Rule 761, as well as petitions for reinstatement pursuant to Rule 767, petitions for transfer to disability Inactive status under Rule 758, and petitions for restoration to Active status pursuant to Rule 759.

56 cases were added to the Hearing Board’s docket in 2022, a 5.7% increase over 2021, and in line with the pre-pandemic prosecutorial and investigative caseloads in 2019. See Chart 25B Disciplinary and Regulatory Proceedings (2006-2022), Appendix.

Of the 56 cases filed before the Hearing Board in 2022, 52 were initiated by the filing of a new disciplinary complaint. See Chart 20A Matters Before the Hearing Board in 2022, Appendix.

Most lawyers charged with misconduct were between 11 and 20 years in practice (25.0%), 60 to 69 years of age (21.2%), and male (84.6%); however, lawyers more than 30 years in practice were charged at a higher percentage (40%) than their representative demographic in the legal population (27%). Also, 11 lawyers or 21.2% who were the subject of a disciplinary complaint were over the age of 70 as compared to the 9.6% in the legal profession for that age group. See Chart 20B Demographics of Lawyers Charged in 2022, Appendix.

A complaint may have multiple allegations. The allegations most frequently charged in formal disciplinary complaints related to fraudulent or deceptive activity (69%) in connection with alleged misrepresentations to clients, a tribunal or others, or in connection with the conversion of trust funds. See Chart 20C Types of Misconduct Alleged in 2022, Appendix.

The top five subject areas involved in the complaints were: the lawyer’s personal conduct not arising out of a legal representation (21%); tort (19%); the lawyer’s own criminal conduct or conviction (17%); and real estate (12%). See Chart 20D Subject Area Involved, Appendix.

Hearing Board Dispositions

| | |
|---|-----------|
| 2022 Disciplinary Cases: Rules 753 & 761(d) | 50 |
| Case closed by filing of petition for discipline on consent other than disbarment | 23 |
| Recommendation of discipline after contested hearing | 14 |
| Recommendation of discipline after default hearing | 9 |
| Case closed by filing of motion for disbarment on consent | 1 |
| Case closed upon death of respondent | 3 |
| 2022 Reinstatement Petitions: Rule 767 | 3 |
| Petition allowed with conditions after contested hearing | 2 |
| Petition denied after contested hearing | 1 |
| Petition voluntarily withdrawn | 3 |

The Hearing Board concluded a total of 56 matters, 50 disciplinary cases and six reinstatement petitions during 2022. Of the 50 disciplinary cases concluded in 2022 after hearing (three were closed upon the death of the lawyer), 17 cases or approximately 34% proceeded as contested hearings and involved the filing of a comprehensive report and recommendation.

The remaining 33 cases (66%) concluded without the need to prepare a detailed report and recommendation from the Hearing Board: 24 cases closed by the filing of discipline on consent; nine cases proceeded as a default hearing; and three reinstatement petitions were voluntarily withdrawn by the respondent lawyer. All 53 scheduled disciplinary and reinstatement proceedings in 2022 were held remotely. Since 2020, only one contested hearing has been held in-person.

Review Board Dispositions

Once the Hearing Board files its report in a case, either party may file a notice of exceptions to the Review Board, which serves as an appellate tribunal.

The Review Board is composed of nine lawyer members appointed by the Supreme Court to three-year terms. The Supreme Court designates one member of the Board as Chair. The Review Board is assisted by a legal staff that is separate from the Administrator's office and the Hearing Board's adjudication staff.

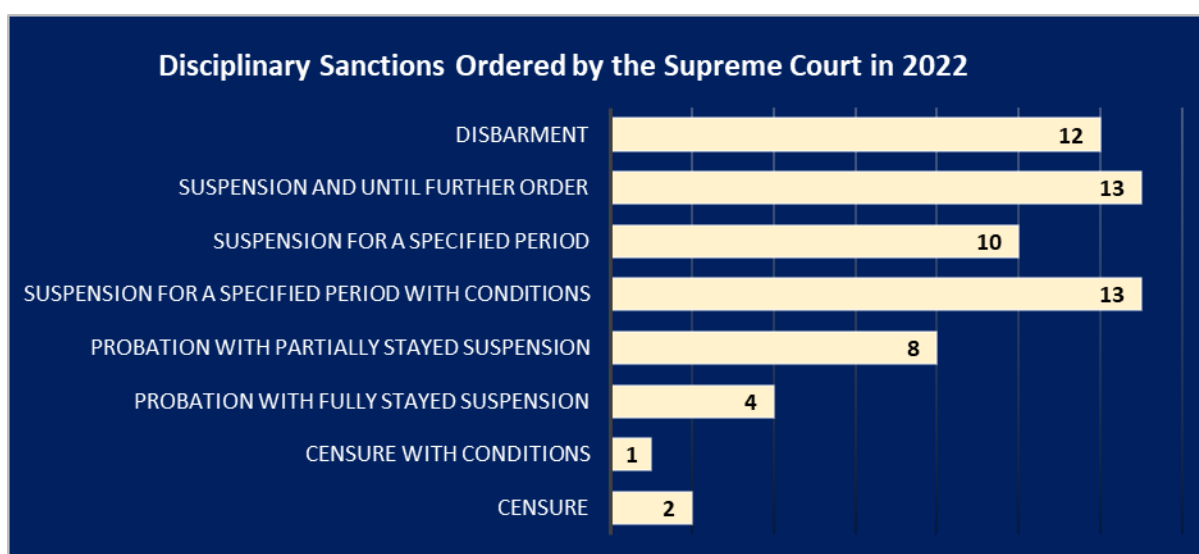
Of the 11 cases filed in 2022, review was sought by the respondent lawyer in seven cases and the ARDC in four. For the 16 cases concluded in 2022, the Review Board affirmed the Hearing Boards' findings in 12 cases. See Chart 20E, Appendix.

| | |
|--|-----------|
| Cases Filed Before the Review Board in 2022 | 11 |
| Exceptions filed by Respondent | 7 |
| Exceptions filed by Administrator | 4 |
| Exceptions filed by both | 0 |
| Cases Concluded by the Review Board in 2022 | 16 |
| Hearing Board affirmed | 12 |
| Hearing Board reversal on findings or sanction | 3 |
| Notice of Exceptions withdrawn or stricken | 1 |

Supreme Court Matters

Disciplinary Cases

The Supreme Court has sole authority to sanction attorneys for misconduct, except for a reprimand which can be imposed in a disciplinary case without order of the Court by either the Hearing or Review Board. In 2022, the Court entered 63 sanctions against 63 lawyers. The Hearing Board reprimanded one lawyer in 2022. Nearly 40% were disbarred or suspended until further order of the Court. An additional, 36% were suspended, 19% were placed on probation and 5% received censures.

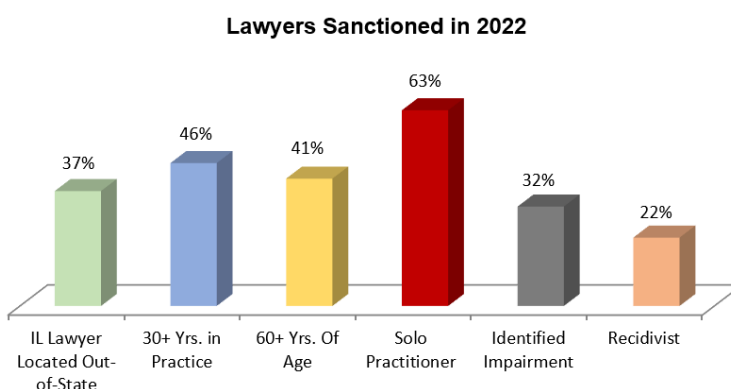


Disciplinary cases reach the Court in several different ways. Some disciplinary matters are filed directly with the Court upon petition and others are initiated before the Hearing Board. Disciplinary matters such as voluntary disbarments and reciprocal discipline are filed directly in the Supreme Court. There was a total of 16 direct filings in the Supreme Court in 2022 – four voluntary disbarments and 12 petitions for reciprocal discipline. See Chart 19 Proceedings Filed Directly with the Illinois Supreme Court (2018-2022), Appendix.

| Filings in the Supreme Court | Direct Filings in the Court: 762(a), 763 & 757 | Disciplinary Proceedings Disposition Filings | Permanent Retirement Petitions Disposition Filings | Petitions for Reinstatement Disposition Filings | Sanction Orders Entered |
|------------------------------|--|--|--|---|-------------------------|
| 2022 | 16 | 58 | 3 | 8 | 63 |
| 2021 | 41 | 37 | 5 | 4 | 84 |
| 2020 | 32 | 55 | 4 | 4 | 81 |
| 2019 | 39 | 60 | 0 | 10 | 96 |
| 2018 | 34 | 70 | 2 | 6 | 75 |

Of the 63 sanction orders entered by the Court in 2022, 36.5% of matters were concluded by a direct filing in the Supreme Court: four matters concluded by the filing of a petition for disbarment on consent and 19 petitions seeking discipline reciprocal to what was imposed against the lawyer in another jurisdiction. See Chart 22 Orders Entered by the Supreme Court in Disciplinary Cases in 2022, Appendix.

Most of the lawyers disciplined were 30+ years in practice (46.1%), over the age of 60 (41.3%) and male (81%). More than half were pro se. Sole practitioners accounted for 63% of the lawyers disciplined by the Court in 2022 - 46% were in practice 30 years or more and 22% were recidivists having been disciplined by the Court in the past. See Charts 21A-21D-1, Appendix.



It is frequently seen in discipline cases that a lawyer is impaired by addiction to alcohol or other substance or suffers some mental illness or disorder. 20 lawyers or 31.7% of the 63 lawyers disciplined in 2022 had at least one known substance abuse or mental impairment issue, a 5.2% increase and a notable rise from the 26.5% reported in 2021. Some of the increase may be attributed to the impact of the pandemic but also to the efforts of ARDC staff counsel making better and earlier identification of impairment issues.¹¹

In 2022, the number of mental disorders identified (15) outnumbered chemical dependency problems (12) with alcohol and depression as the most frequently reported impairments.¹² This shift from impaired lawyers suffering the effects of alcohol and drug abuse to lawyers impaired by psychological problems is consistent with what the Lawyers' Assistance Program reported in its latest annual report.¹³ Of the total 20 lawyers identified, 90% (18) were in a firm setting of which 60% (12) were sole practitioners; 35% (7) were under the age of 50; and only 1% (2) were female. These statistics reflect only those cases in which one or more impairments were raised either by the lawyer or otherwise known by staff counsel. It is likely that many cases involving impaired lawyers are never so identified. See Charts 21E and 21F, Appendix.

¹¹ See 2007 ARDC Annual Report, at p. 28. The ARDC did a study of lawyers sanctioned between 1998 and 2007, which showed that the number of sanctioned lawyers with impairments rose from 24% for 1998-2002 to 32% for 2003-2007.

¹² Six lawyers had more than one impairment identified.

¹³ 49% of LAP's caseload involved mental health issues versus substance dependency problems (26%). See LAP 2020-2021 Annual Report at https://illinoislap.org/wp-content/uploads/2022/03/MASTER_2020-21_ANNUAL_REPORT_022822.pdf.

The Client Protection Program was established by the Supreme Court under Supreme Court Rule 780 to reimburse clients for losses caused by the dishonest conduct of Illinois lawyers or involving unearned or unrefunded fees paid to Illinois lawyers who later died or were transferred to disability inactive status. Funded by a \$25 annual assessment paid by most Active status lawyers and remitted to the Client Protection Program Trust Fund, the maximum per-award limit is \$100,000 and the per-lawyer limit is \$1 million. The Program does not cover losses resulting from professional negligence or malpractice and does not consider claims involving fee or contract disputes.

The number of claims filed has steadily declined for the past six years from 277 in 2016 to 106 in 2022, the lowest number of claims received since the Program began in 1994. In 2022, the Commission approved payment of \$1,098,821 on 53 claims involving 32 different lawyers and 63 claims were denied. Three approvals were for the \$100,000 maximum, and eighteen were for \$2,500 or less. 62% of approved claims involved failure to refund unearned fees. 32% arose out of criminal defense matters. See Charts 27A and B, Appendix. The average amount paid per year from 2016 to 2022 was approximately \$1,642,000.

A lawyer who is the subject of a claim that results in reimbursement to a claimant is liable to the Program for restitution. Disciplinary orders imposing suspension or probation include a provision requiring the lawyer to reimburse the Program for any payments arising from his or her conduct prior to the termination of the period of suspension or probation. A lawyer petitioning for reinstatement or restoration to active practice must reimburse the Program for all payments arising from the lawyer's conduct. See IL S.Ct. R. 780(e). The Program received approximately \$575,000 in 2022, most of which was received from one lawyer who was disbarred on consent in 2018 for conversion of personal injury and workers' compensation settlements.

Commission Rules 501 through 512 govern the administration of the Program. More information about the Client Protection Program is available online on the ARDC website at ARDC Client Protection Program at <https://www.iardc.org/Lawyer/ClientProtectionProgram>.

The ARDC Probation and Lawyer Deferral Services Department monitors lawyers who must complete certain conditions in order to continue to practice law or to be able to resume the practice of law after discipline. The ARDC utilizes several practical and innovative approaches to meaningfully address some of the causes of lawyer misconduct at the earliest opportunity, particularly involving mental health and addiction impairments and law office management issues. Those remedial efforts typically include requiring continuing legal education classes, entering a mentoring or law office management program, testing, evaluation and/or treatment by LAP or audit of the lawyer's financial accounts. The programs established by the ARDC and used particularly at the investigative stages of alleged misconduct are:

Diversion Program under Commission Rules 54 and 56

The Administrator and respondent lawyer may agree to a diversion of the lawyer to a program designed to afford the lawyer an opportunity to address concerns identified in the investigation if the Administrator concludes that diversion would benefit and not harm the public, profession and the courts, and the conduct under investigation does not involve the misappropriation of trust funds, criminal conduct, financial harm to a client or other person or dishonest or fraudulent conduct.

Commission Rule 108 Deferral of Investigation

With the agreement of the Administrator and the attorney, the Inquiry Board may determine to defer a pending investigation not involving misappropriation of funds or criminal conduct pending a lawyer's compliance with conditions imposed by the Inquiry Board for a specified period not to exceed one year.

Referrals to LAP

Supreme Court Rule 766(b)(3) allows the ARDC to make referrals to the Lawyers' Assistance Program (LAP) during an otherwise confidential investigation where there is reason to believe the lawyer may be impaired by substance abuse or a mental health issue. This includes referrals of lawyers subject to a DUI or other criminal cases involving suspected impairment, as well as lawyers who fail to respond in investigations or default in their disciplinary proceedings. In 2022, the ARDC made 48 referrals to LAP. ARDC's referrals were the source of 10% of all LAP's referrals according to LAP's 2022 annual report.

Permanent Retirement

Supreme Court Rule 756(a)(8) allows lawyers facing minor misconduct charges to petition the Court for permanent retirement status with no possibility of reinstatement. This non-disciplinary option provides a reasonable and dignified way for lawyers who may wish to retire from the practice of law while preserving their dignity and hard-earned reputations. In 2022, three lawyers were transferred to permanent retirement status.

Intermediary Program

Under the ARDC Intermediary Program, lawyers, experienced in dealing with impaired lawyers, are hired to act as an intermediary to reach out to lawyers who do not respond to repeated ARDC contacts during investigations and proceedings. The intermediary acts independent of the ARDC Administrator and his staff and communications between the intermediary and subject lawyer are privileged and protected under Rules 1.6(d) and 8.3(c). In 2022, the Intermediaries were assigned to contact 11 lawyers. Since the program's inception in June 2019, the Intermediaries have been assigned 36 lawyers and in nearly 80% of those matters the Intermediary was able to make successful contact with the lawyer, resulting in the lawyer's participation in the disciplinary matter.

In 2022, the ARDC Probation Department monitored 213 lawyers for substance or mental illness impairments, law office management issues and/or restitution conditions. Of the 213 lawyers monitored in 2022, 81 lawyers had conditions imposed by a jurisdiction other than Illinois as the result of discipline ordered on a reciprocal basis by the Illinois Supreme Court.

| 2022 Monitoring | | | | | | |
|---|--------------------------------|---------------------------------------|-----------------------|---------------------------|-------------------------|----------------------|
| Probation Conditions Imposed by Reciprocal Jurisdiction | Suspension Pending Restitution | Probation Conditions Imposed by Court | Conditional Admission | Conditional Reinstatement | Com. R. 108 Supervision | Com. R. 56 Diversion |
| 81 | 44 | 25 | 4 | 5 | 24 | 30 |

In addition, another 88 lawyers were required to complete one or more activities, services or programs to address the issues that led to a disciplinary sanction or investigation in Illinois: 25 as the result of disciplinary sanction; four under conditional admission to the Illinois bar; five under conditional reinstatement to the practice of law; 24 under Commission Rule 108 supervision; and 30 under the Diversion Program. As shown below, of the 88 lawyers being monitored with various requirements in 2022, most lawyers (53) were being monitored for substance abuse or mental conditions, of which 34 were subject to random drug and alcohol testing.

| Type of Matter | Substance Abuse or Mental Illness Conditions | Both Substance Abuse and Law Office Management Conditions | Law Office Management Conditions | Other | Total |
|---|--|---|----------------------------------|--------------|-----------|
| Probation/conditional admission/conditional reinstatement | 14 | 7 | 11 | 2 | 34 |
| Commission Rule 108 Supervision | 14 | 4 | 6 | | 24 |
| Commission Rule 56 Diversion of Investigation | 8 | 6 | 12 | 4 | 30 |
| | | | | Total | 88 |

Supreme Court Rules

Supreme Court Rule 711 paragraph (b)(4) was amended on August 25, 2022, effective immediately, to permit supervised law students and graduate students to perform services through a law office of the United States. Previously, the supervising entity had to be a state governmental entity. The amended rule also allows for employment at federal government agencies practicing in the federal courts in Illinois when permitted by applicable federal rules. Former Rule 711 allowed licensees to work only for certain nonprofit and public-sector employers practicing in the Illinois state courts and did not reference federal courts.

Supreme Court Rule 756 paragraph (i) was amended on October 24, 2022, effective immediately, to reduce the reinstatement costs of returning to the Master Roll for lawyers on Retired status, lawyers whose ARDC registration has lapsed, or those lawyers that went on Inactive status pursuant to former Rule 770 prior to 1999. The amended rule eliminates the requirement for such lawyers to pay prior year registration fees and penalties with no ceiling. Lawyers returning to the Master Roll must now pay a \$25 per month reinstatement fee subject to a \$600 cap. The primary purpose of the amendment was to reduce the economic barrier that may have prevented some lawyers from reentering the profession.

Supreme Court Rule 706 Application for Admission to the IL Bar was amended on December 22, 2022, effective January 1, 2023, raising the application fees for admission under Rules 704A, 705 and 716 from \$1,250 to \$1,500.

IL Rules of Professional Conduct

Rule of Professional Conduct Rule 1.5 Fees and **Rule 1.15 Safekeeping Property** were amended on March 1, 2023, effective July 1, 2023. The Court adopted some significant amendments to the fees rule (Rule 1.5) and the rule governing funds or property held in trust (Rule 1.15). The amendments were the result of a working group of ARDC staff and the Lawyers Trust Fund of Illinois who made recommendations to the Court to clarify some of the requirements in these rules and update the rules to keep up with advances in technology. The ARDC Education Group is developing programming to educate the Illinois bar on these changes.

While the amendments do not change much of the substance of Rules 1.5 and 1.15, the amendments made several notable additions and revisions, including:

Amended Rule 1.5 Fees adds a new provision barring nonrefundable fees and retainers under new paragraph (c). Also, descriptions of the common fee retainers, previously found in the Comments to Rule 1.15, have been moved into Rule 1.5 and are now codified in new paragraph (d), which details how such retainers are to be handled - as the lawyer's property or as funds

required to be held in trust. A new Comment [now Comment 8A] was added to Rule 1.5 on December 22, 2022, to clarify that Rule 1.5 allows for fee agreements that are not on an hourly rate, e.g. fixed fee arrangements, and stresses the importance of attorneys providing their clients with affordable representation and minimizing the potential for fee disputes.

Amended Rule 1.15, formerly known as “Safekeeping Property”, moves much of the provisions that were in the rule and breaks those requirements into now four separate rules.

New Rule 1.15, now titled “General Duties Regarding Safekeeping Property”, retains the admonishment that property or funds held by a lawyer in connection with a representation must be kept separate from the lawyer’s own property and adds language to underscore the directive that a lawyer cannot use trust funds or property without authorization. New paragraph (g) adds that cash withdrawals from a trust account are prohibited. The new comments explain the meaning of “conversion” and provide guidance for lawyers receiving funds through electronic payment methods.

New Rule 1.15A Required Records was added, along with Comments, to outline the required records to be maintained when holding funds or property in trust as well as adding a specific provision in paragraph (c) detailing how to do a three-way reconciliation.

New Rule 1.15B Trust Accounts and Overdraft Notification is the new home for all the requirements for trust accounts including IOLTA accounts, disbursing real estate transaction funds, and overdraft notifications. It also includes instructions on handling unidentified funds.

New Rule 1.15C Definitions for Rules 1.15, 1.15A and 1.15B contains much of the same terminology that was previously contained in prior Rule 1.15(j).

Rule of Professional Conduct 8.4 paragraph (j) was amended May 25, 2022, effective immediately, adding a specific reference to the Illinois Human Rights Act (775 ILCS 5/1-101 et seq.) to make clear that the types of discrimination enumerated in the Act, in addition to any federal, state or local statute or ordinance that prohibits discrimination, are covered by Rule 8.4(g). The amendment does not change the requirement that before the ARDC can bring a charge of professional misconduct pursuant to Rule 8.4(g), a court or administrative agency of competent jurisdiction must have found that the lawyer engaged in an unlawful discriminatory act, that the finding is final and enforceable, and any right of judicial review has been exhausted.

Illinois Code of Judicial Conduct 2023

The Illinois Supreme Court adopted a new Illinois Code of Judicial Conduct on July 1, 2022. The new code took effect on January 1, 2023 and contains the ethics rules governing the behavior of all state court judges in Illinois, as well as candidates for judicial office. The new Code is based on the current American Bar Association (ABA) Model Code of Judicial Conduct. Thirty-seven

states base their judicial conduct codes on the current ABA Model Code. Among the significant changes are a new Declaration of Economic Interests and updated guidance regarding how the ethics rules apply to the use of Facebook, Twitter, and other social media. The prior Code had largely been in place since 1993.

ARDC Commission Policy Changes¹⁴

Amended Commission Policy Prohibiting Board Members from Providing Expert or Opinion Testimony

On December 9, 2022 the ARDC Commissioners amended, and subsequently approved by the Illinois Supreme Court, the expert witness policy for members serving as volunteers on any ARDC Board, first adopted on June 17, 2005. Effective July 1, 2023, the new policy prohibits ARDC Review, Hearing, and Inquiry Board members, Oversight Committee members, Client Protection Review Panel members, and Special Counsel from providing expert or opinion testimony in any proceeding with respect to the appropriate standard of conduct expected of an attorney in representing a client. Character testimony is not prohibited by this policy. The term “proceeding” shall include any judicial or alternative dispute resolution proceeding regardless of the form of the venue.

Under the prior policy, Board members were allowed to testify as expert witnesses in non-disciplinary cases. The rule applies during the Board member’s tenure on a board and for six months following a Board member’s last day of service on an ARDC board. The rule does not apply to any engagement entered into prior to the effective date of the amended policy.

Amended Commission Policy on the Appointment of Special Counsel and Recusal By Administrator’s Counsel During Investigations and Related Proceedings

On February 17, 2023 the ARDC Commissioners adopted, with the approval of the Illinois Supreme Court, amendments to Commission policies for the appointment and service of Special Counsel and recusal of Administrator’s counsel.

ARDC Policy Regarding Appointment of Special Counsel

Under the amended policy on Special Counsel appointment, the Commissioners will appoint at least three lawyers to serve as Special Counsel to be compensated at a rate determined by the Commission. The authority and responsibilities of Special Counsel shall be the same as Administrator’s counsel under Supreme Court and Commission rules, except that Special Counsel shall not take direction from the Administrator or his or her legal staff. Pursuant to Supreme Court Rule 751(e)(5), Special Counsel exercises independent authority to investigate allegations brought against attorneys associated with the ARDC, including the Administrator, Counsel for the Administrator, Adjudication Counsel, Commissioners and members of ARDC

¹⁴ All Commission and Board policies can be found on the ARDC website at: <https://www.iardc.org/Home/CommissionAndBoardPolicies>

boards and to refer an investigation to the Inquiry Board, will prosecute cases before the Hearing Board and will act as appellate prosecutor in cases before the Review Board and the Supreme Court. Special Counsel reports directly to the Commission regarding the status and disposition of investigations assigned. There are currently six Special Counsel who serve on a volunteer basis and will finish out their present assignments. In 2022, 20 investigations were opened in 2022, seven were closed, and 13 investigations remain pending at the end of 2022. The amended policy will become effective upon the appointment of new Special Counsel.

Recusal By Administrator's Counsel During Investigations and Related Proceedings

An amendment was also made to this policy to reference to the new Illinois Code of Judicial Conduct of 2023, which took effect on January 1, 2023. The Administrator and his or her staff are required to abide by and be guided by the Commission policy on recusal and disqualification of board members and by the disqualification factors listed in Rule 2.11 of the Illinois Code of Judicial Conduct of 2023 (formerly Supreme Court Rule 63(C)(1)(c-e)). Counsel who learns of such a relationship shall bring those circumstances to the attention of the Administrator or Deputy Administrator, who will review the disclosure and all relevant circumstances. If the Administrator or the Deputy Administrator agrees that the policy is implicated by the disclosure, the Commission Chair will be apprised and the investigation shall be assigned to Special Counsel.

The ARDC recently engaged the services of Legacy Professionals LLP to conduct an independent financial audit as required by Illinois Supreme Court Rule 751(e)(6). The audited financial statements for the year ended December 31, 2022, including comparative data from the 2021 audited statements are attached. In addition, a five-year summary of revenues and expenditures as reported in the audited statements appears after the text in this section.

The ARDC generates most of its revenues from the registration fees paid by active and inactive Illinois attorneys pursuant to Supreme Court Rule 756. The largest revenue component is ARDC's share of the \$385 full fee paid by active attorneys admitted to the Illinois bar for more than three years ("\$385 full fee"). ARDC's share of the \$385 full fee is currently \$210.

The Supreme Court reallocated \$10 from ARDC's share of the \$385 full fee to the Illinois Lawyers' Assistance Program effective July 1, 2021 and another \$10 to the Illinois Supreme Court Commission on Access to Justice as of the same date. Prior to this effective date, ARDC's share of the \$385 full fee was \$230.

The combined impact of these two fee reallocations is an ARDC revenue reduction of approximately \$1.5 million/year, from \$20.7 million/year previously to \$19.2 million/year now.

The number of fee-paying attorneys did not change materially from 2021 to 2022.

The last registration fee increase was a \$3 increase in the full fee effective with the 2017 registration year, with the entire \$3 amount being allocated to the Illinois Lawyers' Assistance Program. Prior to this fee increase, the full fee was \$382.

The last increase in the overall registration fee structure was made effective with the 2015 registration year. This increase affected active attorneys, inactive attorneys and out of state attorneys subject to Rule 707.

The \$385 full fee is currently allocated as follows:

- ARDC - \$210;
- Lawyers Trust Fund of Illinois - \$95;
- Illinois Commission on Professionalism - \$25;
- Client Protection Program - \$25;
- Illinois Lawyers' Assistance Program - \$20;
- Illinois Commission on Access to Justice - \$10.

The fee paid to the ARDC by inactive attorneys, Rule 707 attorneys and active attorneys admitted to the Illinois bar between one and three years is currently \$121.

Since 2007, funding for Client Protection Program (Program) award payments comes from the \$25 allocation referenced above. During 2009, the ARDC determined that CPP expenses should also be paid from that separate Client Protection Fund instead of the ARDC Disciplinary Fund. For 2022 and 2021, the Client Protection Fund reimbursed the Disciplinary Fund \$352,688 and \$367,778 respectively for the administrative costs of the Program.

In 2020, ARDC began negotiating with its Chicago landlord to modify its existing lease at One Prudential Plaza. The eventual outcome was a 40% reduction in its leased square footage effective August 1, 2022, and a decrease of \$3.5 million in cumulative rental expenses over the five years that remained on the existing lease. The lease was also extended by three years to 2030.

The Supreme Court amended Rule 756 effective October 24, 2022. This amendment eliminated the requirement for certain attorneys to pay prior year fees and/or penalties with no ceiling when returning to the master roll on either active or inactive status. It replaced these fees with a new \$25 per month reinstatement fee capped at \$600. The amendment also provided more detailed information about ARDC's fee waiver policy for attorneys that may be experiencing a financial hardship. There is a possibility that the amendment will have a negative impact on ARDC's future revenues, though there are no such indications to date.



of the Supreme Court of Illinois

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

FIVE YEAR SUMMARY OF OPERATIONS

| | <u>2022</u> | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|
| REVENUE | | | | | |
| Investment income (loss) - net | \$ (629,597) | \$ 287,153 | \$ 1,234,207 | \$ 1,508,366 | \$ 701,496 |
| Registration and program fees | 20,354,610 | 21,781,609 | 21,716,237 | 21,945,876 | 21,954,971 |
| Cost reimbursements collected | 59,094 | 36,852 | 40,547 | 34,542 | 81,675 |
| Client Protection Program reimbursements | 627,730 | 10,864 | 53,621 | 37,157 | 216,158 |
| Total revenue | <u>20,411,837</u> | <u>22,116,478</u> | <u>23,044,612</u> | <u>23,525,941</u> | <u>22,954,300</u> |
| EXPENSES | | | | | |
| Salaries and related expenses | 11,461,985 | 11,759,924 | 11,942,876 | 11,649,421 | 11,997,483 |
| Travel | 171,033 | 89,551 | 72,515 | 152,301 | 147,652 |
| Continuing education | 148,620 | 87,080 | 137,014 | 235,971 | 158,995 |
| General expenses and office support | 3,340,040 | 3,135,976 | 2,652,280 | 2,393,115 | 2,461,422 |
| Computer | 1,032,813 | 985,325 | 1,225,495 | 658,217 | 504,532 |
| Other professional and case-related expenses | 580,206 | 536,845 | 512,827 | 545,027 | 590,756 |
| Client Protection Program direct expenses | 1,105,624 | 716,052 | 1,096,556 | 1,394,147 | 2,327,765 |
| Depreciation and amortization | 404,261 | 267,012 | 215,045 | 218,542 | 258,203 |
| Total expenses | <u>18,244,582</u> | <u>17,577,765</u> | <u>17,854,608</u> | <u>17,246,741</u> | <u>18,446,808</u> |
| CHANGE IN NET ASSETS | 2,167,255 | 4,538,713 | 5,190,004 | 6,279,200 | 4,507,492 |
| NET ASSETS WITHOUT MEMBER RESTRICTIONS | | | | | |
| Beginning of year | <u>54,099,833</u> | <u>49,561,120</u> | <u>44,371,116</u> | <u>38,091,916</u> | <u>33,584,424</u> |
| End of year | <u>\$ 56,267,088</u> | <u>\$ 54,099,833</u> | <u>\$ 49,561,120</u> | <u>\$ 44,371,116</u> | <u>\$ 38,091,916</u> |
| OTHER INFORMATION AT YEAR END | | | | | |
| Number of active and registered attorneys | 96,952 | 96,689 | 96,114 | 95,687 | 94,608 |
| Registration fees | | | | | |
| More than one year and less than three years | \$ 121 | \$ 121 | \$ 121 | \$ 121 | \$ 121 |
| More than three years | \$ 210 | \$ 230/210 * | \$ 230 | \$ 230 | \$ 230 |
| Inactive/out of state | \$ 121 | \$ 121 | \$ 121 | \$ 121 | \$ 121 |

* See Note 1.



Appendix - 2022 Statistical Charts



REGISTRATION

Chart 1

Registration Categories for 2022

| <i>Category</i> | <i>Number of Attorneys</i> |
|---|----------------------------|
| Admitted between January 1, 2021, and October 31, 2022 | 3,193 |
| Admitted between January 1, 2019, and December 31, 2020..... | 2,239 |
| Admitted before January 1, 2019..... | 73,096 |
| Serving active military duty..... | 390 |
| Spouse of active military attorney under Rule 719..... | 1 |
| Serving as judge or judicial clerk | 1,881 |
| In-House Counsel under Rule 716..... | 570 |
| Foreign Legal Consultant under Rule 713 | 13 |
| Legal Service Program Counsel under Rule 717..... | 18 |
| <i>Pro Bono</i> Authorization under Rule 756(k)..... | 167 |
| <i>Pro Hac Vice</i> under Rule 707 | 1,895 |
| Inactive status | <u>12,248</u> |
| Total Active and Inactive Attorneys Currently Registered | 95,711 |

Chart 1A

Gender, Age and Years in Practice* (2018-2022)

*Excludes those lawyers admitted *pro hac vice* under Supreme Court Rule 707

| | MALE | FEMALE | NON-BINARY |
|------|-------|--------|------------|
| 2018 | 61.6% | 38.4% | 0.01% |
| 2019 | 61.3% | 38.7% | 0.02% |
| 2020 | 60.7% | 39.3% | 0.06% |
| 2021 | 60.3% | 39.7% | 0.07% |
| 2022 | 59.9% | 40.0% | 0.09% |

| AGE | 21-29 YRS. | 30-39 YRS. | 40-49 YRS. | 50-59 YRS. | 60-69 YRS. | 70-79 YRS. | 80-89 YRS. | 90+ YRS. |
|------|------------|----------------|------------|----------------|------------|-------------|------------|----------|
| 2018 | 4.0% | 49.4% 30-49 | | 43.5% 50-74 | | 3.1% 75+ | | |
| 2019 | 3.6% | 49.1% 30-49 | | 44.1% 50-74 | | 3.2% 75+ | | |
| 2020 | 3.4% | 23.9% | 24.5% | 22.2% | 17.5% | 7.3% | 1.1% | 0.1% |
| 2021 | 3.5% | 23.0% | 24.9% | 22.3% | 17.4% | 7.7% | 1.1% | 0.1% |
| 2022 | 3.5% | 22.0% | 25.5% | 22.2% | 17.2% | 8.2% | 1.3% | 0.1% |

| YRS. IN PRACTICE | <5 YRS. | 5-10 YRS. | 11-20 YRS. | 21-30 YRS. | 31-40 YRS. | 41-50 YRS. | 51+ YRS. |
|------------------|---------|-----------|------------|------------|--------------|------------|----------|
| 2018 | 11.0% | 14.9% | 26.0% | 21.4% | 26.7% 30+ | | |
| 2019 | 10.0% | 14.8% | 26.7% | 21.4% | 27.1% 30+ | | |
| 2020 | 9.9% | 16.4% | 26.4% | 20.8% | 16.2% | 8.5% | 1.8% |
| 2021 | 9.9% | 16.4% | 26.4% | 20.8% | 16.2% | 8.5% | 1.8% |
| 2022 | 9.8% | 15.8% | 26.6% | 20.7% | 16.3% | 8.9% | 1.9% |

Chart 1B

Comparison of Female and Male Lawyers By Years in Practice (2021-2022)

| YEARS IN PRACTICE | % FEMALE | | % MALE | | % MORE MALE THAN FEMALE | |
|-------------------------|----------|-------|--------|-------|-------------------------|-------|
| | 2021 | 2022 | 2021 | 2022 | 2021 | 2022 |
| Less than 5 years | 48.7% | 49.4% | 51.3% | 50.6% | 2.6% | 1.2% |
| Between 5 and 10 years | 46.2% | 46.4% | 53.8% | 53.6% | 7.6% | 7.2% |
| Between 11 and 20 years | 46.8% | 47.0% | 53.2% | 53.0% | 6.4% | 6.1% |
| Between 21 and 30 years | 41.4% | 41.9% | 58.6% | 58.1% | 17.2% | 16.1% |
| Between 31 and 40 years | 32.1% | 33.2% | 67.9% | 66.8% | 35.8% | 33.6% |
| Between 41 and 50 years | 15.6% | 17.1% | 84.4% | 82.9% | 68.8% | 65.8% |
| 51+ years | 2.1% | 2.7% | 97.9% | 97.3% | 95.8% | 94.6% |

Chart 1C

Principal Business Location: In-State vs. Out-of-State Lawyers 2000-2022

| Year | Out-of-State Lawyers | | In-State Illinois Lawyers | | Total # of Registered Lawyers |
|-------------|----------------------|--------------|---------------------------|--------------|-------------------------------|
| 2022 | 29,872 | 31.2% | 65,839 | 68.8% | 95,711 |
| 2021 | 28,964 | 30.3% | 66,516 | 69.7% | 95,480 |
| 2020 | 29,184 | 30.7% | 65,723 | 69.3% | 94,907 |
| 2019 | 29,555 | 31.2% | 65,107 | 68.8% | 94,662 |
| 2018 | 29,929 | 31.6% | 64,679 | 68.4% | 94,608 |
| 2017 | 30,603 | 32.2% | 64,175 | 67.8% | 94,778 |
| 2016 | 30,315 | 32.0% | 64,295 | 68.0% | 94,610 |
| 2015 | 29,379 | 31.2% | 64,749 | 68.8% | 94,128 |
| 2014 | 28,317 | 30.5% | 64,439 | 69.5% | 92,756 |
| 2013 | 26,373 | 29.0% | 64,710 | 71.0% | 91,083 |
| 2012 | 24,095 | 27.0% | 65,235 | 73.0% | 89,330 |
| 2011 | 23,667 | 26.9% | 64,276 | 73.1% | 87,943 |
| 2010 | 23,019 | 26.6% | 63,638 | 73.4% | 86,657 |
| 2009 | 22,303 | 26.3% | 62,474 | 73.7% | 84,777 |
| 2008 | 21,466 | 25.6% | 62,442 | 74.4% | 83,908 |
| 2007 | 20,914 | 25.4% | 61,466 | 74.6% | 82,380 |
| 2006 | 20,776 | 25.6% | 60,370 | 74.4% | 81,146 |
| 2005 | 18,911 | 23.6% | 61,130 | 76.4% | 80,041 |
| 2004 | 18,274 | 23.4% | 59,827 | 76.6% | 78,101 |
| 2003 | 17,860 | 23.3% | 58,811 | 76.7% | 76,671 |
| 2002 | 17,470 | 23.2% | 57,951 | 76.8% | 75,421 |
| 2001 | 17,175 | 23.1% | 57,136 | 76.9% | 74,311 |
| 2000 | 17,201 | 23.4% | 56,460 | 76.6% | 73,661 |

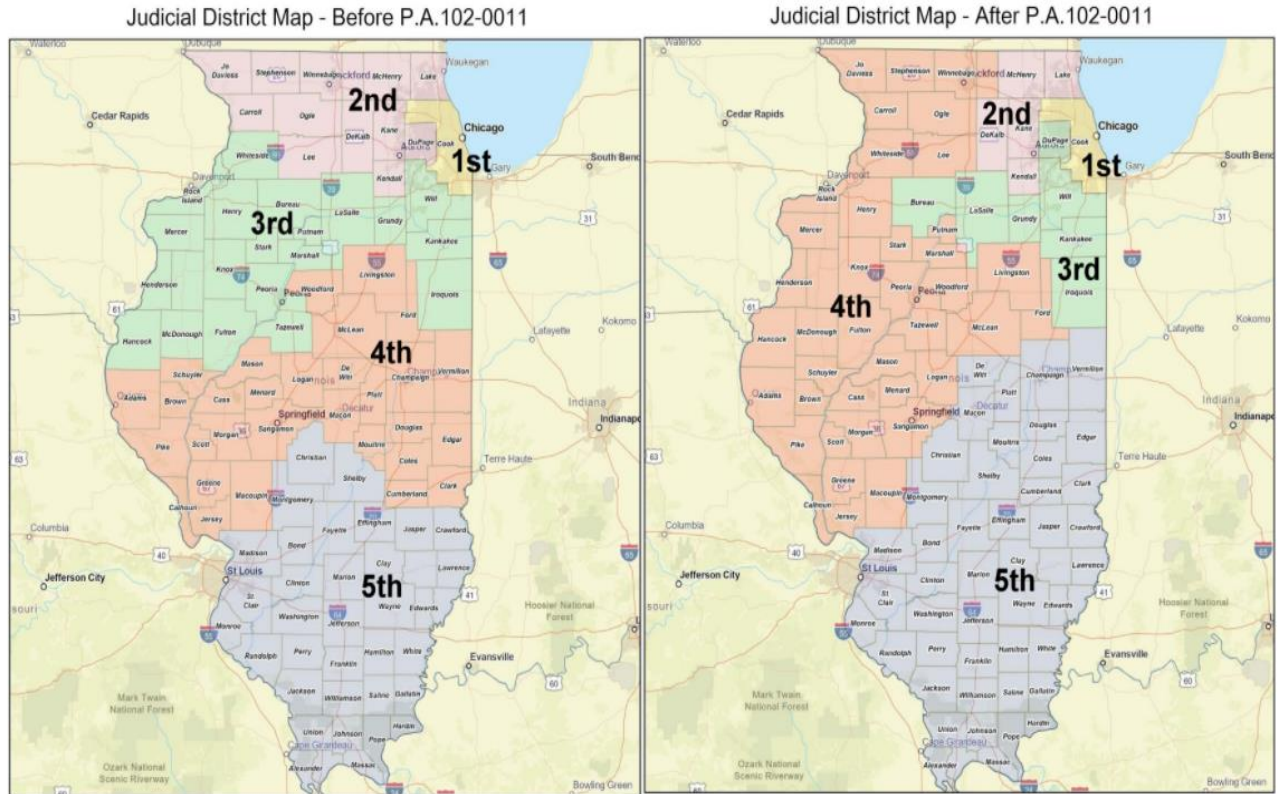
Chart 2A

Registered Active and Inactive Attorneys by Judicial Districts: Five-Year Trend 2018-2022

| | 2018 | 2019 | 2020 | 2021 | 2022 | | 2018 | 2019 | 2020 | 2021 | 2022 |
|---------------------------------|---------------|---------------|---------------|---------------|---------------|-------------------------------|---------------|---------------|---------------|---------------|---------------|
| First District | | | | | | | | | | | |
| Cook County | 45,834 | 46,345 | 46,951 | 47,210 | 46,812 | | | | | | |
| Second District | | | | | | Fourth District | | | | | |
| 15 th Circuit..... | 186 | 189 | 191 | 189 | 187 | 5 th Circuit..... | 225 | 225 | 220 | 217 | 197 |
| 16 th Circuit..... | 1,140 | 1,139 | 1,135 | 1,158 | 1,154 | 6 th Circuit..... | 825 | 821 | 802 | 810 | 799 |
| 17 th Circuit..... | 787 | 763 | 768 | 791 | 761 | 7 th Circuit..... | 1,256 | 1,249 | 1,245 | 1,266 | 1,212 |
| 18 th Circuit..... | 4,307 | 4,312 | 4,331 | 4,505 | 4,482 | 8 th Circuit..... | 177 | 176 | 172 | 180 | 174 |
| 19 th Circuit..... | 2,986 | 3,023 | 3,032 | 3,186 | 3,157 | 11 th Circuit..... | 669 | 646 | 648 | 668 | 661 |
| 22 nd Circuit..... | 569 | 568 | 562 | 572 | 571 | Total | 3,152 | 3,117 | 3,087 | 3,141 | 3,043 |
| 23 rd Circuit+ | 268 | 268 | 270 | 275 | 261 | | | | | | |
| Total | 10,243 | 10,262 | 10,289 | 10,676 | 10,573 | | | | | | |
| +circuit eff. 12/3/12 | | | | | | | | | | | |
| Third District | | | | | | Fifth District | | | | | |
| 9 th Circuit..... | 168 | 159 | 159 | 159 | 153 | 1 st Circuit..... | 435 | 439 | 442 | 441 | 423 |
| 10 th Circuit..... | 875 | 858 | 856 | 845 | 815 | 2 nd Circuit..... | 291 | 274 | 277 | 288 | 285 |
| 12 th Circuit..... | 964 | 981 | 996 | 1,074 | 1,089 | 3 rd Circuit..... | 761 | 739 | 737 | 748 | 729 |
| 13 th Circuit..... | 304 | 306 | 305 | 306 | 310 | 4 th Circuit..... | 245 | 236 | 240 | 243 | 238 |
| 14 th Circuit..... | 460 | 460 | 454 | 466 | 452 | 20 th Circuit..... | 808 | 799 | 800 | 778 | 784 |
| 21 st Circuit..... | 139 | 132 | 130 | 138 | 133 | Total | 2,540 | 2,487 | 2,496 | 2,498 | 2,459 |
| Total | 2,910 | 2,896 | 2,900 | 2,988 | 2,952 | | | | | | |
| | | | | | | Grand Total | 64,679 | 65,107 | 65,723 | 66,516 | 65,839 |

Chart 2B

Judicial District Map (eff. Jan. 1, 2022)



Illinois Courts, <https://www.illinoiscourts.gov/Public/Illinois-Judicial-Redistricting/> / Illinois Courts

Old Illinois judicial map boundaries (L), new judicial map boundaries (R)

2022 Map, eff. Jan. 1, 2022

1st District - contains only Cook County and not included in the judicial redistricting process.

2nd District – DeKalb, Kendall, Kane, Lake and McHenry counties. It was previously made up of 13 counties, spanning Lake Michigan to the Mississippi River, including DuPage County.

3rd District – DuPage, Bureau, LaSalle, Grundy, Iroquois, Kankakee and Will counties. It previously included 21 counties, covering Kankakee County to the Metro East.

4th District - Peoria County, the Quad City region, for total of 22 counties in western Illinois along the Mississippi River and up to the Wisconsin border from Jerseyville to Rockford.

5th District - gained 11 of the counties that were previously in the 4th District and stretches from Cairo to Champaign, a distance of close to 250 miles.

Chart 3

Registered Active and Inactive Attorneys by County: 2021 vs. 2022

■ Increase ■ Decrease

| Principal Office | 2018 | 2021 | 2022 | Principal Office | 2018 | 2021 | 2022 | Principal Office | 2018 | 2021 | 2022 |
|------------------|--------|--------|--------|------------------|-------|-------|-------|------------------|---------------|---------------|---------------|
| Adams | 116 | 111 | 108 | Hardin | 4 | 2 | 2 | Morgan | 41 | 41 | 41 |
| Alexander | 6 | 6 | 5 | Henderson | 8 | 7 | 7 | Moultrie | 11 | 11 | 10 |
| Bond | 13 | 11 | 12 | Henry | 50 | 43 | 41 | Ogle | 50 | 50 | 46 |
| Boone | 47 | 52 | 51 | Iroquois | 21 | 22 | 21 | Peoria | 741 | 699 | 664 |
| Brown | 10 | 11 | 10 | Jackson | 197 | 188 | 180 | Perry | 24 | 21 | 22 |
| Bureau | 27 | 29 | 33 | Jasper | 9 | 8 | 8 | Piatt | 21 | 22 | 26 |
| Calhoun | 4 | 4 | 5 | Jefferson | 118 | 120 | 118 | Pike | 10 | 12 | 11 |
| Carroll | 12 | 11 | 12 | Jersey | 18 | 20 | 17 | Pope | 3 | 5 | 4 |
| Cass | 7 | 11 | 8 | Jo Daviess | 35 | 37 | 41 | Pulaski | 4 | 4 | 4 |
| Champaign | 536 | 541 | 529 | Johnson | 11 | 9 | 9 | Putnam | 10 | 10 | 12 |
| Christian | 36 | 39 | 36 | Kane | 1,140 | 1,157 | 1,152 | Randolph | 27 | 27 | 25 |
| Clark | 15 | 13 | 14 | Kankakee | 118 | 116 | 112 | Richland | 22 | 22 | 19 |
| Clay | 12 | 12 | 11 | Kendall | 97 | 111 | 101 | Rock Island | 328 | 340 | 324 |
| Clinton | 27 | 23 | 21 | Knox | 51 | 53 | 49 | Saline | 37 | 43 | 41 |
| Coles | 81 | 82 | 72 | Lake | 2,986 | 3,186 | 3,157 | Sangamon | 1,137 | 1,152 | 1,105 |
| Cook | 45,834 | 47,210 | 46,812 | LaSalle | 205 | 208 | 206 | Schuyler | 9 | 8 | 10 |
| Crawford | 19 | 18 | 18 | Lawrence | 16 | 13 | 13 | Scott | 7 | 6 | 6 |
| Cumberland | 7 | 7 | 9 | Lee | 37 | 37 | 38 | Shelby | 15 | 16 | 17 |
| DeKalb | 171 | 164 | 161 | Livingston | 45 | 39 | 38 | St. Clair | 701 | 672 | 677 |
| DeWitt | 167 | 15 | 15 | Logan | 23 | 23 | 25 | Stark | 6 | 7 | 7 |
| Douglas | 19 | 17 | 20 | Macon | 222 | 205 | 200 | Stephenson | 52 | 54 | 50 |
| DuPage | 4,307 | 4,507 | 4,485 | Macoupin | 37 | 32 | 29 | Tazewell | 108 | 118 | 122 |
| Edgar | 21 | 19 | 18 | Madison | 748 | 737 | 717 | Union | 28 | 27 | 25 |
| Edwards | 4 | 4 | 4 | Marion | 43 | 41 | 42 | Vermilion | 101 | 95 | 84 |
| Effingham | 56 | 58 | 56 | Marshall | 10 | 9 | 8 | Wabash | 16 | 14 | 14 |
| Fayette | 24 | 24 | 23 | Mason | 11 | 10 | 10 | Warren | 22 | 17 | 18 |
| Ford | 12 | 15 | 13 | Massac | 16 | 16 | 14 | Washington | 23 | 20 | 17 |
| Franklin | 50 | 52 | 55 | McDonough | 43 | 37 | 36 | Wayne | 11 | 11 | 11 |
| Fulton | 30 | 30 | 29 | McHenry | 569 | 572 | 570 | White | 12 | 13 | 13 |
| Gallatin | 8 | 8 | 8 | McLean | 563 | 568 | 559 | Whiteside | 76 | 78 | 81 |
| Greene | 16 | 16 | 15 | Menard | 10 | 13 | 12 | Will | 964 | 1,074 | 1,089 |
| Grundy | 72 | 70 | 72 | Mercer | 6 | 5 | 6 | Williamson | 133 | 143 | 141 |
| Hamilton | 11 | 11 | 10 | Monroe | 33 | 38 | 43 | Winnebago | 740 | 740 | 711 |
| Hancock | 14 | 15 | 14 | Montgomery | 23 | 22 | 24 | Woodford | 26 | 24 | 26 |
| Total | | | | | | | | | 64,679 | 66,516 | 65,839 |

Chart 4

Attorney Removals from the Master Roll: 2012 – 2022 Registration Years

| <i>Reason for Removal</i> | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
|----------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Registration non-compliance | 1,019 | 833 | 1,228 | 1,155 | 1,135 | 1,644 | 1,286 | 981 | 946 | 1,009 | 1,103 |
| Deceased | 318 | 277 | 348 | 475 | 288 | 223 | 287 | 238 | 237 | 245 | 240 |
| Retired | 853 | 815 | 833 | 1,334 | 1,354 | 1,262 | 1,458 | 1,331 | 1,419 | 1,369 | 1,753 |
| Disciplined | 81 | 74 | 68 | 57 | 52 | 52 | 61 | 62 | 46 | 47 | 36 |
| MCLE General non-compliance | 75 | 76 | 70 | 109 | 111 | 128 | 120 | 148 | 197 | 292 | 160 |
| MCLE Basic Skills non-compliance | 18 | 15 | 7 | 33 | 24 | 22 | 16 | 14 | 0 | 27 | 51 |
| Total | 2,364 | 2,090 | 2,554 | 3,163 | 2,964 | 3,331 | 3,228 | 2,774 | 2,845 | 2,989 | 3,343 |

Chart 5

Pro Hac Vice Admission: 2014*-2022

| | <i>Number of Lawyer Pro Hac Vice Submissions</i> | <i>Number of Lawyers Registered</i> | <i>Number of Proceedings</i> | <i>Total AJC Per-Proceeding Fees</i> | <i>Total ARDC Per-Proceeding Fees</i> |
|-------------|--|-------------------------------------|------------------------------|--------------------------------------|---------------------------------------|
| 2014 | 772 | 864 | 1,097 | \$159,540 | \$70,800 |
| 2015 | 782 | 1,078 | 1,199 | \$184,508 | \$78,379 |
| 2016 | 946 | 1,500 | 1,084 | \$190,988 | \$81,750 |
| 2017 | 925 | 1,592 | 1,134 | \$187,283 | \$80,471 |
| 2018 | 898 | 1,617 | 1,060 | \$171,021 | \$73,471 |
| 2019 | 977 | 1,780 | 1,221 | \$215,433 | \$92,325 |
| 2020 | 899 | 1,640 | 1,109 | \$196,000 | \$83,925 |
| 2021 | 1,172 | 2,065 | 1,489 | \$259,666 | \$111,012 |
| 2022 | 1,300 | 2,235 | 1,662 | \$282,172.00 | \$121,000 |

* 2014 was the first full calendar year after amended Supreme Court Rule 707 became effective July 1, 2013.

Supreme Court Rule 707 permits an eligible out-of-state attorney to appear *pro hac vice* in an Illinois proceeding if the out-of-state lawyer meets certain licensure and other eligibility requirements, registers annually with the ARDC, and pays an annual registration fee (\$121) as well as a \$250 per-proceeding fee to the ARDC. \$175 of this per-proceeding fee is remitted to the Illinois Supreme Court Commission on Access to Justice (AJC) and \$75 is retained by the ARDC. The chart above shows *pro hac vice* activity for 2014-2022, including the total AJC and ARDC per-proceeding fees collected.

Practice Demographics: 2018-2022

Chart 6A

2018-2022 Practice Setting: Active Status Lawyers and Currently Practicing Law

| Practice Setting | Practice Size | | | | |
|--------------------|--|-----------------|-----------------|-----------------|-----------------|
| | % of Total Active Status and Currently Practicing | | | | |
| | 2018 | 2019 | 2020 | 2021 | 2022 |
| Private Practice | 68.5% 49,970 | 67.8% 49,996 | 66.7% 48,798 | 66.1% 48,650 | 66.5% 49,108 |
| Corporate In-house | 14.3% 10,423 | 14.8% 10,901 | 15.4% 11,231 | 15.5% 11,379 | 15.5% 11,464 |
| Government/Judge | 11.4% 8,321 | 11.6% 8,607 | 12.1% 8,874 | 12.4% 9,164 | 11.9% 8,802 |
| Other | 3.1% 2,233 | 3.0% 2,220 | 3.0% 2,177 | 3.1% 2,271 | 3.2% 2,317 |
| Not-for-profit | 2.1% 1,544 | 2.2% 1,607 | 2.2% 1,628 | 2.3% 1,728 | 2.4% 1,737 |
| Academia | 0.6% 461 | 0.6% 456 | 0.6% 448 | 0.6% 434 | 0.6% 433 |
| Total | 72,952 | 73,787 | 73,156 | 73,626 | 73,861 |

Chart 6B

2018-2022 Practice Size: Active Status Lawyers, Currently Practicing Law and In Private Practice

| Practice Size of Lawyers in Private Practice | Practice Size | | | | |
|--|---|-----------------|-----------------|-----------------|-----------------|
| | % of Total Engaged in Private Practice | | | | |
| | 2018 | 2019 | 2020 | 2021 | 2022 |
| Solo Firm | 27.4% 13,699 | 26.9% 13,443 | 27.4% 13,356 | 27.2% 13,244 | 25.8% 12,692 |
| Firm of 2-10 Attys. | 26.5% 13,224 | 26.0% 12,985 | 25.6% 12,513 | 25.4% 12,376 | 24.7% 12,129 |
| Firm of 11-25 Attys. | 9.6% 4,817 | 9.7% 4,848 | 9.4% 4,575 | 9.4% 4,555 | 9.4% 4,615 |
| Firm of 26-100 Attys. | 11.2% 5,605 | 11.5% 5,779 | 11.6% 5,662 | 11.7% 5,668 | 12.3% 6,025 |
| Firm of 100 + Attys. | 25.3% 12,625 | 25.9% 12,941 | 26.0% 12,692 | 26.3% 12,807 | 27.8% 13,647 |
| Total | 49,970 | 49,996 | 48,798 | 48,650 | 49,108 |

2022 Practice Setting Demographics By Age

Chart 6A-1

2022 Practice Setting: Active Status Lawyers and Currently Practicing Law By Age

| PRACTICE SETTING | 21-29 YRS. | 30-39 YRS. | 40-49 YRS. | 50-59 YRS. | 60-69 YRS. | 70-79 YRS. | 80-89 YRS. | 90+ YRS. |
|--------------------|------------|------------|------------|------------|------------|------------|------------|----------|
| Private Practice | 4.3% | 22.6% | 22.2% | 20.3% | 18.2% | 10.6% | 1.8% | 0.1% |
| Corporate In-house | 1.4% | 22.5% | 34.0% | 27.0% | 13.0% | 2.0% | 0.1% | 0.03% |
| Government/Judge | 5.6% | 30.5% | 29.4% | 20.5% | 11.3% | 2.4% | 0.2% | 0.01% |
| Other | 4.2% | 26.5% | 25.5% | 19.8% | 16.6% | 6.3% | 1.2% | 0.04% |
| Not-for-profit | 6.6% | 31.7% | 25.6% | 16.5% | 13.0% | 5.9% | 0.5% | 0.1% |
| Academia | 0.7% | 10.9% | 26.6% | 24.9% | 25.4% | 9.7% | 1.9% | 0.0% |

Chart 6B-1

2022 Practice Size: Active Status Lawyers, Currently Practicing Law and In Private Practice By Age

| PRACTICE SETTING | 21-29 YRS. | 30-39 YRS. | 40-49 YRS. | 50-59 YRS. | 60-69 YRS. | 70-79 YRS. | 80-89 YRS. | 90+ YRS. |
|-----------------------|------------|------------|------------|------------|------------|------------|------------|----------|
| Solo Firm | 0.28% | 7.42% | 15.95% | 21.75% | 28.59% | 21.97% | 3.80% | 0.24% |
| Firm of 2-10 Attys. | 3.86% | 20.61% | 23.89% | 21.35% | 18.14% | 10.26% | 1.77% | 0.11% |
| Firm of 11-25 Attys. | 5.84% | 26.58% | 24.04% | 19.65% | 15.29% | 7.27% | 1.24% | 0.09% |
| Firm of 26-100 Attys. | 5.24% | 29.72% | 24.98% | 20.31% | 13.22% | 5.51% | 0.96% | 0.05% |
| Firm of 100 + Attys. | 7.42% | 34.11% | 24.79% | 18.05% | 11.68% | 3.52% | 0.41% | 0.02% |

Chart 7A

Succession Planning of Active Status Lawyers, Currently Practicing Law and In Private Practice (2018-2022)

| | % Succession Planning Responses By Practice Size | | | | | | | | | | | | | | |
|------------------------------|---|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| | Yes | | | | | No | | | | | Not Sure | | | | |
| | 2018 | 2019 | 2020 | 2021 | 2022 | 2018 | 2019 | 2020 | 2021 | 2022 | 2018 | 2019 | 2020 | 2021 | 2022 |
| Solo Firm | 2,425 17.7% | 2,563 19.1% | 2,657 19.9% | 2,812 21.3% | 2,784 21.9% | 10,431 76.1% | 10,104 75.1% | 9,954 74.5% | 9,647 72.8% | 9,170 72.3% | 843 6.2% | 776 5.8% | 745 5.6% | 785 5.9% | 738 5.8% |
| Firm of 2-10 Attys. | 3,497 26.4% | 3,642 28.0% | 3,565 28.5% | 3,639 29.4% | 3,713 30.6% | 4,921 37.2% | 4,725 36.4% | 4,511 36.1% | 4,354 35.2% | 4,210 34.7% | 4,806 36.4% | 4,618 35.6% | 4,437 35.4% | 4,383 35.4% | 4,206 34.7% |
| Firm of 11-25 Attys. | 1,521 31.5% | 1,510 31.1% | 1,467 32.1% | 33.0% 1,504 | 1,572 34.1% | 851 17.7% | 876 18.1% | 810 17.7% | 787 17.3% | 745 16.1% | 2,445 50.8% | 2,462 50.8% | 2,298 50.2% | 2,264 49.7% | 2,298 49.8% |
| Firm of 26-100 Attys. | 2,212 39.5% | 2,311 40.0% | 2,312 40.9% | 2,360 41.6% | 2,575 42.7% | 806 14.4% | 815 14.1% | 850 15.0% | 856 15.1% | 843 14.0% | 2,587 46.1% | 2,653 45.9% | 2,499 44.1% | 2,452 43.3% | 2,607 43.3% |
| Firm of 100 + Attys. | 7,475 59.2% | 7,751 59.9% | 7,757 61.1% | 7,890 61.6% | 8,247 60.4% | 999 7.9% | 997 7.7% | 979 7.7% | 1,011 7.9% | 1,062 7.8% | 4,151 32.9% | 4,193 32.4% | 3,956 31.2% | 3,906 30.5% | 4,338 31.8% |
| Total | 17,130 34.3% | 17,777 35.6% | 17,758 36.4% | 18,205 37.4% | 18,891 38.5% | 18,008 36.0% | 17,517 35.0% | 17,104 35.0% | 16,655 34.2% | 16,030 32.6% | 14,832 29.7% | 14,702 29.4% | 13,935 28.6% | 13,790 28.4% | 14,187 28.9% |

Chart 7B

Solo Practitioners, Active Status, Currently Practicing Law and In Private Practice with No Succession Planning and No Malpractice Insurance (2022)

| % OF 3,889 TOTAL BY AGE | |
|--------------------------------|----------------|
| 21-29 YRS.. | 9 0.2% |
| 30-39 YRS. | 235 6.1% |
| 40-49 YRS. | 504 13.0% |
| 50-59 YRS. | 746 19.2% |
| 60-69 YRS. | 1,148 29.5% |
| 70-79 YRS. | 1,063 27.3% |
| 80+ YRS. | 184 4.7% |

Report on Trust Accounts

Chart 8A

2022 Trust Account Disclosure Reports

| | |
|---|--------|
| A. Lawyers with Trust Accounts:..... 47,684 | |
| % with IOLTA trust accounts | 81.9% |
| % with non-IOLTA trust accounts..... | 18.1% |
| B. Lawyers without Trust Accounts:..... 48,027 | |
| Full-time employee of corporation or governmental agency (including courts) | |
| with no outside practice | 24,287 |
| Not engaged in the practice of law..... 13,032 | |
| Engaged in private practice of law (to any extent), but firm handles no client or third-party funds | |
| Other explanation | 2,588 |

Chart 8B

Trust Account Reports: 2018-2022
Active Status Lawyers, Currently Practicing Law and in Private Practice

| Practice Size | "Yes" Trust Account Responses | | | | | | | | | | "No" Trust Account Responses | | | | |
|------------------------------|---|-------------------------|-------------------------|-------------------------|-------------------------|---|------------------------|-----------------------|-----------------------|-----------------------|------------------------------|------------------------|------------------------|------------------------|------------------------|
| | IOLTA Trust Account* | | | | | Non-IOLTA Trust Account** | | | | | | | | | |
| | * Lawyers may report multiple trust accounts but only one is counted. | | | | | ** Lawyers who reported maintaining only a non-IOLTA trust account. | | | | | | | | | |
| | 2018 | 2019 | 2020 | 2021 | 2022 | 2018 | 2019 | 2020 | 2021 | 2022 | 2018 | 2019 | 2020 | 2021 | 2022 |
| Solo Firm | 8,554 62.4% | 8,301 61.7% | 8,913 66.7% | 8,726 65.9% | 7,996 63.0% | 762 5.6% | 884 6.6% | 169 1.3% | 241 1.8% | 660 5.2% | 4,383 32.0% | 4,258 31.7% | 4,274 32.0% | 4,277 32.3% | 4,036 31.8% |
| Firm of 2-10 Attys. | 10,403 78.7% | 9,897 76.2% | 11,246 89.9% | 10,923 88.3% | 9,748 80.4% | 1,466 11.1% | 1,855 14.3% | 232 1.9% | 234 1.9% | 1,203 9.9% | 1,355 10.2% | 1,233 9.5% | 1,035 8.2% | 1,219 9.8% | 1,178 9.7% |
| Firm of 11-25 Attys. | 3,880 80.6% | 3,694 76.2% | 4,173 91.2% | 4,119 90.4% | 3,634 78.7% | 665 13.8% | 832 17.2% | 100 2.2% | 87 1.9% | 652 14.1% | 272 5.6% | 322 6.6% | 302 6.6% | 349 7.7% | 329 7.1% |
| Firm of 26-100 Attys. | 4,452 79.5% | 4,352 75.3% | 5,139 90.8% | 5,204 91.8% | 4,722 78.4% | 837 14.9% | 1,077 18.6% | 247 4.4% | 112 2.0% | 923 15.3% | 316 5.6% | 350 6.1% | 276 4.8% | 352 6.2% | 380 6.3% |
| Firm of 100 + Attys. | 9,855 78.1% | 9,444 73.0% | 11,493 90.6% | 11,870 92.7% | 12,161 89.1% | 2,301 18.2% | 2,996 23.1% | 794 6.3% | 352 2.7% | 804 5.9% | 469 3.7% | 501 3.9% | 405 3.1% | 585 4.6% | 682 5.0% |
| Total | 37,144 74.3% | 35,688 71.4% | 40,964 83.9% | 40,842 84.0% | 38,261 77.9% | 6,031 12.1% | 7,644 15.3% | 1,542 3.2% | 1,026 2.1% | 4,242 8.6% | 6,795 13.6% | 6,664 13.3% | 6,292 12.9% | 6,782 13.9% | 6,605 13.4% |

Chart 9A

Malpractice Disclosure Reports: 2018-2022

| Lawyer Malpractice Insurance | 2018 | 2019 | 2020 | 2021 | 2022 |
|------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Yes | 51,538 54.5% | 51,940 55.0% | 51,748 54.5% | 52,030 54.5% | 52,483 54.8% |
| No | 43,070 45.5% | 42,559 45.0% | 43,159 45.5% | 43,450 45.5% | 43,228 45.2% |

Chart 9B

**Malpractice Disclosure Reports: 2018-2022
Active Status Lawyers, Currently Practicing Law and in Private Practice**

| Practice Size | % Malpractice Responses | | | | | | | | | |
|-----------------------|-------------------------|-----------------|-----------------|-------------------------|-------------------------|----------------|----------------|----------------|------------------------|------------------------|
| | Yes | | | | | No | | | | |
| | 2018 | 2019 | 2020 | 2021 | 2022 | 2017 | 2018 | 2019 | 2020 | 2022 |
| Solo Firm | 8,187 59.8% | 8,346 62.1% | 8,138 60.9% | 8,249 62.3% | 7,979 62.9% | 5,512 40.2% | 5,097 37.9% | 5,218 39.1% | 4,995 37.7% | 4,713 37.1% |
| Firm of 2-10 Attys. | 12,288 92.9% | 12,209 94.0% | 11,730 93.8% | 11,596 93.7% | 11,411 94.1% | 936 7.1% | 776 6.0% | 783 6.2% | 780 6.3% | 718 5.9% |
| Firm of 11- 25 Attys. | 4,713 97.8% | 4,750 98.0% | 4,477 97.9% | 4,451 97.7% | 4,526 98.1% | 104 2.2% | 98 2.0% | 98 2.2% | 104 2.3% | 89 1.9% |
| Firm of 26-100 Attys. | 5,484 97.8% | 5,643 97.6% | 5,532 97.7% | 5,515 97.3% | 5,896 97.9% | 121 2.2% | 136 2.4% | 130 2.4% | 153 2.7% | 129 2.1% |
| Firm of 100 + Attys. | 12,445 98.6% | 12,738 98.4% | 12,463 98.2% | 12,476 97.4% | 13,384 98.1% | 180 1.4% | 203 1.6% | 229 1.8% | 331 2.6% | 263 1.9% |
| Total | 86.3% | 87.4% | 86.7% | 42,287 86.9% | 43,196 88.0% | 13.7% | 12.6% | 13.3% | 6,364 13.1% | 5,912 12.0% |

INVESTIGATIONS, PROSECUTIONS and SANCTIONS

Investigations

Chart 10

Types of Investigations Docketed (2012-2022)

| Type of Investigation | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Disciplinary charge against Illinois lawyer | 5,712 | 5,410 | 5,168 | 4,925 | 4,788 | 4,592 | 4,419 | 4,195 | 3,375 | 3,344 | 3,951 |
| Overdraft notification of client trust account | 421 | 336 | 357 | 283 | 241 | 265 | 321 | 282 | 194 | 204 | 185 |
| Unauthorized Practice of Law | 86 | 104 | 112 | 104 | 104 | 105 | 74 | 224 | 56 | 42 | 54 |
| Monitoring disciplinary compliance | N/A | N/A | N/A | 71 | 88 | 83 | 73 | 67 | 57 | 49 | 40 |
| Disciplinary charge against out-of-state lawyer | 59 | 67 | 65 | 44 | 44 | 48 | 53 | 52 | 138 | 167 | 39 |
| Receivership | 9 | 13 | 20 | 14 | 31 | 33 | 21 | 17 | 28 | 29 | 24 |
| Reciprocal | 23 | 12 | 22 | 13 | 32 | 21 | 44 | 30 | 24 | 19 | 13 |
| Impairment | N/A | N/A | 0 | 4 | 1 | 0 | 0 | 0 | 0 | 0 | 0 |
| Conditional Admission monitoring | N/A | 1 | 2 | 2 | 1 | 0 | 1 | 0 | 0 | 4 | 3 |
| Investigation related to Petition for Reinstatement | N/A | N/A | N/A | N/A | 2 | 0 | 1 | 0 | 3 | 0 | 1 |
| Total: New Docketed Investigations | 6,310 | 5,943 | 5,746 | 5,460 | 5,332 | 5,147 | 5,007 | 4,867 | 3,875 | 3,858 | 4,309 |
| Reopened investigations | 87 | 130 | 89 | 94 | 69 | 52 | 22 | 70 | 61 | 23 | 50 |
| TOTAL: | 6,397 | 6,073 | 5,835 | 5,554 | 5,401 | 5,199 | 5,029 | 4,937 | 3,936 | 3,881 | 4,359 |

Chart 11A

Demographics of Lawyers the Subject of Investigations Docketed in 2022

| <i>Investigations per Attorney</i> | <i>Number of Attorneys</i> |
|------------------------------------|----------------------------|
| 1 | 2,716 |
| 2 | 366 |
| 3 | 103 |
| 4 or more..... | 72 |
| | Total: 3,257 |

| <i>Gender</i> | <i>Years in Practice</i> |
|------------------|--------------------------|
| Female | Fewer than 5 |
| Male | Between 5 and 10 |
| Non-Binary | Between 10 and 20 |
| | Between 20 and 30 |
| | 30 or more |

Chart 11B

Number of Investigations Docketed in 2022* By Complainant Category

* Information captured between 4/1/2022 and 12/31/2022

| Complainant | # of Investigations | |
|--|----------------------------|-------|
| Client/Former Client | 1,741 | 52.3% |
| Opposing Party | 762 | 22.9% |
| Other (e.g. witness, relative, acquaintance) | 354 | 10.6% |
| Administrator | 237 | 7.1% |
| Opposing Counsel | 91 | 2.7% |
| Anonymous | 29 | 0.87% |
| Undeterminable | 28 | 0.84% |
| Judge/Tribunal | 25 | 0.75% |
| Lawyer self-report | 15 | 0.45% |
| Prosecutor/Law enforcement | 12 | 0.36% |
| Financial Institution | 10 | 0.33% |
| Other disciplinary agency | 9 | 0.27% |
| Service provider/vendor | 8 | 0.24% |
| Lienholder | 5 | 0.15% |
| Lawyer's law firm/employer | 4 | 0.12% |
| Total | 3,330 | |

Chart 12

Classification of Charges Docketed in 2022 by Allegations

| <i>Type of Misconduct</i> | <i>Number*</i> | <i>Type of Misconduct.....</i> | <i>Number*</i> |
|---|----------------|---|----------------|
| Neglect (Rule 1.3)..... | 1,422 | Failing to report misconduct of another lawyer or judge (Rule 8.3(a)-(b))..... | 33 |
| Failing to communicate with client, including failing to communicate the basis of a fee (Rule 1.4(a)(1)-(5) and (b), and 1.5(b)) | 526 | Threatening criminal prosecution or disciplinary proceedings to gain advantage in a civil matter (Rule 8.4(g)).. | 25 |
| Failing to provide competent representation (Rule 1.1) | 512 | Not abiding by a client’s decision concerning the representation or improperly limiting scope of representation (Rule 1.2(a)) | 24 |
| Excessive or improper fees, including failing to refund unearned fees (Rule 1.5 and 1.16(d))..... | 477 | Failing to preserve client confidences or secrets (Rule 1.6(a)) | 24 |
| Fraudulent or deceptive activity including misrepresentation to a tribunal, clients, and non-clients (Rules 3.3(a)(1)-(3), 3.4(a)-(c), 4.1(a), 8.4(c)) | 379 | Investigation relating to a charge of DUI..... | 19 |
| Improper management of client or third-party funds, including commingling, conversion, failing to promptly pay litigation costs or client creditors or issuing NSF checks (Rule 1.15)..... | 293 | Improper commercial speech (Rules 7.1-7.3) | 17 |
| Filing frivolous or non-meritorious claims or pleadings (Rule 3.1) | 262 | Violation of anti-discrimination statute/ordinance (Rule 8.4(j)).. | 13 |
| Criminal conduct, assisting a client in a crime or fraud, and counseling illegal or fraudulent conduct (Rules 1.2(d) and 8.4(b))..... | 220 | False statements about a judge, judicial candidate or public official (Rule 8.2(a))..... | 12 |
| Conduct prejudicial to the administration of justice, including conduct that is the subject of a contempt finding or court sanction (Rule 8.4(d))..... | 141 | Failing to properly withdraw from representation, including failing to return client files or documents (Rule 1.16(a)(1), (3) and (c))..... | 11 |
| Improper trial conduct, including using means to embarrass, delay or burden another or suppressing evidence where there is a duty to reveal (Rules 3.2, 3.5(a)-(b), 3.6 and 4.4(a)-(b)) | 121 | Improper communication with an unrepresented person (Rule 4.3) | 11 |
| Conflict of Interest:..... | 87 | Improper communications with a represented person (Rule 4.2) . | 11 |
| Rule 1.7: Concurrent clients | 49 | Investigation relating to a charge of domestic violence | 8 |
| Rule 1.8(a): Improper business transaction with client | 1 | Failing to supervise subordinates (Rules 5.1and 5.3) | 7 |
| Rule 1.8(b): Improper use of information related to representation.. | 2 | False statements in bar admission or disciplinary matter (Rule 8.1(a)-(b))..... | 5 |
| Rule 1.8(c): Improper gift from client..... | 3 | Failing to maintain appropriate attorney-client relationship with client with diminished capacity (Rule 1.14) | 5 |
| Rule 1.8(e): Improper financial assistance to client | 1 | Improper practice after failure to register under Rule 756 | 5 |
| Rule 1.8(h): Improper agreement to limit liability | 2 | Improper use of public office to obtain an advantage in legislative matter (Rule 8.4(k))..... | 5 |
| Rule 1.8(j): Improper sexual relations with client..... | 7 | Incapacity due to chemical addiction or mental condition (S.Ct. Rules 757-758) | 3 |
| Rule 1.9: Successive conflicts | 14 | Investigation relating to a charge of failure to pay child support ... | 2 |
| Rule 1.10(a): Imputed disqualification..... | 2 | Failure to disclose confidence to prevent death/bodily harm (Rule 1.6(c))..... | 1 |
| Rule 1.13: Organizational client | 2 | No allegation of misconduct warranting investigation..... | 553 |
| Rule 1.18: Representation adverse to prospective client | 4 | | |
| Prosecutorial misconduct (Rule 3.8)..... | 54 | | |
| Failure to comply with S.Ct.Rule 764 following discipline | 43 | | |
| Practicing in a jurisdiction where not authorized (Rule 5.5) | 38 | | |

* Totals exceed the number investigations docketed in 2022 because in many more than one type of misconduct is alleged.

Chart 13

Classification of Charges Docketed in 2022 by Area of Law*

| <i>Area of Law</i> | <i>Number</i> |
|--|---------------|
| Criminal/Quasi-Criminal | 1,102 |
| Domestic Relations..... | 674 |
| Tort (Personal Injury/Property Damage) | 416 |
| Real Estate/Landlord-Tenant | 349 |
| Probate..... | 315 |
| Labor Relations/Workers' Comp..... | 178 |
| Contract | 160 |
| Debt Collection..... | 87 |
| Civil Rights..... | 78 |
| Immigration | 77 |
| Local Government Problems | 65 |
| Bankruptcy | 53 |
| Corporate Matters | 39 |
| Tax..... | 19 |
| Social Security..... | 12 |
| Patent and Trademark..... | 7 |
| Mental Health | 5 |
| Adoption | 4 |

* Does not include charges classified with no area of law indicated or alleged misconduct not arising out of a legal representation.

Chart 14

Investigations Docketed* and Concluded: 2018-2022 * includes reopened investigations

| Year | Pending January 1 st | Docketed During Year * | Concluded During Year | Pending December 31 st |
|------|---------------------------------|------------------------|-----------------------|-----------------------------------|
| 2018 | 1,828 | 5,029 | 4,958 | 1,899 |
| 2019 | 1,899 | 4,937 | 4,802 | 2,034 |
| 2020 | 2,034 | 3,936 | 4,284 | 1,686 |
| 2021 | 1,686 | 3,881 | 4,245 | 1,322 |
| 2022 | 1,322 | 4,359 | 4,346 | 1,335 |

Chart 15

Investigations Concluded in 2022

| | |
|---|----------------------------------|
| Concluded by the Administrator: | |
| Closed after initial review..... | 1,621 (No misconduct alleged) |
| Closed after investigation | 2,590 |
| Filed at Supreme Court pursuant to Supreme Court Rules 757, 762(a), and 763 | 6 |
| Filed in the Circuit Court pursuant to Supreme Court Rule 779(b)..... | 1 |
| Concluded by the Inquiry Board: | |
| Closed after panel review | 26 |
| Complaint or impairment petition voted..... | 99 |
| Closed upon completion of conditions of Rule 108 supervision | 3 |
| Total..... | 4,346 |

Chart 16

Timeliness of Investigations Concluded in 2022

| 1,621 Investigations Closed After Initial Review in 2022 | | | |
|---|--------------|--------------|-------------------|
| <i>Number of Days Pending Prior to Closure:</i> | | | |
| Fewer than 10 days | 10 - 20 days | 21 - 60 days | More than 60 days |
| 1,341 (82.7%) | 123 (7.6%) | 116 (7.2%) | 41 (2.5%) |

| 2,072 Investigations Concluded in 2022 by the Intake Staff After Investigation | | | |
|---|-----------------------|------------------------|--------------------|
| <i>Number of Days Pending Prior to Closure:</i> | | | |
| Fewer than 90 days | Between 90 - 180 days | Between 180 - 365 days | More than 365 days |
| 1,486 (71.7%) | 373 (18.0%) | 145 (7.0%) | 68 (3.3%) |

| 518 Investigations Concluded in 2022 by the Litigation Staff After Investigation | | | |
|---|-----------------------|------------------------|--------------------|
| <i>Number of Days Pending Prior to Closure:</i> | | | |
| Fewer than 90 days | Between 90 - 180 days | Between 180 - 365 days | More than 365 days |
| 136 (26.3%) | 72 (13.9%) | 82 (15.8%) | 228 (44.0%) |

Chart 17

Overdraft Trust Account Notification Investigations (2018-2022)

| <i>Overdraft Notification Investigations</i> | 2018 | 2019 | 2020 | 2021 | 2022 |
|--|-------------|-------------|-------------|-------------|-------------|
| Opened | 321 | 282 | 194 | 204 | 185 |
| Closed | 321 | 266 | 161 | 212 | 196 |
| Formal Complaints Filed | 3 | 3 | 2 | 2 | 2 |

Chart 18A

Rule 779 Unauthorized Practice of Law Investigations (2018-2022)

| <i>Type</i> | 2018 | 2019 | 2020* | 2021 | 2022 |
|----------------------------|------|------|-------|------|------|
| UPL by unlicensed person | 63 | 69 | 44 | 29 | 24 |
| UPL by unlicensed entity | 11 | 14 | 5 | 8 | 10 |
| UPL by out-of-state lawyer | 16 | 22 | 1* | 4* | 9 |
| UPL by disbarred lawyer | 15 | 9 | 4 | 1 | 7 |
| UPL by suspended lawyer | 9 | 3 | 0 | 0 | 1 |
| Total | 114 | 117 | 54 | 42 | 52 |

* Beginning in 2020, investigations involving out-of-state lawyers for allegedly failing to pay Rule 707 *pro hac vice* fees are no longer classified as UPL investigations and are now counted with disciplinary investigations involving out-of-state lawyers in Chart 10.

Chart 18B

Area of Law Involved in the 52 Rule 779(b) UPL Investigations in 2022 (Unlicensed Persons or Entities and Disbarred or Suspended Lawyers)

| <i>Subject Area</i> | <i>Number of 779(b) Investigations*</i> | <i>Subject Area</i> | <i>Number of 779(b) Investigations*</i> |
|--------------------------|---|--------------------------|---|
| Contract | 10 19% | Labor/Workers Comp | 2 4% |
| Criminal | 10 19% | Local Government | 2 4% |
| Domestic Relations | 6 12% | Probate..... | 2 4% |
| Real Estate | 5 10% | Corporate..... | 2 4% |
| Debt Collection..... | 4 8% | Immigration..... | 1 2% |
| Tort | 3 6% | | |

* Total less than 52 investigations because six investigations did not arise out of an area of law.

Chart 18C

Rule 779(b) UPL Actions Filed in the Circuit Court: 2012-2022

| <i>Rule 779(b) UPL Complaints</i> | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | Total |
|-----------------------------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|-----------|
| Filed Against Disbarred Lawyer | 1 | 1 | 0 | 1 | 1 | 0 | 0 | 0 | 0 | 0 | 2 | 6 |
| Filed Against Non-Lawyer | 5 | 6 | 4 | 2 | 5 | 4 | 4 | 2 | 0 | 0 | 0 | 32 |
| Filed Against Out-of-State Lawyer | 0 | 0 | 0 | 1 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 2 |
| Total | 6 | 7 | 4 | 4 | 7 | 4 | 4 | 2 | 0 | 0 | 2 | 40 |

Chart 19

Proceedings Filed Directly with the Illinois Supreme Court: 2018-2022

| <i>Type</i> | 2018 | 2019 | 2020 | 2021 | 2022 |
|---|-----------|-----------|-----------|-----------|-----------|
| Rule 762(a) Motion for Disbarment on Consent | 12 | 7 | 6 | 7 | 4 |
| Rule 763 Petition for Reciprocal Discipline | 20 | 31 | 26 | 34 | 12 |
| Rule 757 Transfer to Disability Inactive Status | 2 | 1 | 0 | 0 | 0 |
| Total | 34 | 39 | 32 | 41 | 16 |

Disciplinary Proceedings: Hearing Board Matters

Chart 20A

Matters Before the Hearing Board in 2022

| | |
|--|----|
| Cases Pending on January 1, 2022 | 53 |
| Cases Filed or Reassigned in 2022: | |
| <i>Disciplinary Complaints Filed:</i> * | |
| ➤ Rules 753, 761(d) | 52 |
| ➤ Case remanded by Supreme Court after petition on consent denied..... | 1 |
| <i>Reinstatement Petition Filed:</i> | |
| ➤ Rule 767 | 2 |
| <i>Disability Inactive Petition</i> | |
| ➤ Rule 758 | 1 |
| Total New Cases Filed or Reassigned | 56 |
| Cases Concluded During 2022 | 56 |
| Cases Pending December 31, 2022 | 53 |

* 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 the Inquiry Board has voted a complaint are consolidated into a single complaint for purposes of filing at the Hearing Board.

Chart 20B

Years in Practice, Age and Gender of Lawyers Charged in the 52 Disciplinary Complaints Filed in 2022

| | # of Complaints Filed | % of Complaints Filed | % of Lawyer Population |
|----------------------------|-----------------------|-----------------------|------------------------|
| Years in Practice | | | |
| Fewer than 5 | 1 | 1.9% | 9.8% |
| Between 5 and 10..... | 8 | 15.4% | 15.8% |
| Between 11 and 20..... | 13 | 25.0% | 26.6% |
| Between 21 and 30 | 9 | 17.3% | 20.7% |
| Between 31 and 40..... | 11 | 21.2% | 16.3% |
| Between 41 and 50..... | 7 | 13.5% | 8.9% |
| 50+ | 3 | 5.8% | 1.9% |
| Age: | | | |
| 21-29 years old..... | 0 | 0.0% | 3.5% |
| 30-39 years old..... | 10 | 19.2% | 22.0% |
| 40-49 years old..... | 10 | 19.2% | 25.5% |
| 50-59 years old..... | 10 | 19.2% | 22.2% |
| 60-69 years old..... | 11 | 21.2% | 17.2% |
| 70-79 years old..... | 10 | 19.2% | 8.2% |
| 80 or more years old | 1 | 1.9% | 1.4% |
| Gender: | | | |
| Female | 7 | 13.5% | 40.0% |
| Male | 44 | 84.6% | 59.9% |
| Non-binary | 1 | 1.9% | 0.1% |

Chart 20C

Types of Misconduct Alleged in the 52 Disciplinary Complaints* Filed Before Hearing Board in 2022

| <i>Type of Misconduct</i> | <i>Number of Cases*</i> | <i>% of Cases Filed**</i> | <i>Type of Misconduct</i> | <i>Number of Cases*</i> | <i>% of Cases Filed**</i> |
|---|-------------------------|---------------------------|---|-------------------------|---------------------------|
| Fraudulent or deceptive activity (8.4(c))..... | 36 | 69% | Improper trial conduct (3.4(c))..... | 2 | 4% |
| Failure to communicate with client (1.4)..... | 13 | 25% | Unauthorized practice after removal from Master Roll for failure to comply with MCLE requirements (5.5(a))..... | 2 | 4% |
| Improper handling of trust funds (1.15)..... | 12 | 23% | Unauthorized practice after suspension (5.5(a))..... | 2 | 4% |
| Criminal conduct/conviction of lawyer (8.4(b))..... | 10 | 19% | False/reckless statements about a judge (8.2).. | 1 | 2% |
| Neglect (1.3)..... | 10 | 19% | Unauthorized practice in a jurisdiction where not authorized (5.5(a))..... | 1 | 2% |
| Misrepresentation to third person (4.1) or using means to embarrass or delay (4.4)..... | 9 | 17% | Assisting a disbarred lawyer in the unauthorized practice of law (5.5(a))..... | 1 | 2% |
| Misrepresentations to a tribunal (3.3(a) & (3))..... | 7 | 13% | Assertion of frivolous pleadings (3.1)..... | 1 | 2% |
| Improper withdrawal from employment, incl. failure to refund unearned fees (1.16)... | 7 | 13% | Improper communication with a represented person (4.2)..... | 1 | 2% |
| Conflicts of interest..... | 6 | 12% | Assisting a client in a crime or fraud (1.2(d)).. | 1 | 2% |
| Rule 1.7: concurrent conflicts..... | 2 | | Failure to report criminal conviction (SCt Rule 761(a))..... | 1 | 2% |
| Rule 1.8(a): improper business transition with client..... | 3 | | Threatening criminal charges to gain an advantage in a civil matter (8.4(g))..... | 1 | 2% |
| Rule 1.8(e): improper financial assistance to client..... | 1 | | Improperly limiting a client's right to pursue an ARDC charge (8.4(h))..... | 1 | 2% |
| Rule 1.8(h): improper settlement of lawyer's liability..... | 2 | | | | |
| Excessive or unauthorized legal fees (1.5)..... | 5 | 10% | | | |
| False statement or failure to respond in disciplinary matter (8.1)..... | 5 | 10% | | | |
| Failure to provide competent representation (1.1)..... | 5 | 10% | | | |
| Failure to abide by client decision and taking unauthorized action (1.2(a))..... | 3 | 6% | | | |

* Based on complaint initially filed and not on amended charges.

**Totals exceed 52 disciplinary cases and 100% because most complaints allege more than one type of misconduct.

Chart 20D

Subject Area Involved in the 52 Disciplinary Complaints Filed Before Hearing Board in 2022

| <i>Subject Area</i> | <i>Number of Cases*</i> | <i>% of Cases Filed*</i> | <i>Subject Area</i> | <i>Number of Cases*</i> | <i>% of Cases Filed*</i> |
|----------------------------------|-------------------------|--------------------------|-------------------------|-------------------------|--------------------------|
| Personal Misconduct..... | 11 | 21.2% | Domestic Relations..... | 5 | 7.7% |
| Tort..... | 10 | 19.2% | Labor/Workers Comp..... | 4 | 7.7% |
| Criminal Conduct/Conviction..... | 9 | 17.3% | Probate..... | 4 | 7.7% |
| Criminal..... | 7 | 13.5% | Immigration..... | 1 | 1.9% |
| Real Estate..... | 6 | 11.5% | Local Government..... | 1 | 1.9% |
| Contract..... | 6 | 11.5% | | | |

*Totals exceed 52 disciplinary complaints and 100% because many complaints allege several counts of misconduct in different practice areas.

Disciplinary Proceedings: Review Board Matters

Chart 20E
Activity Before the Review Board in 2022

| | |
|---|-----------|
| Cases pending on January 1, 2022 | 10 |
| <i>Cases filed in 2022</i> | |
| Exceptions filed by Respondent Lawyer | 7 |
| Exceptions filed by Administrator | 4 |
| Exceptions filed by both | 0 |
| Total | 11 |
| <i>Cases concluded in 2022</i> | |
| Hearing Board affirmed | 12 |
| Hearing Board reversal on findings or sanction | 3 |
| Notice of Exceptions withdrawn or stricken | 1 |
| Total | 16 |
| Cases pending on December 31, 2022 | 5 |

Disciplinary Cases Before the Supreme Court

Chart 21A

Disciplinary Sanctions Ordered by the Supreme Court in 2022

| | |
|--|------------|
| Disbarment..... | 12 |
| Suspension until further order of Court..... | 13 |
| Suspension for a specified period..... | 10 |
| Suspension for a specified period & conditions | 13 |
| Probation with partially stayed suspension | 8 |
| Probation with fully stayed suspension | 4 |
| Censure | 2 |
| Censure with conditions..... | 1 |
| Total | 63* |

*In addition to the 36 suspensions above, the Court also ordered five interim suspensions, as reported in Chart 22 at (I).

Chart 21B

County of Practice of 63 Lawyers Disciplined in 2022

| County | Number Disciplined | County | Number Disciplined |
|-------------------|--------------------|-------------------|--------------------|
| Out-of-State..... | 23 | Lake | 1 |
| Cook..... | 24 | Madison | 1 |
| DuPage | 5 | Richland..... | 1 |
| McHenry..... | 2 | Rock Island | 1 |
| Adams..... | 1 | Saint Clair | 1 |
| Champaign | 1 | Will | 1 |
| DeKalb | 1 | | |

Chart 21C

Years in Practice, Age and Gender of 63 Lawyers Disciplined in 2022

| Years in Practice | # of Lawyers Disciplined | % of Lawyers Disciplined | % of Lawyer Population |
|----------------------------|---------------------------------|---------------------------------|-------------------------------|
| Fewer than 5 | 1 | 1.6% | 9.8% |
| Between 5 and 10 | 6 | 9.5% | 15.8% |
| Between 10 and 20 | 11 | 17.5% | 26.6% |
| Between 20 and 30 | 16 | 25.4% | 20.7% |
| Between 30 and 40 | 18 | 28.6% | 16.3% |
| Between 40 and 50 | 8 | 12.7% | 8.9% |
| 50 or more | 3 | 4.8% | 1.9% |
| Age: | | | |
| 21-29 years old | 0 | 0.0% | 3.5% |
| 30-39 years old | 4 | 6.4% | 22.0% |
| 40-49 years old | 10 | 15.9% | 25.5% |
| 50-59 years old | 13 | 20.6% | 22.2% |
| 60-69 years old | 21 | 33.3% | 17.2% |
| 80-89 years old | 4 | 6.4% | 8.2% |
| 90 or more years old | 1 | 1.6% | 1.4% |
| Gender: | | | |
| Female | 12 | 19.0% | 40.0% |
| Male | 51 | 81.0% | 59.9% |
| Non-binary | 0 | 0.0% | 0.1% |

Chart 21D

Practice Setting of Lawyers Disciplined in 2022

| <i>Practice Setting</i> | <i>Solo Firm</i> | <i>Firm 2-10</i> | <i>Firm 11-25</i> | <i>Firm 26+</i> | <i>Gov't/ Judicial</i> | <i>In-House Corporate</i> | <i>Academia</i> | <i>Not Engaged in Practice</i> |
|------------------------------|------------------|------------------|-------------------|-----------------|------------------------|---------------------------|-----------------|--------------------------------|
| 63 Lawyers Sanctioned | 40 | 15 | 0 | 3 | 3 | 0 | 0 | 2 |

Chart 21D-1

Representation of Lawyers Disciplined in 2022

| Pro Se | Represented by Counsel |
|---------------|-------------------------------|
| 35 | 28 |

Chart 21E

Impairments Identified for Lawyers Disciplined in 2022, By Practice Setting

| <i>Practice Setting</i> | <i>Solo Firm</i> | <i>Firm 2-10</i> | <i>Firm 11-25</i> | <i>Firm 26+</i> | <i>Gov't/ Judicial</i> | <i>In-House Corporate</i> | <i>Academia</i> | <i>Not Engaged in Practice</i> | <i>Total</i> |
|-------------------------------------|------------------|------------------|-------------------|-----------------|------------------------|---------------------------|-----------------|--------------------------------|--------------|
| 20 Lawyers* with Impairments | | | | | | | | | |
| <i>Impairment</i> | | | | | | | | | |
| Substances: | | | | | | | | | 12 |
| Alcohol | 5 | 1 | | 1 | | | | 2 | 9 |
| Cocaine | 1 | | | | | | | | 1 |
| Cannabis | | | | | | | | | 0 |
| Amphetamine | | | | | | | | | 0 |
| Opioids | | | | | | | | | 0 |
| Other Substance | 1 | 1 | | | | | | | 2 |
| Mental Illness: | | | | | | | | | 15 |
| Depression | 6 | 3 | | 1 | | | | 1 | 11 |
| Bipolar | 1 | | | | | | | | 1 |
| Schizophrenia | 1 | | | | | | | 1 | 2 |
| Personality Disorder | | | | | | | | | |
| Gambling | | | | | | | | | |
| Sexual Disorder | | | | | | | | | |
| Cognitive Decline | 1 | | | | | | | | 1 |
| Other | | | | | | | | | |

* Six lawyers had more than one identified impairment.

Chart 21F

Demographics of Disciplined Lawyers with Identified Impairments in 2022

| 20 Lawyers with Impairments by Age | | <i>Solo Firm</i> (12) | <i>Firm 2-10</i> (4) | <i>Firm 11-25</i> | <i>Firm 26+</i> (2) | <i>Gov't/ Judicial</i> | <i>Not engaged in practice</i> (2) |
|------------------------------------|---|--------------------------|-------------------------|-------------------|------------------------|----------------------------|---------------------------------------|
| 21-29 years old | | | | | | | |
| 30-39 years old | 4 | | 3 | | 1 | | |
| 40-49 years old | 3 | 2 | | | | | 1 |
| 50-59 years old | 3 | 3 | | | | | |
| 60-69 years old | 7 | 5 | | | 1 | | 1 |
| 70-79 years old | 2 | 1 | 1 | | | | |
| 80-89 years old | 1 | 1 | | | | | |
| 90+ years old | | | | | | | |

Chart 22

Orders Entered by Supreme Court in Disciplinary Cases in 2022

| | |
|---|---|
| <p>A. <u>Motions for disbarment on consent: Rule 762(a)</u> Allowed.....4 Denied.....0 Total4</p> | <p>D. <u>Motions to approve and confirm report of Review Board: Rule 753(e)(6)</u> Allowed1 Total 1</p> |
| <p>B. <u>Petitions for discipline on consent: Rule 762(b)</u> Allowed: Suspension6 Suspension until further order of Court.....3 Suspension stayed in part, probation ordered6 Suspension stayed in its entirety, probation ordered2 Censure0 Censure with conditions.....1 Total18 Denied.....1 Total19</p> | <p>E. <u>Motions to approve and confirm report of Hearing Board: Rule 753(d)(2)</u> Allowed12 Denied0 Total.....12</p> |
| <p>C. <u>Petitions for leave to file exceptions to report and recommendation of Review Board: Rules 753(e)(1) and 761</u> Denied and same discipline imposed as recommended by Review Board.....7 Allowed and more discipline imposed than recommended by Review Board0 Allowed and less discipline imposed as recommended by Review Board.....0 Total7</p> | <p>F. <u>Petitions for reciprocal discipline: Rule 763</u> Allowed19 Denied0 Total.....19</p> |
| | <p>G. <u>Petitions for reinstatement: Rule 767</u> Allowed with conditions.....2 Petition denied.....1 Petition withdrawn/stricken.....3 Total.....5</p> |
| | <p>H. <u>Motions to revoke probation: Rule 772</u> Allowed, probation revoked and respondent suspended1 Total..... 1</p> |
| | <p>I. <u>Petitions for interim suspension: Rules 761 & 774</u> Rule enforced and lawyer suspended.....5 Total..... 5</p> |

Chart 23

ARDC-Appointed Receiverships: 2018-2022

| 2018 | 2019 | 2020 | 2021 | 2022 |
|------|------|------|------|------|
| 4 | 4 | 2 | 2 | 2 |

Chart 24

Non-Disciplinary Actions by the Supreme Court in 2022

| | |
|---|---|
| <i>Rule 756(a)(8) Permanent Retirement Status</i> | |
| Motion to transfer to permanent retirement status allowed | 3 |
| <i>Rule 757 Transfer to Disability Inactive Status</i> | |
| Motion to transfer allowed | 0 |
| <i>Rule 759 Restoration to Active Status</i> | |
| <i>After Transfer to Disability Inactive Status</i> | |
| Petition for restoration to active status allowed..... | 0 |

Summary of Registration and Caseload Trends (2008-2022)

Chart 25A

Registration Growth and Disciplinary Investigations (2008-2022)

| Year | Registered Attorneys | % of Growth Over Prior Year | Investigations Docketed | Closure By Administrator: No Misconduct Alleged | Closure By Administrator After Investigation | Closure By Inquiry Board After Investigation | Investigations Voted as a Complaint By Inquiry Board* |
|------|----------------------|-----------------------------|-------------------------|---|--|--|---|
| 2008 | 83,908 | 1.9% | 5,897 | 1,441 | 4,305 | 104 | 228 |
| 2009 | 84,777 | 1.0% | 5,834 | 1,322 | 3,891 | 79 | 226 |
| 2010 | 86,777 | 2.2% | 5,617 | 1,354 | 3,914 | 50 | 271 |
| 2011 | 87,943 | 1.3% | 6,155 | 1,405 | 4,293 | 83 | 156 |
| 2012 | 89,330 | 1.6% | 6,397 | 1,649 | 4,598 | 75 | 273 |
| 2013 | 91,083 | 2.0% | 6,073 | 1,544 | 3,974 | 50 | 142 |
| 2014 | 92,756 | 1.8% | 5,835 | 1,442 | 4,468 | 46 | 198 |
| 2015 | 94,128 | 1.5% | 5,554 | 1,343 | 3,993 | 52 | 158 |
| 2016 | 94,610 | 0.5% | 5,401 | 1,321 | 3,967 | 41 | 142 |
| 2017 | 94,778 | 0.2% | 5,199 | 1,191 | 3,657 | 97 | 118 |
| 2018 | 94,608 | -0.2% | 5,029 | 1,233 | 3,542 | 53 | 101 |
| 2019 | 94,662 | 0.6% | 4,937 | 1,147 | 3,520 | 48 | 68 |
| 2020 | 94,907 | 0.3% | 3,936 | 1,222 | 2,936 | 54 | 54 |
| 2021 | 95,480 | 0.6% | 3,881 | 1,097 | 3,004 | 44 | 69 |
| 2022 | 95,711 | 0.2% | 4,359 | 1,621 | 2,590 | 26 | 90 |

*Complaints may be based on more than one investigation.

Chart 25B

Disciplinary and Regulatory Proceedings (2008-2022)

| Year | Matters Filed With Supreme Court or Circuit Court | Matters Filed With Hearing Board | Matters Concluded at Hearing Board | Matters Filed With Review Board | Matters Concluded at Review Board | Sanctions Ordered By Supreme Court |
|------|---|----------------------------------|------------------------------------|---------------------------------|-----------------------------------|------------------------------------|
| 2008 | 36 | 134 | 137 | 31 | 26 | 135 |
| 2009 | 39 | 137 | 135 | 30 | 31 | 130 |
| 2010 | 49 | 122 | 115 | 27 | 32 | 148 |
| 2011 | 45 | 106 | 147 | 35 | 31 | 156 |
| 2012 | 30 | 120 | 113 | 36 | 32 | 103 |
| 2013 | 40 | 95 | 120 | 29 | 48 | 149 |
| 2014 | 31 | 126 | 105 | 29 | 29 | 112 |
| 2015 | 28 | 86 | 130 | 31 | 26 | 126 |
| 2016 | 34 | 83 | 93 | 21 | 22 | 104 |
| 2017 | 41 | 79 | 88 | 23 | 24 | 118 |
| 2018 | 38 | 64 | 64 | 17 | 22 | 75 |
| 2019 | 41 | 51 | 71 | 19 | 17 | 96 |
| 2020 | 32 | 40 | 46 | 7 | 11 | 81 |
| 2021 | 41 | 53 | 55 | 12 | 7 | 84 |
| 2022 | 16 | 56 | 56 | 11 | 16 | 63 |

Chart 26

Attorney Reports: 2008-2022

| Year | Number of Grievances | Number of Attorney Reports | Percent of Attorney Reports to Grievances | Number of Grievances Voted into Complaints | Number of Attorney Reports Voted into Complaints | Percent of Attorney Reports to Formal Complaints |
|------------------------------|-----------------------------|-----------------------------------|--|---|---|---|
| 2008 | 5,897 | 542 | 9.1% | 228 | 69 | 30.2% |
| 2009 | 5,837 | 489 | 7.7% | 226 | 60 | 26.5% |
| 2010 | 5,617 | 497 | 8.8% | 271 | 73 | 26.9% |
| 2011 | 6,155 | 536 | 8.7% | 156 | 33 | 21.2% |
| 2012 | 6,397 | 651 | 10.2% | 273 | 86 | 31.5% |
| 2013 | 6,073 | 485 | 9.2% | 144 | 48 | 33.3% |
| 2014 | 5,835 | 581 | 9.4% | 199 | 52 | 26.1% |
| 2015 | 5,554 | 583 | 9.4% | 159 | 62 | 39.2% |
| 2016 | 5,401 | 606 | 11.1% | 142 | 67 | 47.2% |
| 2017 | 5,199 | 551 | 10.6% | 118 | 55 | 46.6% |
| 2018 | 5,029 | 479 | 9.6% | 101 | 44 | 43.6% |
| 2019 | 4,937 | 557 | 11.4% | 68 | 29 | 42.7% |
| 2020 | 3,936 | 404 | 10.4% | 53 | 28 | 52.8% |
| 2021 | 3,881 | 322 | 8.4% | 76 | 31 | 40.8% |
| 2022 | 4,359 | 408 | 9.5% | 82 | 35 | 42.7% |
| Totals for 2008-2022 | 80,107 | 7,691 | -- | 2,296 | 772 | -- |
| Average For 2008-2022 | 5,340 | 513 | 9.6% | 153 | 51 | 36.6% |

CLIENT PROTECTION PROGRAM

Chart 27A

Client Protection Program Claims: 2008-2022

| Year | Claims filed | # Claims Approved | # Claims Denied | For Claims Approved, # Respondent Attys. | Total Amounts Paid |
|------|--------------|-------------------|-----------------|--|--------------------|
| 2008 | 224 | 102 | 122 | 56 | \$1,029,220 |
| 2009 | 188 | 81 | 125 | 35 | \$1,091,473 |
| 2010 | 207 | 89 | 108 | 30 | \$705,168 |
| 2011 | 184 | 89 | 96 | 38 | \$1,006,013 |
| 2012 | 350 | 70 | 124 | 34 | \$986,771 |
| 2013 | 256 | 247 | 91 | 38 | \$2,016,669 |
| 2014 | 256 | 95 | 106 | 40 | \$1,300,775 |
| 2015 | 541 | 366 | 152 | 34 | \$2,488,651 |
| 2016 | 277 | 146 | 132 | 48 | \$3,094,187 |
| 2017 | 229 | 152 | 144 | 48 | \$1,776,419 |
| 2018 | 219 | 99 | 107 | 35 | \$2,324,786 |
| 2019 | 132 | 56 | 112 | 26 | \$1,392,321 |
| 2020 | 128 | 81 | 76 | 18 | \$1,094,454 |
| 2021 | 124 | 58 | 94 | 31 | \$715,311 |
| 2022 | 106 | 53 | 63 | 32 | \$1,098,821 |

Chart 27B

Classification of Approved Client Protection Claims in 2022

| | |
|--|----|
| <i>Type of Misconduct:</i> | |
| Failure to refund unearned fees..... | 33 |
| Intentional misappropriation of client funds . | 20 |
| Area of Law | |
| Criminal/Quasi criminal | 17 |
| Domestic Relation | 9 |
| Real Estate/Loan Modification | 8 |
| Tort | 7 |
| Labor/Workers' Comp..... | 5 |
| Probate/Trusts..... | 3 |
| Tax..... | 2 |
| Bankruptcy | 1 |
| Patent/Trademark..... | 1 |

ARDC 50th Anniversary Timeline

| | |
|-------------|--|
| 1973 | ARDC opens its office in Chicago followed a few months later by an office in Springfield with a total statewide staff of three attorneys, a Clerk, three investigators, and four support staff. |
| 1978 | ARDC purchases a Hewlett-Packard 3000 Series I computer as it begins to electronically store the Master Roll of Attorneys. |
| 1979 | Operation Greylord federal probe begins into corruption in the Cook County court system resulting in the criminal convictions of 15 judges and 49 lawyers and in the entry of discipline sanctions against 103 lawyers and judges who were either convicted or implicated in the Greylord probe. |
| 1980 | Code of Professional Responsibility, the first rule-based ethics standard, adopted in Illinois. |
| 1981 | Illinois Supreme Court decision of <i>In re Driscoll</i> and the first use of supervised probation as a disciplinary sanction to promote a lawyer's continued recovery from alcoholism. |
| 1988 | <i>In re Himmel</i> decided by the Illinois Supreme Court which upheld the suspension of an attorney's license for failing to report misconduct by another attorney. John C. O'Malley is named to serve as the second Administrator of the ARDC. |
| 1989 | Supreme Court adopts the recommendations made by its Blue Ribbon Committee to Study the Functions and Operations of the ARDC, resulting in many significant changes to the disciplinary process including requiring most disciplinary proceedings at the Hearing and Review levels to be public, providing immunity from civil liability for persons communicating with the ARDC, requiring that one of the three panel members of the Inquiry Board be a nonlawyer, and adding reprimand as an additional type of sanction. |
| 1990 | Illinois Rules of Professional Conduct are adopted, replacing the 1980 Code. RPC 1.6 is amended to extend confidentiality to information obtained while participating in an approved lawyers' assistance program |
| 1991 | Mary Robinson is named as the third Administrator of the ARDC. |
| 1992 | ARDC Office of Adjudication Services formed to provide advice and to assist Hearing and Review Board members in drafting orders and reports. |
| 1993 | Relocation of the ARDC Chicago office to the Prudential Building. |
| 1994 | ARDC Client Protection Program created as part of the ARDC to reimburse victims for losses occasioned by the dishonest conduct of Illinois lawyers who are ultimately disciplined. |
| 1995 | ARDC Ethics Inquiry Program established under which the Administrator's staff lawyers provide guidance to lawyers who pose ethics questions anonymously, in hypothetical format. |

| | |
|-------------|---|
| 2000 | <i>Skolnick v. Altheimer & Gray</i> in which the Illinois Supreme Court reaffirms the reporting obligation in the <i>Himmel</i> decision, defines the requisite knowledge needed to make a report, and clarifies that a report must be made to the ARDC. |
| 2001 | ARDC website launched providing for the first time online access to the public, the profession, and the judiciary to lawyers' credentials, contact information and disciplinary history. |
| 2006 | Illinois Supreme Court Rule 766 amended to allow the Administrator to make a referral to the Lawyers' Assistance Program (LAP) during an otherwise confidential stage of a matter when investigation has revealed reasonable cause to believe that a lawyer is or may be impaired. |
| 2007 | Jerome Larkin is named to serve as the fourth Administrator of the ARDC. <i>Dowling v. Chicago Options</i> decision in which the Illinois Supreme Court defines the different methods of managing fee retainers. |
| 2010 | Illinois Supreme Court adopts a new ethics code, its third formal version of standards, which now includes Comments to provide guidance for practicing in compliance with the rules. Adoption of the ARDC Mission Statement. |
| 2011 | RPC 1.15(h) adopted adding a trust account overdraft notification rule. Illinois Supreme Court Rule 751 amended to extend the ARDC's authority to investigate claims of the unauthorized practice of law. |
| 2012 | Illinois Supreme Court Rule 756(a)(8) amended adding permanent retirement status. |
| 2013 | Illinois Supreme Court Rule 707 amended providing for <i>pro hac vice</i> admittance procedures to be administered by ARDC. Illinois Supreme Court's decision in <i>In re Karavidas</i> limiting discipline to violations of the Rules of Professional Conduct. |
| 2015 | Illinois Supreme Court Rule 756 amended to require on-line registration and disclosure of practice related information. ARDC Diversity, Equity and Inclusion (DEI) initiative instituted and ARDC hires its first DEI director. |
| 2016 | Adoption of Commission Rule 56 allowing for diversion of a lawyer to a program that addresses concerns identified in an investigation not involving misappropriation of trust funds, criminal conduct, financial harm to a client or other person or dishonest or fraudulent conduct. |
| 2017 | Proactive Management-Based Regulation (PMBR) launched as a four-hour interactive, online self-assessment law firm self-assessment requirement of all Illinois lawyers in private practice who do not have malpractice insurance. |

| | |
|-------------|--|
| 2019 | ARDC Clerk’s Office adopts electronic filings requirement. ARDC Intermediary Program established to enhance ongoing efforts to reach out to lawyers who do not respond to repeated ARDC contacts during investigations and proceedings. |
| 2020 | ARDC Statement on Racism issued. Statewide pandemic shutdown including ARDC offices |
| 2021 | Updated ARDC website released. |
| 2023 | Commission order establishing remotely-held uncontested disciplinary hearings. ARDC Chicago office consolidation and renovation completed. ARDC Administrator Jerry Larkin announces plan to retire at the end the year and the Commission launches a search for the agency’s fifth Administrator. |

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

FINANCIAL STATEMENTS

DECEMBER 31, 2022

REPORT OF INDEPENDENT AUDITORS

To the Commissioners of
Attorney Registration and
Disciplinary Commission of the
Supreme Court of Illinois

Opinion

We have audited the accompanying financial statements of Attorney Registration and Disciplinary Commission of the Supreme Court of Illinois (the Commission), which comprise the statements of financial position as of December 31, 2022 and 2021, and the related statements of activities and of cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Attorney Registration and Disciplinary Commission of the Supreme Court of Illinois as of December 31, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Commission and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

As discussed in Note 2, during the year ended December 31, 2022 the Commission implemented new accounting guidance on lease accounting. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Responsibilities of Management for the Financial Statements (continued)

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Commission's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards we:

- Exercise professional judgment and maintain professional skepticism throughout the audits;
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control. Accordingly, no such opinion is expressed;
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements; and
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Commission's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Legacy Professionals LLP

Westchester, Illinois

April 25, 2023

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

STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2022 AND 2021

| ASSETS | <u>2022</u> | <u>2021</u> |
|--|----------------------|----------------------|
| CURRENT ASSETS | | |
| Cash and cash equivalents | \$ 1,991,411 | \$ 1,618,563 |
| Short-term investments | 41,520,454 | 42,603,861 |
| Accrued interest receivable | 111,454 | 108,472 |
| Accounts receivable - net | 500 | 600 |
| Prepaid expenses and deposits | <u>227,802</u> | <u>270,952</u> |
| Total current assets | 43,851,621 | 44,602,448 |
| PROPERTY AND EQUIPMENT - net | 1,311,401 | 2,105,887 |
| Right-of-use asset - operating leases | 3,523,209 | - |
| LONG-TERM INVESTMENTS | <u>35,452,936</u> | <u>32,461,435</u> |
| Total assets | <u>\$ 84,139,167</u> | <u>\$ 79,169,770</u> |
| LIABILITIES AND NET ASSETS | | |
| CURRENT LIABILITIES | | |
| Accounts payable and other accruals | \$ 509,077 | \$ 729,212 |
| Amounts held for others | 4,684,172 | 4,691,760 |
| Accrued vacation | 562,604 | 578,408 |
| Deferred registration and program fees | 14,835,564 | 15,146,020 |
| Postretirement benefit obligation - current portion | 58,786 | 44,016 |
| Lease liability | 584,506 | - |
| Deposits | <u>7,503</u> | <u>14,003</u> |
| Total current liabilities | <u>21,242,212</u> | <u>21,203,419</u> |
| LONG-TERM LIABILITIES | | |
| Postretirement benefit obligation - net of current portion | 2,415,693 | 2,358,871 |
| Lease liability | 4,214,174 | - |
| Deferred rent liability | <u>-</u> | <u>1,507,647</u> |
| Total long-term liabilities | <u>6,629,867</u> | <u>3,866,518</u> |
| Total liabilities | 27,872,079 | 25,069,937 |
| NET ASSETS WITHOUT MEMBER RESTRICTIONS | <u>56,267,088</u> | <u>54,099,833</u> |
| Total liabilities and net assets | <u>\$ 84,139,167</u> | <u>\$ 79,169,770</u> |

See accompanying notes to financial statements.

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

STATEMENTS OF ACTIVITIES

YEARS ENDED DECEMBER 31, 2022 AND 2021
WITH BREAKDOWN BY PROGRAM FOR 2022

| | 2022 | | | 2021 |
|---|-----------------------------------|---------------------------------|---------------|---------------|
| | Registration and Discipline | Client Protection Program | Total | Total |
| REVENUE | | | | |
| Investment income (loss) - net | \$ (635,169) | \$ 5,572 | \$ (629,597) | \$ 287,153 |
| Registration and program fees | 18,464,510 | 1,890,100 | 20,354,610 | 21,781,609 |
| Cost reimbursements collected | 59,094 | - | 59,094 | 36,852 |
| Client Protection Program reimbursements | - | 627,730 | 627,730 | 10,864 |
| Total revenue | 17,888,435 | 2,523,402 | 20,411,837 | 22,116,478 |
| EXPENSES | | | | |
| Salaries and related expenses | 11,461,985 | - | 11,461,985 | 11,759,924 |
| Travel | 171,033 | - | 171,033 | 89,551 |
| Continuing education | 148,620 | - | 148,620 | 87,080 |
| General expenses and office support | 3,340,040 | - | 3,340,040 | 3,135,976 |
| Computer | 1,032,813 | - | 1,032,813 | 985,325 |
| Other professional and case-related expense | 580,206 | - | 580,206 | 536,845 |
| Client Protection Program direct expenses | | | | |
| Awards | - | 1,101,322 | 1,101,322 | 712,798 |
| Administrative | - | 4,302 | 4,302 | 3,254 |
| Depreciation and amortization | 404,261 | - | 404,261 | 267,012 |
| Total expenses | 17,138,958 | 1,105,624 | 18,244,582 | 17,577,765 |
| CHANGE IN NET ASSETS | 749,477 | 1,417,778 | 2,167,255 | 4,538,713 |
| NET ASSETS WITHOUT MEMBER RESTRICTIONS | | | | |
| Beginning of year | 51,333,149 | 2,766,684 | 54,099,833 | 49,561,120 |
| End of year | \$ 52,082,626 | \$ 4,184,462 | \$ 56,267,088 | \$ 54,099,833 |

See accompanying notes to financial statements.

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

STATEMENTS OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2022 AND 2021

| | <u>2022</u> | <u>2021</u> |
|---|---------------------|---------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Change in net assets | \$ 2,167,255 | \$ 4,538,713 |
| Adjustments to reconcile change in net assets to net cash provided by operating activities | | |
| Net loss on investments | 1,046,806 | 216,797 |
| Loss on disposal of property and equipment | 526,536 | - |
| Depreciation and amortization | 404,261 | 267,012 |
| Reduction in carrying amount of right-of-use asset | 476,693 | - |
| Changes in assets and liabilities | | |
| Accounts receivable and accrued interest receivable | (2,882) | 26,616 |
| Prepaid expenses and deposits | 43,150 | (86,231) |
| Accounts payable and other accruals | (220,135) | 270,540 |
| Amounts held for others | (7,588) | 675,083 |
| Accrued vacation | (15,804) | (80,030) |
| Deferred registration and program fees | (310,456) | (1,092,206) |
| Deposits | (6,500) | 3,001 |
| Postretirement benefit obligation | 71,592 | 494,576 |
| Deferred rent expense | (1,507,647) | (213,495) |
| Lease liability | 798,778 | - |
| Net cash provided by operating activities | <u>3,464,059</u> | <u>5,020,376</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Purchases of investment securities | (20,194,419) | (27,154,077) |
| Maturities of investment securities | 17,239,519 | 22,316,736 |
| Purchases of property and equipment | <u>(136,311)</u> | <u>(513,604)</u> |
| Net cash (used in) investing activities | <u>(3,091,211)</u> | <u>(5,350,945)</u> |
| NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS | 372,848 | (330,569) |
| CASH AND CASH EQUIVALENTS - NET | | |
| Beginning of year | <u>1,618,563</u> | <u>1,949,132</u> |
| End of year | <u>\$ 1,991,411</u> | <u>\$ 1,618,563</u> |

See accompanying notes to financial statements.

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

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2022 AND 2021

NOTE 1. GENERAL PURPOSE DESCRIPTION

Attorney Registration and Disciplinary Commission of the Supreme Court of Illinois (the Commission) was established by the Supreme Court of Illinois (the Court) pursuant to Article VII(B) of its rules, effective February 1, 1973. The Commission appoints an Administrator, with approval of the Court, to serve as its principal executive officer. Commission duties include maintenance of the Master Roll of Attorneys and administration of the disciplinary fund. The Administrator conducts investigations and prosecutes complaints against attorneys and non-lawyers pursuant to rules of the Court and Commission.

Recent amendments to those rules and additional significant rules of the Court impacting the Commission's operations are as follows:

- Rule 756(a), as amended (the Rule), has set the annual registration and program fees for active lawyers licensed to practice law for three years or more at \$385 (the full fee) and the annual registration fees for active lawyers licensed to practice between one and three years and inactive lawyers at \$121. The full fee was increased from \$382 to \$385 effective with the 2017 registration season, with the \$3 increase being allocated in full to the Illinois Lawyers' Assistance Program. Prior to this, the last fee increase occurred effective with the 2015 registration season. The charge for late payment of annual registration fees during 2022 and 2021 was \$25 per month for every month that fees were delinquent. The Rule requires that the Commission, as part of the annual \$385 fee, collect and remit the following amounts to the following other entities that are not administered by the Commission: \$95 to the Lawyers Trust Fund of Illinois, \$25 to the Illinois Supreme Court Commission on Professionalism, \$20 to the Illinois Lawyers' Assistance Program from July 1, 2021 through December 31, 2022 and \$10 from January 1, 2021 through June 30, 2021, and \$10 to the Illinois Supreme Court Commission on Access to Justice from July 1, 2021 through December 31, 2022 and \$0 from January 1, 2021 through June 30, 2021. The Commission's share of the \$385 full fee was \$210 from July 1, 2021 through December 31, 2022 and \$230 from January 1, 2021 through June 30, 2021.
- Rule 780(b) provided for the establishment of the Client Protection Program (CPP) and set forth that the purpose of the CPP "is to promote public confidence in the administration of justice and the integrity of the legal profession by reimbursing losses caused by the dishonest conduct" of Illinois lawyers who have been disciplined. The Commission has administered the CPP since its inception and has maintained a separate Client Protection Fund account. Amended Rule 756 provides that \$25 of the \$385 registration fee be set aside to fund awards made by the CPP. Prior to the Rule 756 amendment, the Commission funded payment of these awards by making an annual allocation from the Disciplinary Fund. The Commission includes in its general budget allocations for the administrative expenses of the CPP to be paid from the Disciplinary Fund. The CPP reimburses the Commission for said administrative expenses.

NOTE 1. GENERAL PURPOSE DESCRIPTION (CONTINUED)

- Rule 707, as amended, provides that eligible out-of-state attorneys may appear in an Illinois proceeding upon meeting certain requirements, including the payment of a \$250 per proceeding fee and an annual registration fee, which is currently \$121. The \$250 per proceeding fee is allocated between the Illinois Supreme Court Commission on Access to Justice (\$175) and the Commission (\$75). The registration fee is allocated to the Commission.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Method of Accounting - The accompanying financial statements of the Commission have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles.

New Accounting Pronouncement - In February 2016, the Financial Accounting Standards Board issued Accounting Standards Update (ASU) No. 2016-02, *Leases* (Topic 842). This new standard increases transparency and comparability among organizations by requiring the recognition of right-of-use (ROU) assets and lease liabilities on the statements of financial position. Most prominent among the changes in the standard is the recognition of ROU assets and lease liabilities by lessees for those leases classified as operating leases. Under the standard, disclosures are required to meet the objective of enabling users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases. The Commission adopted and applied the applicable items of this new standard using a modified retrospective transition method at January 1, 2022. As permitted by the guidance, prior comparative periods will not be adjusted under this method.

Basis of Presentation - In order to conform to provisions of generally accepted accounting principles, the Commission is required to report information regarding its financial position and activities in two classes of net assets: without member restrictions and with member restrictions. Net assets that are not subject to member-imposed restrictions are available to finance the general operations of the Commission. The only limits on the use of net assets without member restrictions are the broad limits resulting from the nature of the Commission, the environment in which it operates and the purposes specified in its governing rules. Net assets are generally reported as without member restrictions unless assets are received from members with explicit stipulations that limit the use of the asset. As of December 31, 2022 and 2021, the Commission did not have any net assets with member restrictions.

Cash and Cash Equivalents - For purposes of the statements of cash flows, cash and cash equivalents include all deposits in checking and savings accounts.

Accounts Receivable - Cost Reimbursements and Client Protection Program

Reimbursements - Accounts receivable primarily represent reimbursements owed by attorneys under its Cost Reimbursement Program and the Client Protection Program (CPP). Such reimbursements receivable are net of \$21,885,261 and \$22,005,879 at December 31, 2022 and 2021, respectively of an allowance for doubtful accounts since the Commission fully reserves reimbursements owed by attorneys under its Cost Reimbursement Program and the CPP. Whether the Commission can collect all reimbursements is dependent upon each identified attorney's ability to pay. Historically, the Commission's receipts from these reimbursements receivable have been immaterial.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property and Equipment - Property and equipment are stated at cost. Major additions are capitalized while replacements, maintenance and repairs which do not improve or extend the lives of the respective assets are expensed currently. Depreciation and amortization are provided over the estimated useful lives of the assets or asset groups, based on the straight-line method. Upon disposal of assets, gains or losses are included in the statement of activities. Leasehold improvements are amortized over the shorter of their estimated useful lives or the remaining lease period.

The estimated useful lives of the property and equipment are as follows:

| | |
|--------------------------------|------------|
| Computer and related equipment | 3-5 years |
| Office furniture and equipment | 3-10 years |
| Leasehold improvements | 5-15 years |

Investments - The investments of the Commission are reported at fair value. The fair value of a financial instrument is the amount that would be received to sell that asset (or paid to transfer a liability) in an orderly transaction between market participants at the measurement date (the exit price).

Purchases and sales of the investments are reflected on a trade-date basis.

Interest income is recorded on the accrual basis. Dividend income is recorded on the ex-dividend date.

Leases - Under ASC 842, the Commission determines if a contract is a leasing arrangement at inception if the contract term is greater than 12 months. Operating lease right-of-use (ROU) assets represent the right to control the use of an identified asset for the lease term and lease liabilities represent the obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at the adoption date based on the present value of lease payments over the lease term. As permitted by ASC 842 and consistent with industry practices, the Commission used the risk-free rate of return for the present value calculation. Operating lease ROU assets also include reclassifications related to lease incentives received at or before the commencement date. The Commission recognizes operating lease expense for operating leases on a straight-line basis over the term of the lease. The Commission used the practical expedient to account for lease and non-lease components, such as common area maintenance, together as a single lease component for operating leases associated with the two office spaces.

Amounts Held for Others - Amounts held for others at December 31, 2022 and 2021 consist of funds collected for the Illinois Lawyers' Assistance Program in the amount of \$621,897 and \$622,357 respectively; the Lawyers Trust Fund of Illinois in the amount of \$2,953,957 and \$2,960,221 respectively; the Illinois Supreme Court Commission on Professionalism in the amount of \$777,268 and \$778,932 respectively; and the Illinois Supreme Court Commission on Access to Justice in the amount of \$331,050 and \$330,250 respectively. All amounts were remitted subsequent to year end.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Registration and Program Fees - The Commission is primarily funded by an annual registration fee assessed on Illinois attorneys which includes a \$25 Client Protection Program (CPP) fee applied to attorneys admitted for greater than three years. The annual fees for the subsequent year are billed before November 1 and are due January 1. Deferred registration and program fees represent the fees for next year received in the current year.

Deferred revenue as of December 31, 2022, December 31, 2021, and December 31, 2020 was comprised of the following:

| | <u>2022</u> | <u>2021</u> | <u>2020</u> |
|-----------------------------|----------------------|----------------------|----------------------|
| Deferred registration fees | \$ 13,413,491 | \$ 13,678,246 | \$ 14,789,517 |
| Deferred program fees - CPP | <u>1,422,073</u> | <u>1,467,774</u> | <u>1,448,709</u> |
| Total | <u>\$ 14,835,564</u> | <u>\$ 15,146,020</u> | <u>\$ 16,238,226</u> |

Deposits - A portion of deposits is the reinstatement deposit that accompanies the petition of any attorney who is filing for reinstatement under Rule 767. The amount the attorney actually owes is assessed at the conclusion of the proceedings. Reinstatement deposits held at December 31, 2022 and 2021 totaled \$7,503 and \$14,003 respectively.

Deferred Rent Expense - Deferred rent expense consists of a combination of “free rent” and past and future lease incentives from the landlord. The Commission is recognizing operating lease expense on a straight-line basis over the term of its office space lease. Under ASC 842, deferred rent has been reclassified as a reduction in the right-of-use asset. At December 31, 2021, deferred rent was \$1,507,647.

Revenue Recognition - The Commission receives a significant portion of its operating revenue from registration and program fees. Registration and program fee revenue is considered an exchange transaction and is recognized on January 1 or the date of the payment each calendar year, as such fees enable the attorney to practice law for the respective year as defined by Rule 756. Registration and program fees paid in advance are deferred to the calendar year to which they relate. Such amounts deferred are recognized on January 1 of the following year.

Cost Reimbursements and Client Protection Program reimbursement revenues represent reimbursements owed by attorneys as a result of discipline imposed by the Court and for the related investigation and disciplinary costs. Amounts owed are fully reserved until the time of collection.

Income Taxes - The Internal Revenue Service has determined that the Commission is exempt from federal income taxes as an instrumentality of the State of Illinois.

Functional Allocation of Expenses - The Commission has allocated certain administrative expenses, such as salary costs, among the various programs benefited. Expenses are allocated to programs and administration and support services according to actual use, wherever practical. Indirect expenses that benefit more than one program are allocated to the benefited programs based on time and effort. The allocation of expenses by function is presented in Note 6.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the Commission to make estimates and assumptions that affect certain reported amounts and disclosures in the financial statements. Actual results may differ from those estimates.

Subsequent Events - Subsequent events have been evaluated through April 25, 2023, which is the date the financial statements were available to be issued.

NOTE 3. LIQUIDITY AND AVAILABILITY OF RESOURCES

The Commission's liquidity plan is to maintain sufficient cash and cash equivalents, money market funds and other high quality short-term securities to fund its operations for a period of at least one year. The Commission utilizes checking accounts, money market funds, short-term U.S. Treasury securities and Federal Deposit Insurance Corporation (FDIC) insured certificates of deposit for this purpose. Excess cash is invested in longer-dated U.S. Treasury securities and certificates of deposit with varying maturities designed to fund the Commission's operations beyond the one-year interval and maximize its income over time.

The Commission also maintains sufficient liquidity in the Client Protection Program's (CPP) financial accounts to fund award payments to the CPP's beneficiaries. This liquidity provision is normally established at the end of each calendar year based on a projection of award payments for the next 12 months. The amount invested in cash and cash equivalents, money market funds and other short-term securities is dependent on the projected timing and size of these award payments and may vary from year to year. Any excess funds that are not needed for disbursement are invested in longer-dated U.S. Treasury securities and FDIC insured certificates of deposit with varying maturities designed to meet the CPP's future obligations and maximize its income over time.

Cash levels can increase significantly when the Commission is collecting attorney registration fees during the annual registration season. The Commission collects approximately 75% of its annual registration fee income during the fourth quarter of each calendar year, with the bulk of the remainder in the month of January. Cash collected during these months is invested as soon as practicable. The cash collected in the fourth quarter temporarily inflates the Commission's year-end holdings of short-term liquid securities.

Specific investment allocation decisions about the Commission's portfolio are made by a third-party investment manager, subject to a set of formal investment guidelines.

NOTE 3. LIQUIDITY AND AVAILABILITY OF RESOURCES (CONTINUED)

The following is a breakdown of the Commission’s financial assets available for expenditure within one year as of December 31, 2022 and 2021:

| | <u>2022</u> | <u>2021</u> |
|-----------------------------|----------------------|----------------------|
| Cash and cash equivalents | \$ 1,991,411 | \$ 1,618,563 |
| Short-term investments | 41,520,454 | 42,603,861 |
| Accrued interest receivable | 111,454 | 108,472 |
| Accounts receivable | 500 | 600 |
| Total | <u>\$ 43,623,819</u> | <u>\$ 44,331,496</u> |

NOTE 4. CONCENTRATION OF CASH

Cash consists of monies held in checking and highly liquid interest bearing accounts without significant withdrawal restrictions. The Commission places its cash with financial institutions deemed to be creditworthy. Balances are insured by FDIC up to \$250,000 per financial institution. Balances may at times exceed the federally insured limits by a modest amount. As such, management believes this credit risk to be minimal.

NOTE 5. COST REIMBURSEMENTS

The Commission receives reimbursements from disciplined attorneys for costs incurred as a result of the investigative and disciplinary process. Cost reimbursements are billed at the time that discipline is imposed by the Court. Such billings may not reflect the total costs or match the period in which the investigative disciplinary costs were incurred. The Commission is limited to \$1,500 in cost reimbursements for each discipline case, absent exceptional circumstances. During the years ended December 31, 2022 and 2021, the Commission regularly sought entry of judgments by the Court. Interest accrues upon the unsatisfied portions of those judgments at a rate of 9% per annum, from the date of judgment until satisfied, as provided by 735 ILCS 5/2-1303. The Commission has also established payment plans for certain disciplined attorneys.

NOTE 6. FUNCTIONAL EXPENSES BY NATURAL CLASSIFICATION

The following tables represent an analysis of the Commission’s functional expenses, by natural classification, for the years ended December 31, 2022 and 2021:

| | 2022 | | | |
|--|-----------------------------------|----------------------|----------------------------------|----------------------|
| | Program Services | | Supporting Services | |
| | Registration and Discipline | Client Protection | Administration and Support | Total |
| | | | | |
| Salaries and related expenses | \$ 8,793,997 | \$ 270,497 | \$ 2,397,491 | \$ 11,461,985 |
| Travel | 120,337 | 2,658 | 48,038 | 171,033 |
| Continuing education | 116,049 | 2,882 | 29,689 | 148,620 |
| General expenses and office support | 2,643,379 | 61,645 | 635,016 | 3,340,040 |
| Computer | 806,463 | 20,029 | 206,321 | 1,032,813 |
| Other professional and case-related expenses | 519,323 | 5,387 | 55,496 | 580,206 |
| Client Protection Program direct expenses: | | | | |
| Awards | - | 1,101,322 | - | 1,101,322 |
| Administrative | - | 4,302 | - | 4,302 |
| Depreciation and amortization | 315,663 | 7,840 | 80,758 | 404,261 |
| Total | <u>\$ 13,315,211</u> | <u>\$ 1,476,562</u> | <u>\$ 3,452,809</u> | <u>\$ 18,244,582</u> |

| | 2021 | | | |
|--|-----------------------------------|----------------------|----------------------------------|----------------------|
| | Program Services | | Supporting Services | |
| | Registration and Discipline | Client Protection | Administration and Support | Total |
| | | | | |
| Salaries and related expenses | \$ 9,146,868 | \$ 271,178 | \$ 2,341,878 | \$ 11,759,924 |
| Travel | 70,139 | 1,190 | 18,222 | 89,551 |
| Continuing education | 75,081 | 1,158 | 10,841 | 87,080 |
| General expenses and office support | 2,497,609 | 64,536 | 573,831 | 3,135,976 |
| Computer | 781,789 | 19,640 | 183,896 | 985,325 |
| Other professional and case-related expenses | 476,696 | 5,804 | 54,345 | 536,845 |
| Client Protection Program direct expenses: | | | | |
| Awards | - | 712,798 | - | 712,798 |
| Administrative | - | 3,254 | - | 3,254 |
| Depreciation and amortization | 211,837 | 5,341 | 49,834 | 267,012 |
| Total | <u>\$ 13,260,019</u> | <u>\$ 1,084,899</u> | <u>\$ 3,232,847</u> | <u>\$ 17,577,765</u> |

NOTE 7. INVESTMENTS

The following summary presents the fair value of each of the investment categories at December 31, 2022 and 2021:

| | <u>2022</u> | <u>2021</u> |
|--|----------------------|----------------------|
| Short-term | | |
| U.S. Treasury notes and bills | \$ 11,453,612 | \$ 14,131,180 |
| Certificates of deposit | 8,318,000 | 12,697,000 |
| Money market funds | 19,851,857 | 13,566,802 |
| Mutual funds and exchange traded funds | 1,896,985 | 2,208,879 |
| | <u>41,520,454</u> | <u>42,603,861</u> |
| Long-term | | |
| U.S. Treasury notes and bills | 16,532,936 | 16,628,435 |
| Certificates of deposit | 18,920,000 | 15,833,000 |
| | <u>35,452,936</u> | <u>32,461,435</u> |
| Total | <u>\$ 76,973,390</u> | <u>\$ 75,065,296</u> |

The following presents a summary of net investment income (loss) for the years ended December 31, 2022 and 2021:

| | <u>2022</u> | <u>2021</u> |
|----------------------------------|---------------------|-------------------|
| Interest income | \$ 530,189 | \$ 613,607 |
| Net income (loss) on investments | (1,046,806) | (216,797) |
| Investment fees | <u>(112,980)</u> | <u>(109,657)</u> |
| Total | <u>\$ (629,597)</u> | <u>\$ 287,153</u> |

NOTE 8. FAIR VALUE MEASUREMENTS

The *Fair Value Measurements and Disclosures* Topic of the FASB Accounting Standards Codification established a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

Basis of Fair Value Measurement

- Level 1 Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities

- Level 2 Quoted prices in markets that are not considered to be active or financial instruments for which all significant inputs are observable, either directly or indirectly

- Level 3 Prices or valuations that require inputs that are both significant to the fair value measurement and unobservable

NOTE 8. FAIR VALUE MEASUREMENTS (CONTINUED)

The following tables set forth, by level within the fair value hierarchy, the Commission's investment assets at fair value as of December 31, 2022 and 2021. As required, assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

| | <u>Fair Value Measurements at 12/31/22 Using</u> | | | |
|---|--|---|---|--|
| | Total | Quoted Prices in Active Markets for Identical Assets (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) |
| U.S. Treasury notes and bills | \$ 27,986,548 | \$ 27,986,548 | \$ - | \$ - |
| Certificates of deposit | 27,238,000 | - | 27,238,000 | - |
| Money market funds | 19,851,857 | 19,851,857 | - | - |
| Mutual funds and exchange traded funds | | | | |
| Fixed income | 1,138,297 | 1,138,297 | - | - |
| Equity: | | | | |
| Small cap | 99,294 | 99,294 | - | - |
| Mid cap | 102,217 | 102,217 | - | - |
| Large cap | 410,400 | 410,400 | - | - |
| Emerging market | 49,575 | 49,575 | - | - |
| International | 97,202 | 97,202 | - | - |
| Total | <u>\$ 76,973,390</u> | <u>\$ 49,735,390</u> | <u>\$ 27,238,000</u> | <u>\$ -</u> |

| | <u>Fair Value Measurements at 12/31/21 Using</u> | | | |
|---|--|---|---|--|
| | Total | Quoted Prices in Active Markets for Identical Assets (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) |
| U.S. Treasury notes and bills | \$ 30,759,615 | \$ 30,759,615 | \$ - | \$ - |
| Certificates of deposit | 28,530,000 | - | 28,530,000 | - |
| Money market funds | 13,566,802 | 13,566,802 | - | - |
| Mutual funds and exchange traded funds | | | | |
| Fixed income | 1,261,045 | 1,261,045 | - | - |
| Equity: | | | | |
| Small cap | 124,439 | 124,439 | - | - |
| Mid cap | 126,792 | 126,792 | - | - |
| Large cap | 518,090 | 518,090 | - | - |
| Emerging market | 60,258 | 60,258 | - | - |
| International | 118,255 | 118,255 | - | - |
| Total | <u>\$ 75,065,296</u> | <u>\$ 46,535,296</u> | <u>\$ 28,530,000</u> | <u>\$ -</u> |

NOTE 8. FAIR VALUE MEASUREMENTS (CONTINUED)

Level 1 Measurements

U.S. Treasury notes and bills are traded in active markets on national and international securities exchanges and are valued at closing prices on the last business day of each period presented.

The fair values of the mutual funds and exchange traded funds are determined by reference to the funds' underlying assets, which are principally marketable equity and fixed income securities. Shares held in mutual funds and exchange traded funds are traded on national securities exchanges and are valued at the net asset value on the last business day of each period presented.

Money market funds represent shares held in money market mutual funds.

Level 2 Measurements

Certificates of deposit are valued at cost, which approximates fair value due to their liquid or short-term nature. At December 31, 2022, the certificates of deposit had interest rates ranging from 0.10% to 5.00% with maturity dates between January 2023 and December 2025. At December 31, 2021, the certificates of deposit had interest rates ranging from 0.10% to 2.55% with maturity dates between February 2022 and December 2024.

NOTE 9. PROPERTY AND EQUIPMENT

Property and equipment at December 31, 2022 and 2021 consisted of the following:

| | <u>2022</u> | <u>2021</u> |
|--|---------------------|---------------------|
| Computer and related equipment | \$ 4,210,023 | \$ 4,158,916 |
| Office furniture and equipment | 427,932 | 1,092,617 |
| Library | - | 510 |
| Leasehold improvements | <u>1,133,571</u> | <u>2,517,502</u> |
| | 5,771,526 | 7,769,545 |
| Less accumulated depreciation and amortization | <u>(4,460,125)</u> | <u>(5,663,658)</u> |
| Property and equipment - net | <u>\$ 1,311,401</u> | <u>\$ 2,105,887</u> |

During the year ended December 31, 2022, the Commission downsized its Chicago office space and disposed of approximately \$2,000,000 in fixed assets at cost, for a non-cash bookkeeping loss of \$526,536. Most of these fixed assets were purchased decades ago and fully depreciated. The Commission will save approximately \$700,000 a year in office lease expenditures as a result of the downsizing or approximately \$5,500,000 in constant dollars over the term of its recently renegotiated lease.

Subsequent to year-end, the Commission incurred expenditures of approximately \$1,070,000 in office renovation costs and approximately \$700,000 in new furniture purchases. The primary purpose of this investment is to modernize the Commission's offices to make it more competitive and efficient in the post-pandemic world.

NOTE 10. LEASE COMMITMENTS

The Commission leases its Chicago and Springfield offices under operating lease agreements.

Effective July 31, 2022, the Chicago office lease was extended from May 31, 2027 through May 31, 2030. The total square footage under the lease was reduced by approximately 40%, from 38,349 square feet to 23,125 square feet, resulting in projected cumulative cost savings of approximately \$5,500,000 in constant dollars over the new lease term.

The Chicago office lease calls for monthly payments for pro-rata operating expenses and real estate taxes in addition to the scheduled rent payments. In addition, the original lease provided 32 months of “free rent” with the first rent payment made on January 1, 1996. Under the terms of an amendment, base rent was reduced from December 2003 through May 2008, and the landlord provided certain rent concessions which were fully applied as of December 31, 2012. The Commission also received an allowance for leasehold improvements and other rent concessions between January 2012 and December 2017.

Effective November 1, 2012, the Commission entered into a 15-year agreement for office space in Springfield, Illinois. The agreement, which included an allowance of \$20,000 for leasehold improvements, requires escalating rental payments of 2% per annum over the life of the lease. The Commission’s scheduled rent payments for this lease include operating expenses and real estate taxes.

The leases include renewal and termination options that the Commission is not reasonably certain to exercise. Therefore, the payments associated with the potential extensions are not included in the right-of-use assets nor any associated lease liabilities as of December 31, 2022.

For the years ended December 31, 2022 and 2021, total operating lease expense under all agreements was \$1,425,707 and \$1,536,670 respectively. Cash paid for operating leases for the year ended December 31, 2022 was \$787,501. As of December 31, 2022, the weighted-average remaining lease term and discount rate for the two operating leases was approximately 7 years and 1.46%, respectively.

Operating lease right-of-use assets and lease liabilities as of December 31, 2022 were as follows:

| | |
|--|---------------------|
| Right-of-use assets: | |
| Operating lease | <u>\$ 3,523,209</u> |
| Lease liabilities: | |
| Current operating lease liabilities | \$ 584,506 |
| Noncurrent operating lease liabilities | <u>4,214,174</u> |
| Total operating lease liabilities | <u>\$ 4,798,680</u> |

NOTE 10. LEASE COMMITMENTS (CONTINUED)

Future minimum rental payments under the terms of these leases, net of scheduled rent abatements are as follows:

| | <u>Springfield</u> | <u>Chicago</u> | <u>Total</u> |
|----------------------------------|--------------------|---------------------|---------------------|
| Year ending December 31, | | | |
| 2023 | \$ 118,983 | \$ 534,958 | \$ 653,941 |
| 2024 | 121,363 | 574,825 | 696,188 |
| 2025 | 123,790 | 589,196 | 712,986 |
| 2026 | 126,266 | 603,925 | 730,191 |
| 2027 | 106,969 | 619,023 | 725,992 |
| Thereafter | <u>-</u> | <u>1,558,626</u> | <u>1,558,626</u> |
| Total lease payments | \$ 597,371 | \$ 4,480,553 | \$ 5,077,924 |
| Less interest | <u>(19,964)</u> | <u>(259,280)</u> | <u>(279,244)</u> |
| Present value of lease liability | <u>\$ 577,407</u> | <u>\$ 4,221,273</u> | <u>\$ 4,798,680</u> |

NOTE 11. POSTRETIREMENT BENEFIT OBLIGATION

On August 9, 1985, the Commission formed a trust to replace the Medicare coverage lost by its employees when the Social Security Administration ruled that certain Commission employees were ineligible for benefits.

The Commission committed to pay the future cost of Medicare premiums for former employees who met certain criteria and were employed by the Commission before March 31, 1986. Furthermore, the Commission agreed to pay reimbursement credits to eligible former employees for supplemental medical and hospitalization insurance coverage beginning at age 65. Therefore, the Commission records a liability associated with its employees' lost Medicare coverage and supplemental health benefits for retirees.

The following sets forth information with respect to this benefit obligation as of and for the years ended December 31, 2022 and 2021.

| | <u>2022</u> | <u>2021</u> |
|---|---------------------|---------------------|
| Benefit obligation at beginning of year | \$ 2,402,887 | \$ 1,908,311 |
| Service cost | 54,282 | 62,932 |
| Interest cost | 61,895 | 59,705 |
| Benefits paid | (28,083) | (19,842) |
| Actuarial (gain) loss | <u>(16,502)</u> | <u>391,781</u> |
| Benefit obligation at end of year | <u>\$ 2,474,479</u> | <u>\$ 2,402,887</u> |

NOTE 11. POSTRETIREMENT BENEFIT OBLIGATION (CONTINUED)

Net periodic benefit costs for 2022 and 2021 are comprised of the following:

| | <u>2022</u> | <u>2021</u> |
|---------------------------|------------------|-------------------|
| Service cost | \$ 54,282 | \$ 62,932 |
| Interest cost | 61,895 | 59,705 |
| Actuarial (gain) loss | <u>(16,502)</u> | <u>391,781</u> |
| Net periodic benefit cost | <u>\$ 99,675</u> | <u>\$ 514,418</u> |

The key assumptions are as follows:

| | |
|-----------------------------|---|
| Actuarial cost method | Projected unit credit method |
| Mortality table | PriH-2012 Employee and Healthy Retiree tables projected generationally with MP-2020 |
| Discount rate | 2.60% |
| Retirement age | Between ages 55 and 75 |
| Medical trend rate ultimate | 5% |

Assumed health care cost trend rates can have a significant effect on the amounts reported for health care benefits. The actuary noted in its 2022 valuation that the effect of a 1% increase in health care cost trend rates (medical trend ultimate) would be an increase of \$120,243 on total service cost and interest cost components and an increase of \$112,021 on the postretirement benefit obligation, and management believes that the effect of a 1% increase in health care trend rates in 2023 would approximate the estimate made for 2022.

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

The discount rate used to measure the accumulated postretirement benefit obligation (APBO) declined 160 basis points compared to the prior valuation, which increased the net periodic cost and caused the benefit obligation to significantly increase.

Contributions of \$100,000 per year were transferred to the trust account in both 2022 and 2021.

Actuarially determined net benefit payments for each of the next five years and the five years thereafter are as follows:

| | |
|-------------|--------------------|
| 2023 | \$ 59,545 |
| 2024 | 72,312 |
| 2025 | 82,204 |
| 2026 | 92,043 |
| 2027 | 102,695 |
| 2028 - 2032 | <u>645,667</u> |
| Total | <u>\$1,054,466</u> |

NOTE 11. POSTRETIREMENT BENEFIT OBLIGATION (CONTINUED)

The Commission maintains investments in a separate trust account for the Medicare replacement reserve. The assets are invested using prudent asset allocation parameters, with the goal of minimizing risk and achieving asset returns that will help the trust meet its future obligations. The trust's returns should be competitive with like institutions employing similar investment strategies. Because these investments are not considered to be assets established under a separate benefit plan they are included in the total investment balances on the statements of financial position. The fair value of these investments totaled \$2,779,246 and \$3,051,746 at December 31, 2022 and 2021, respectively.

NOTE 12. EMPLOYEE BENEFIT PLANS

The Commission maintains a defined contribution retirement plan and trust for the benefit of all eligible employees. The Commission provides enhanced retirement plan contributions due to a Social Security Administration ruling that Commission employees are not eligible for social security benefits. Employee contributions are not permitted under the plan's provisions. The Commission contributes 18% of compensation for eligible employees, plus additional contributions for eligible employees earning less than the Commission's median salary. The purpose of these incremental contributions is to ensure that the Commission's lower income earners receive the same aggregate contributions as its median salaried employee. The Commission's contributions to the retirement plan and trust totaled \$1,481,189 in 2022 and \$1,559,194 in 2021. The Commission also pays the plan's administrative expenses, which totaled \$46,628 in 2022 and \$234,136 in 2021.

The Commission also maintains a Section 457 savings plan which is funded by voluntary pre-tax employee and employer matching contributions. Through December 2019, the Commission matched employee contributions at the rate of 50% of the employee deferral amount, subject to an annual cap of \$500 per employee. Effective January 1, 2020, the Commission matched employee contributions at the rate of 100% of the employee deferral amount, subject to an annual cap of \$1,000 per employee. Effective for deferrals made on or after April 1, 2020, the Commission matches employee contributions equal to 100% of the employee deferral amount, up to a maximum of 5% of salary. Matching contributions totaled \$300,152 in 2022 and \$311,910 in 2021. The Commission also pays the savings plan's administrative expenses, which totaled \$4,018 in 2022 and \$4,266 in 2021.

NOTE 13. LITIGATION

Various complaints and actions are periodically filed against the Commission. At December 31, 2022, the Commission believes that pending matters do not present any serious prospect for negative financial consequences.

NOTE 14. RISKS AND UNCERTAINTIES

The Commission invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could affect the amounts reported in the statements of financial position. The Commission believes that any such changes will not be material to the financial statements given that its investment portfolio is conservatively invested in short-term triple A rated fixed income securities.

The actuarial present value of postretirement benefit obligations is reported based on certain assumptions pertaining to interest rates, health care inflation rates and employee demographics, all of which are subject to change. Due to uncertainties inherent in the estimations and assumptions process, it is at least reasonably possible that changes in these estimates and assumptions in the near term would be material to the financial statements.

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