

M.R. 3140

**IN THE
SUPREME COURT
OF
THE STATE OF ILLINOIS**

Order entered May 20, 2008.

(Deleted material is struck through and new material is underscored.)

Effective immediately, Supreme Court Rule 721 is amended, as follows.

Amended Rule 721

Rule 721. Professional Service Corporations, Professional Associations, Limited Liability Companies, and Registered Limited Liability Partnerships for the Practice of Law

(a) Professional service corporations formed under the Professional Service Corporation Act (805 ILCS 10/1 *et seq.*), professional associations organized under the Professional Association Act (805 ILCS 305/1 0.01 *et seq.*), limited liability companies organized under the Limited Liability Company Act (805 ILCS 180/1-1 *et seq.*), or registered limited liability partnerships organized under the Uniform Partnership Act (1997) (805 ILCS ~~205/8.1~~ 206/100 *et seq.*), or professional corporations, professional associations, limited liability companies, or registered limited liability partnerships formed under similar provisions of successor Acts to any of the foregoing legislation or under similar statutes of other states or jurisdictions of the United States, may engage in the practice of law in Illinois provided that

(1) each natural person shall be licensed to practice law who is (A) a shareholder, officer, or director of the corporation (except the secretary of the corporation), member of the association, member (or manager, if any) of the limited liability company, or partner of the registered limited liability partnership, (B) a shareholder, officer, or director of a corporation (except the

secretary of the corporation), member of an association, member (or manager, if any) of a limited liability company, or partner of a registered limited liability partnership that itself is a shareholder of a corporation, member of an association, member (or manager, if any) of a limited liability company, or partner of a registered limited liability partnership engaged in the practice of law, or (C) engaged in the practice of law and an employee of any such corporation, association, limited liability company, or registered limited liability partnership; and

(2) one or more persons shall be members of the bar of Illinois, and engaged in the practice of law in Illinois, who are either (A) shareholders of the corporation, members of the association or limited liability company, or partners of the registered limited liability partnership permitted to engage in the practice of law in Illinois hereunder, or (B) shareholders of a corporation, members of an association or limited liability company, or partners in a registered limited liability partnership permitted to engage in the practice of law in Illinois hereunder that itself is a shareholder of the corporation, member of the association or limited liability company, or partner of the registered limited liability partnership permitted to engage in the practice of law in Illinois hereunder; and

(3) the corporation, association, limited liability company, or registered limited liability partnership shall do nothing which, if done by an individual attorney, would violate the standards of professional conduct applicable to attorneys licensed by this court; and

(4) no natural person shall be permitted to practice law in Illinois who is a shareholder, officer, director of the corporation, member of the association, member (or manager, if any) of the limited liability company, or partner of the registered limited liability partnership, or an employee of the corporation, association, limited liability company, or registered limited liability partnership, unless that person is either a member of the bar in Illinois or specially admitted by court order to practice in Illinois.

(b) This rule does not diminish or change the obligation of each attorney engaged in the practice of law in behalf of the corporation, association, limited liability company, or registered limited liability partnership to conduct himself or herself in accordance with the standards of professional conduct applicable to attorneys licensed by this court. Any attorney who by act or omission causes the

corporation, association, limited liability company, or registered limited liability partnership to act in a way which violates standards of professional conduct, including any provision of this rule, is personally responsible for such act or omission and is subject to discipline therefor. Any violation of this rule by the corporation, association, limited liability company, or registered limited liability partnership is a ground for the court to terminate or suspend the right of the corporation, association, limited liability company, or registered limited liability partnership to practice law or otherwise to discipline it.

(c) No corporation, association, limited liability company, or registered limited liability partnership shall engage in the practice of law in Illinois, or open or maintain an establishment for that purpose in Illinois, without a certificate of registration issued by this court.

(d) Unless the corporation, association, limited liability company, or registered limited liability partnership maintains minimum insurance or proof of financial responsibility in accordance with Rule 722, the articles of incorporation or association or organization, or the partnership agreement, shall provide, and in any event the shareholders of the corporation, members of the association or limited liability company, or partners of the registered limited liability partnership shall be deemed to agree by virtue of becoming shareholders, members, or partners, that all shareholders, members, or partners shall be jointly and severally liable for the acts, errors, and omissions of the shareholders, members, or partners, and other employees of the corporation, association, limited liability company, or registered limited liability partnership, arising out of the performance of professional services by the corporation, association, limited liability company, or registered limited liability partnership while they are shareholders, members, or partners.

(e) An application for registration shall be in writing signed by an authorized shareholder of the corporation, member of the association or limited liability company, or partner of the registered limited liability partnership, and filed with the clerk of this court with a fee of \$50. The application shall contain the following:

- (1) the name and address of the corporation, association, limited liability company, or registered limited liability partnership;
- (2) the statute under which it is formed;
- (3) the names and residence addresses of the shareholders of the corporation, members of the association or limited liability company, or partners of the registered limited liability

partnership;

(4) a statement of whether the corporation, association, limited liability company, or registered limited liability partnership is on a calendar or fiscal year basis and if fiscal, the closing date;

(5) a statement that each shareholder, officer, and director of the corporation (except the secretary of the corporation), each member of the association, each member (and each manager, if any) of the limited liability company, or each partner of the registered limited liability partnership is a member of the bar of each jurisdiction in which such person practices law and that no disciplinary action is pending against any of them; and

(6) such other information and documents as the court may from time to time require.

(f) A certificate of registration shall continue in effect until it is suspended or revoked, subject, however, to renewal annually ~~within 30 days following the close of each calendar year~~ on or before January 31 of each year. The application for renewal shall contain the information itemized in paragraph (e) of this rule and be signed by an authorized shareholder, member, or partner and filed with the clerk of this court with a filing fee of \$40. ~~It shall state the name of the corporation, association, limited liability company, or registered limited liability partnership and the names and residence addresses of the shareholders of the corporation, members of the association or limited liability company, or partners of the registered limited liability partnership, and shall certify that each shareholder or member, manager (if any), director and officer (except the secretary of the corporation), and partner is a member of the bar of each jurisdiction in which such person practices law.~~ No certificate is assignable.

(g) Nothing in this rule modifies the attorney-client privilege.

(h) To the extent that the provisions of this rule or Rule 722 are inconsistent with any provisions of the Professional Service Corporation Act, the Professional Association Act, the Limited Liability Company Act, or the Uniform Partnership Act, such provisions of said acts shall have no application.

Effective March 18, 1969; amended October 21, 1969, effective November 15, 1969; amended October 1, 1976, effective November 15, 1976; amended February 19, 1982, effective April 1, 1982; amended October 9, 1984, effective November 1, 1984; amended February 5, 1997, effective March 1, 1997; amended April 1, 2003, effective July 1, 2003; amended May 20, 2008, effective immediately.