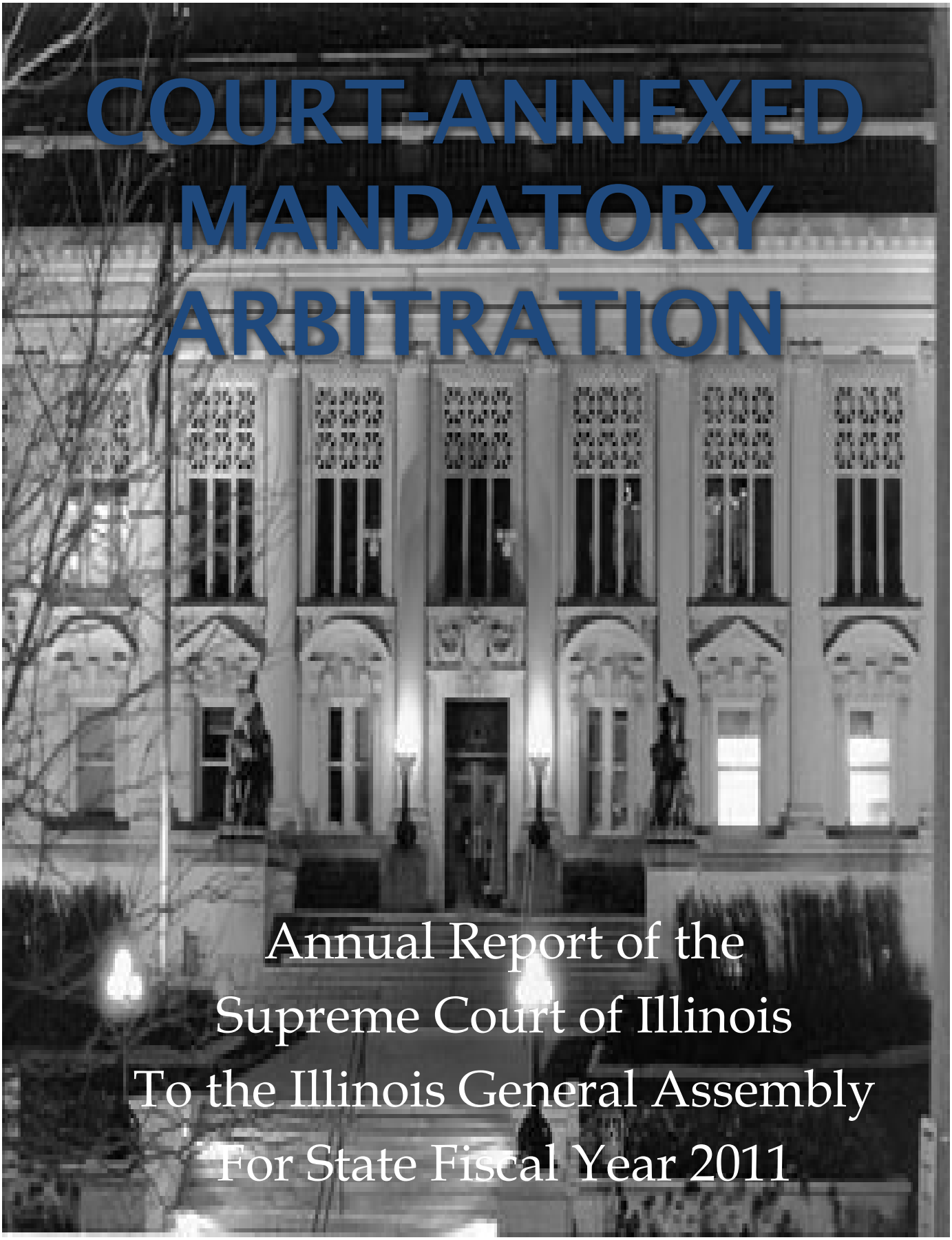

COURT-ANNEXED MANDATORY ARBITRATION

Annual Report of the
Supreme Court of Illinois
To the Illinois General Assembly
For State Fiscal Year 2011

State Fiscal Year 2011 Annual Report to the Illinois General Assembly

Supreme Court of Illinois

Honorable Thomas L. Kilbride, Chief Justice

Honorable Charles E. Freeman, Justice

Honorable Rita B. Garman, Justice

Honorable Anne M. Burke, Justice

Honorable Robert R. Thomas, Justice

Honorable Lloyd A. Karmeier, Justice

Honorable Mary Jane Theis, Justice

Michael J. Tardy, Director
Administrative Office of the Illinois Courts

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Program Overview

In Illinois, court-annexed arbitration is a mandatory, non-binding, non-court procedure designed to resolve civil disputes by utilizing a neutral third party, called an arbitration panel. Mandatory arbitration applies rules of evidence and procedure which are less formal than those followed in trial courts and usually leads to more timely and less expensive resolution of disputes. An arbitration panel can recommend, but not impose, a decision.

In the exercise of its general administrative and supervisory authority over Illinois courts, Supreme Court rules prescribe actions which are subject to mandatory arbitration. The rules address a range of operational procedures including: appointment, qualifications, and compensation of arbitrators; scheduling of hearings; discovery process; conduct of hearings; absence of a party; award and judgment on an award; rejection of an award; and form of oath, award and notice of award.

In the sixteen jurisdictions approved by the Supreme Court to operate such programs, all civil cases filed in which the amount of monetary damages being sought falls within the program's jurisdictional limit, are subject to the arbitration process. These modest sized claims are amenable to closer management and quicker resolution by using a less formal alternative process than a typical trial court proceeding.

A review and analysis of the data and program descriptions support the conclusion that the arbitration system in Illinois is operating consistent with policy makers' initial expectations for the program. Parties to arbitration proceedings are working to settle their differences without significant court intervention. The aggressive scheduling of arbitration hearing dates induces early settlements by requiring the parties to carefully manage the case prior to an arbitration hearing. Because arbitration hearings are held within one year of the filing or transfer of the arbitration case, most jurisdictions can dispose of approximately 70 to 75 percent of the arbitration caseload within one year of case filing.

Arbitration encourages dispositions early in the life of cases, helping courts operate more efficiently. Statewide figures show that only a small number of the cases filed or transferred into arbitration proceed to an arbitration hearing, and an even smaller number of cases proceed to trial. Arbitration-eligible cases are resolved and disposed prior to hearing in ways that do not require a significant amount of court time. Court-ordered dismissals, voluntary dismissals, settlement orders, and default judgments typically require very little court time to process.

Statewide statistics also show that a large number of cases that do proceed to the arbitration hearing are terminated in a post-hearing proceeding. In such cases, the parties either petition the court to enter judgment on the arbitration award or remove the case from the arbitration calendar via another form of post-hearing termination, including settlement.

Mandatory arbitration has proven to be an effective means of disposing cases swiftly for litigants. Furthermore, the overall success of the program is best exemplified in the fact that, statewide, an average of less than two percent of arbitration cases proceeded to trial in 2011.

The State Fiscal Year 2011 Annual Report summarizes the activity of court-annexed mandatory arbitration from July 1, 2010 through June 30, 2011. The report includes an overview of mandatory arbitration in Illinois and contains statistical data as reported by each arbitration program.[1] Aggregate statewide statistics are provided as an overview of Illinois' sixteen court-annexed mandatory arbitration programs. The final part of the report is devoted to providing a brief narrative and data profile for each of the court-annexed mandatory arbitration programs.

[1]A comprehensive history of mandatory arbitration, which began in 1987, is available upon request to the AOIC. Additionally, the previous five fiscal year reports may be viewed on the Supreme Court's website at www.state.il.us/court. An overview of arbitration program administration, caseflow and hearing information is offered in Appendix 1.

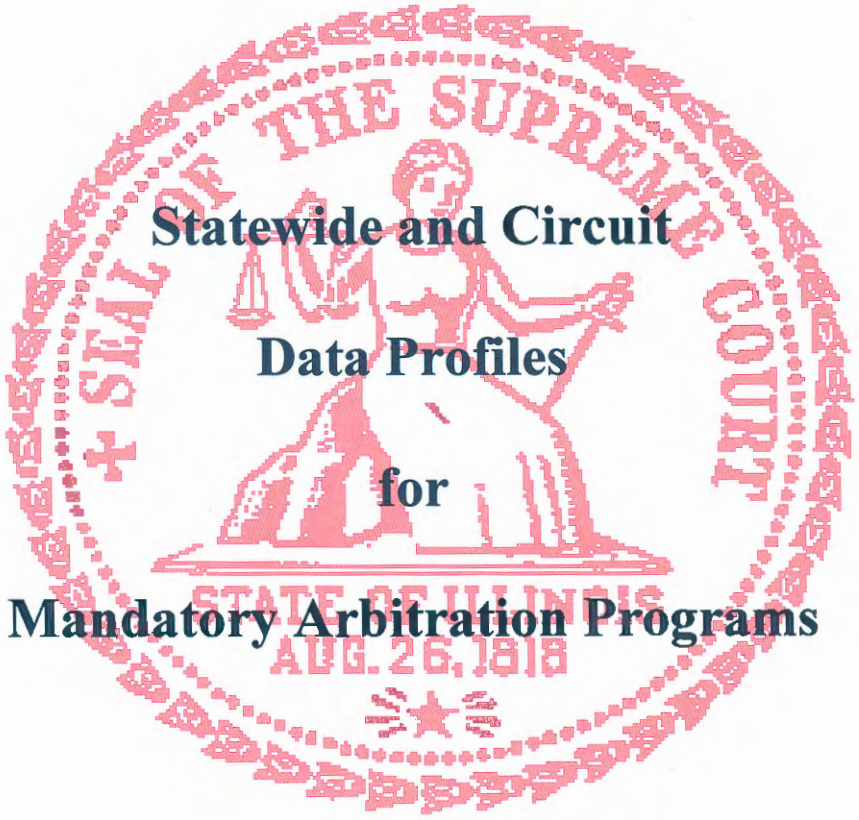
New Developments in State Fiscal Year 2011

- As part of its projects and priorities delineated by the Supreme Court, the Alternative Dispute Resolution Coordinating Committee (ADR Committee) of the Illinois Judicial Conference created a *Uniform Arbitrator Reference Manual* and developed a related training outline and materials. During 2010, the manual was distributed to all 16 arbitration programs for utilization as a tool to train new attorneys wishing to serve as arbitrators, as well as retrain existing arbitrators. During 2011, a training video was offered to arbitration programs to accompany the existing manual. The video is intended to serve as a bridge in training and as a tool to assist in training those attorneys who are interested in serving as arbitrators when immediate training is not available. The training video is not intended to supplant in-person training; however, it is planned to be used as a mechanism to satisfy eligibility requirements for new arbitrators. In concept, the prospective arbitrator would view the video, thereby qualifying him/her to be immediately eligible to arbitrate.

- In its continued efforts to enrich the data analysis of arbitration programs and improve program operations and outcomes, the Supreme Court charged the ADR Committee with reviewing the current methods of collecting arbitration statistics to determine whether the data are accurately capturing the results of the program as intended when arbitration was implemented in 1987. The new aggregate data form, which streamlines the manner in which information is captured during the arbitration process, is included in this report as Appendix 4.

- The ADR Committee was also charged with surveying program practitioners and identifying measures of participant satisfaction with ADR processes. The ADR Committee collected surveys from various arbitration programs, and is in the process of identifying the most useful information for improving arbitration processes in the state of Illinois. Data from completed surveys are being tabulated and synthesized. Upon completion of data synthesis, the information will be contemplated by the ADR Committee in hopes of guiding future activities related to program efficacy and improvement.

- As part of its projects and priorities assigned by the Supreme Court for 2010, the ADR Committee examined the possibility of developing a mentor program for arbitrator chairpersons. The purpose of the chairperson mentor program is to enhance training and offer a prospective arbitrator chairperson the practical experience necessary to excel as a fair and impartial chairperson. During 2010, the ADR Committee began to consider and preliminarily design a system of peer mentors for arbitration panel chairs. The goal of such an initiative is to provide a framework and a system for all sixteen (16) arbitration sites to support, enrich and advance the role of panel chairs. During 2011, the ADR Committee developed a global, universal arbitration chairperson mentor program. The model program was disseminated to all arbitration programs to consider implementation.



Statewide and Circuit

Data Profiles

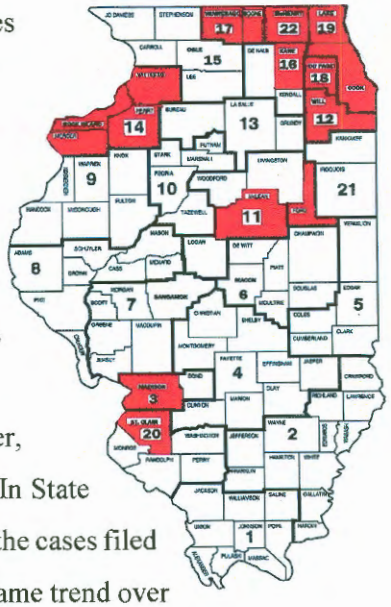
for

Mandatory Arbitration Programs

Statewide Data Profile from Illinois' Arbitration Programs

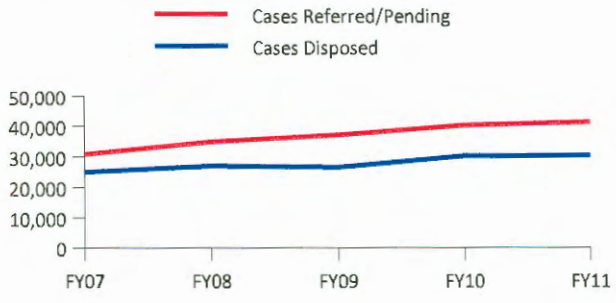
Arbitration Caseload FY 11	
Cases Pending/Referred to Arbitration	41,302
Cases Settled/Dismissed	30,372
Arbitration Hearings	8,348
Awards Accepted	1,946
Awards Rejected	4,465
Cases Filed in Arbitration that Proceeded to Trial	602

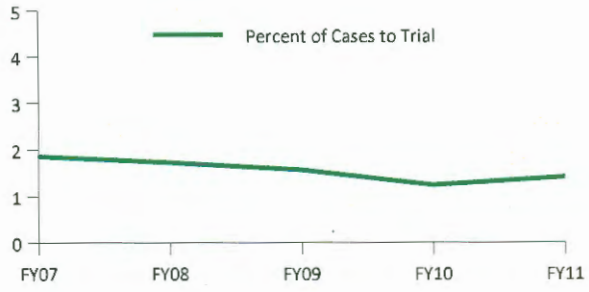
The number of cases referred to Illinois' arbitration programs in FY 2011 marks the highest volume of cases in arbitration over the past five fiscal years. Generally, the number of civil cases filed in the Illinois courts increases annually, a trend which is also reflected in arbitration case filings. On average 36,782 cases per year were referred to, or are pending in, arbitration over the past five state fiscal years. The table presents information regarding the total number of cases litigated in all sixteen arbitration programs, reflects the total number of cases resolved during the arbitration process, and depicts the total number of cases that ultimately proceeded to trial.*



Program data indicate that either a settlement or dismissal was reached in 74 percent (30,372 of 41,302 cases were disposed) of the cases filed in Illinois' arbitration programs for State Fiscal Year 2011. This is slightly lower than the five-year average of 76 percent.

A more significant performance indicator for arbitration, however, is the number of cases which, having been arbitrated, proceed to trial. In State Fiscal Year 2011, statewide figures indicate that less than two percent of the cases filed in Illinois' arbitration programs proceeded to trial. This rate tracks the same trend over the past five years (2007 - 2011).





*The Statewide and Circuit Profile figures are derived from a compilation of data from Appendix 4.

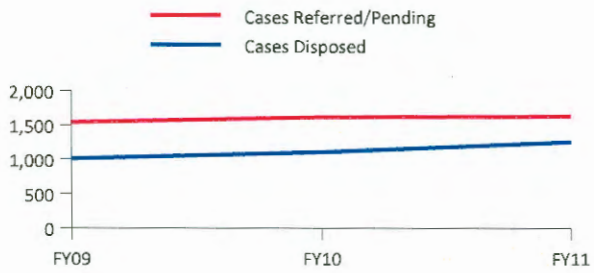
Third Judicial Circuit

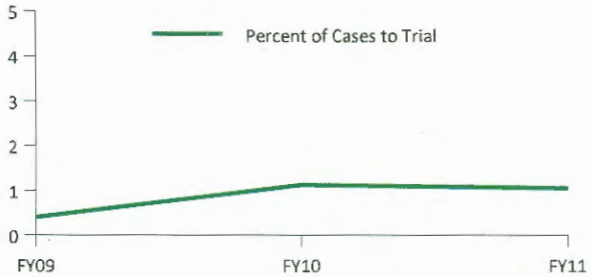
Madison County

Arbitration Caseload FY 11	
Cases Pending/Referred to Arbitration	1,627
Cases Settled/Dismissed	1,254
Arbitration Hearings	139
Awards Accepted	68
Awards Rejected	49
Cases Filed in Arbitration that Proceeded to Trial	17

Madison County is one of two counties that comprises the Third Judicial Circuit. Madison County is the most recent county to petition the Supreme Court for authorization to implement a court-annexed mandatory arbitration program, having commenced operations effective July 1, 2007. An arbitration supervising judge is assigned to oversee arbitration matters, and is assisted by an arbitration program administrator.

The figures in the table represent the total number of cases litigated in arbitration which were either resolved during the arbitration process, or ultimately proceeded to trial. Program data indicate that 77 percent (1,254 of 1,627) of cases filed in the Madison County arbitration program during State Fiscal Year 2011 were disposed of by settlement or dismissal.





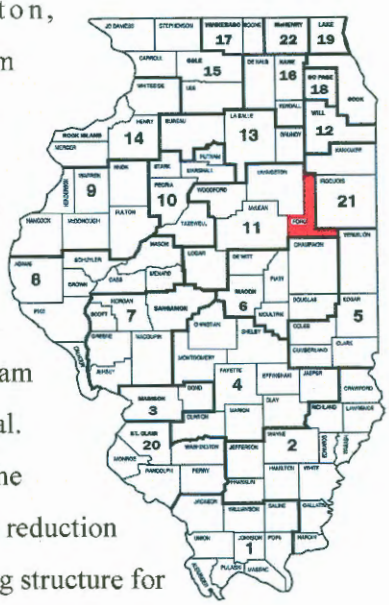
The data for Madison County's 2011 arbitration operations are reflected in the above graphs. In Madison County, slightly more than one percent (17 of 1,627) of cases filed in arbitration proceeded to trial.

Eleventh Judicial Circuit

Ford County

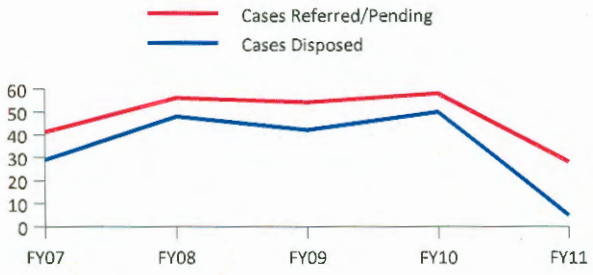
Arbitration Caseload FY 11	
Cases Pending/Referred to Arbitration	28
Cases Settled/Dismissed	5
Arbitration Hearings	1
Awards Accepted	1
Awards Rejected	0
Cases Filed in Arbitration that Proceeded to Trial	0

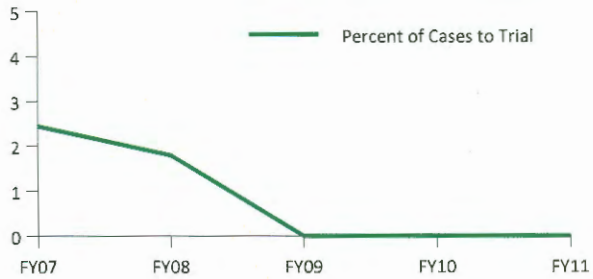
In March of 1996, the Supreme Court of Illinois entered an order which authorized Ford and McLean Counties in the Eleventh Judicial Circuit to begin operating arbitration programs. The arbitration program center for the Eleventh Judicial Circuit is located near the McLean County Law and Justice Center in Bloomington, Illinois, which hosts hearings for both counties. A supervising judge from each county is assigned to oversee arbitration matters and both are assisted by an arbitration program administrator.



The table presents information regarding the total number of cases litigated in arbitration which were either resolved during the arbitration process, or ultimately went to trial. Program data indicate that 18 percent (5 of 28) of cases filed in the Ford County arbitration program during State Fiscal Year 2011 were disposed of by settlement or dismissal.

When comparing FY 2011 information with FY 2010 data, the number of cases referred to arbitration has decreased significantly. This reduction in cases referred may be an artifact of the recently implemented reporting structure for arbitration program statistics. Future data will continue to be closely monitored to track caseload volume.





The data for Ford County's 2011 arbitration operations are reflected in the above graphs. In Ford County, none of the 28 cases filed in arbitration proceeded to trial.

Eleventh Judicial Circuit

McLean County

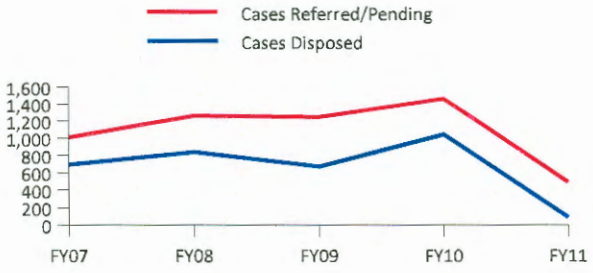
Arbitration Caseload FY 11	
Cases Pending/Referred to Arbitration	492
Cases Settled/Dismissed	91
Arbitration Hearings	7
Awards Accepted	5
Awards Rejected	2
Cases Filed in Arbitration that Proceeded to Trial	0

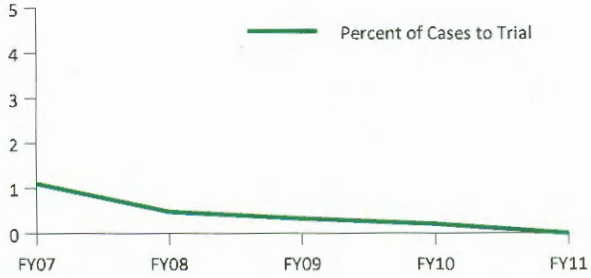
While the number of cases referred to McLean County's arbitration program vary annually, on average, 1,093 cases per year have been referred to, or are pending in, arbitration over the past five state fiscal years.

Program data indicate that 18 percent (91 of 492) of cases filed in the McLean County arbitration program during State Fiscal Year 2011 were disposed of by settlement or dismissal.

The data for McLean County's 2011 arbitration operations are reflected in the graphs below. In McLean County, none of the 492 cases litigated in arbitration proceeded to trial.

When comparing FY 2011 information with FY 2010 data, the number of cases referred to arbitration has decreased significantly. This reduction in cases referred may be an artifact of the recently implemented reporting structure for arbitration program statistics. The decrease may also be a function of cases that historically were referred to arbitration are now being diverted to the Eleventh Judicial Circuit's Small Claims Mediation Program. Future data will continue to be closely monitored to track caseload volume.



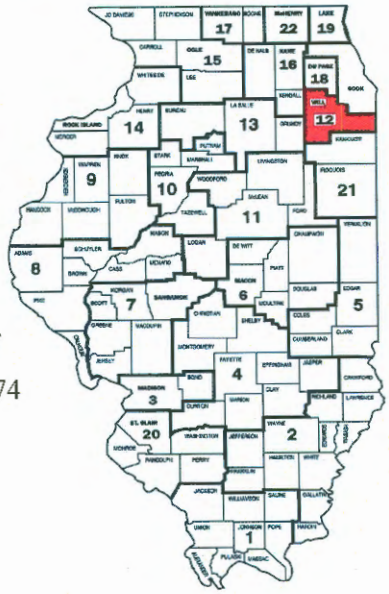


Twelfth Judicial Circuit

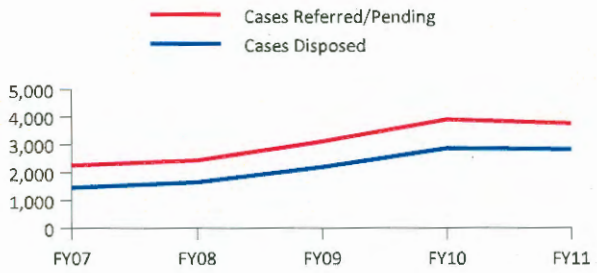
Will County

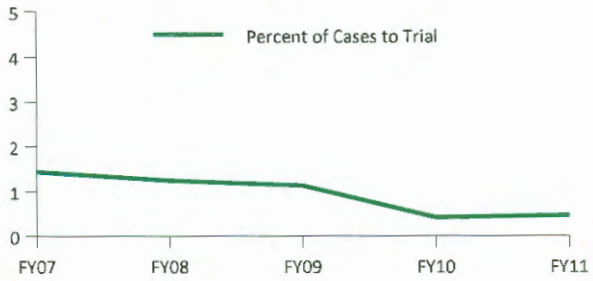
Arbitration Caseload FY 11	
Cases Pending/Referred to Arbitration	3,763
Cases Settled/Dismissed	2,838
Arbitration Hearings	146
Awards Accepted	34
Awards Rejected	63
Cases Filed in Arbitration that Proceeded to Trial	17

The Twelfth Judicial Circuit is one of five single-county circuits in Illinois. The Will County Arbitration Center is housed near the courthouse in Joliet, Illinois. Will County began hearing arbitration cases in December of 1995. An arbitration supervising judge is assigned to oversee arbitration matters and is assisted by a trial court administrator and an arbitration program assistant.



The table presents information regarding the total number of cases litigated in arbitration which were either resolved during the arbitration process, or ultimately proceeded to trial. Program data indicate that 75 percent (2,838 of 3,763) of cases filed in the Will County arbitration program during State Fiscal Year 2011 were disposed of by settlement or dismissal. This disposition rate is higher than the five-year average of 72 percent and slightly higher than the statewide average of 74 percent.





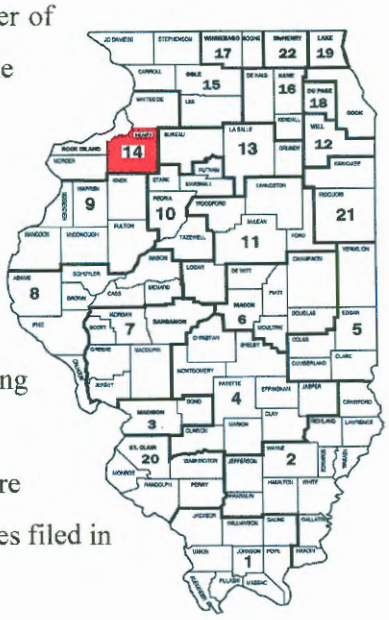
On average, 3,086 cases per year have been referred to, or are pending in, arbitration over the past five state fiscal years. The data for Will County's 2011 arbitration operations are reflected in the above graphs. In Will County, less than one percent (17 of 3,763) of cases filed in arbitration proceeded to trial.

Fourteenth Judicial Circuit

Henry County

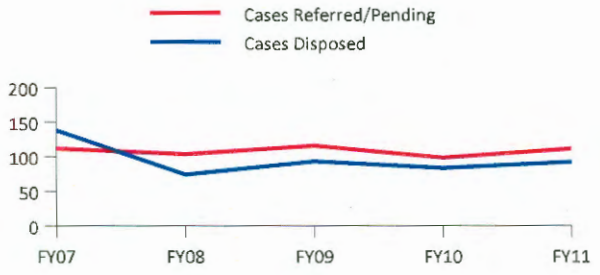
Arbitration Caseload FY 11	
Cases Pending/Referred to Arbitration	111
Cases Settled/Dismissed	92
Arbitration Hearings	5
Awards Accepted	1
Awards Rejected	0
Cases Filed in Arbitration that Proceeded to Trial	1

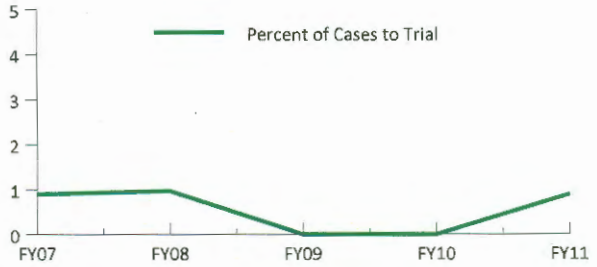
The Fourteenth Judicial Circuit is comprised of Henry, Mercer, Rock Island and Whiteside Counties. In November 1999, the Supreme Court authorized the inception of the program in all four counties of the circuit, and arbitration hearings began in October 2000. This circuit is the first to receive permanent authorization to hear cases with damage claims up to $50,000. The table presents information regarding the total number of cases litigated in arbitration which were either resolved during the arbitration process, or ultimately went to trial. Program data indicate that 83 percent (92 of 111) of cases filed in the Henry County arbitration program during State Fiscal Year 2011 were disposed of by settlement or dismissal. This disposition rate is higher than the five-year average of 79 percent and the statewide average of 74 percent.



On average, 108 cases per year have been referred to, or are pending in, arbitration over the past five state fiscal years.

The data for Henry County's 2011 arbitration operations are indicated in the graphs below. In Henry County, only one of the 111 cases filed in arbitration proceeded to trial.





Fourteenth Judicial Circuit

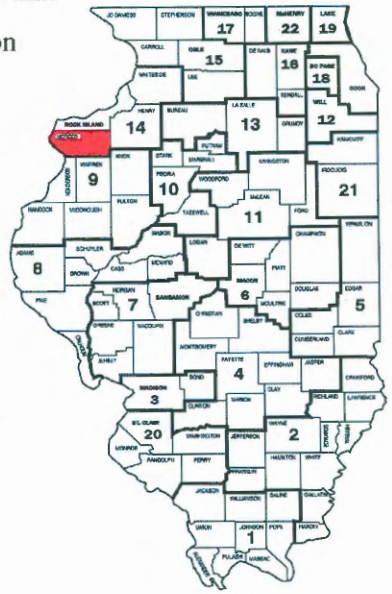
Mercer County

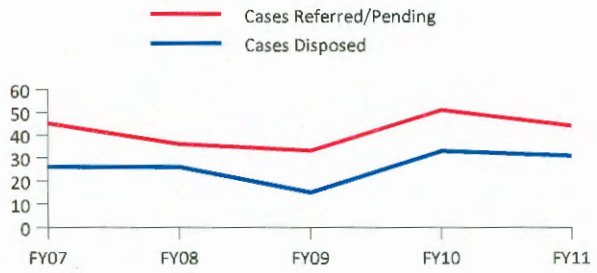
Arbitration Caseload FY 11	
Cases Pending/Referred to Arbitration	44
Cases Settled/Dismissed	31
Arbitration Hearings	2
Awards Accepted	2
Awards Rejected	0
Cases Filed in Arbitration that Proceeded to Trial	0

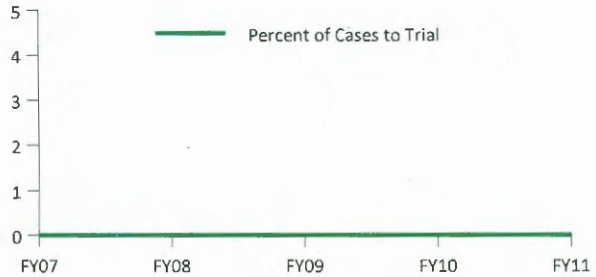
While the number of cases referred to Mercer County's arbitration program vary annually, on average, 42 cases per year have been referred to, or are pending in, arbitration over the past five state fiscal years.

The table presents information regarding the total number of cases litigated in arbitration which were either resolved during the arbitration process, or ultimately went to trial. Program data indicate that 70 percent (31 of 44) of cases filed in the Mercer County arbitration program during State Fiscal Year 2011 were disposed of by settlement or dismissal. This disposition rate is higher than the five-year average of 63 percent and lower than the statewide average of 74 percent.

The data for Mercer County's 2011 arbitration operations are reflected in the graphs below. In Mercer County, none of the cases litigated in arbitration since 2007 have proceeded to trial.







Fourteenth Judicial Circuit

Rock Island County

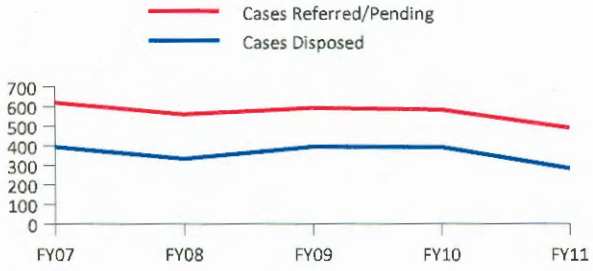
Arbitration Caseload FY 11	
Cases Pending/Referred to Arbitration	490
Cases Settled/Dismissed	285
Arbitration Hearings	30
Awards Accepted	11
Awards Rejected	15
Cases Filed in Arbitration that Proceeded to Trial	2

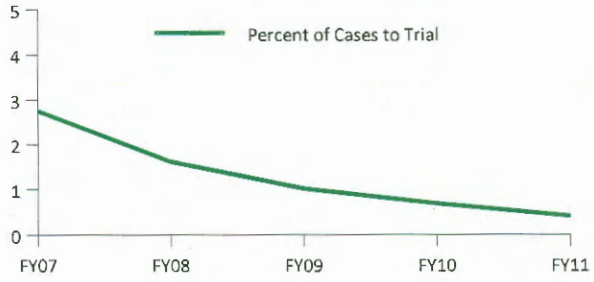
An average of 568 cases per year have been referred to, or are pending in, arbitration over the past five state fiscal years.

The table presents information regarding the total number of cases litigated in arbitration which were either resolved during the arbitration process, or ultimately went to trial.

Program data indicate that 58 percent (285 of 490) of cases filed in the Rock Island County arbitration program during State Fiscal Year 2011 were disposed of by settlement or dismissal. This disposition rate is lower than the five-year average of 63 percent and the statewide average of 74 percent.

The data for Rock Island County's 2011 arbitration operations are reflected in the graphs below. In Rock Island County, less than one percent of the cases (2 of 490) filed in arbitration proceeded to trial.





Fourteenth Judicial Circuit

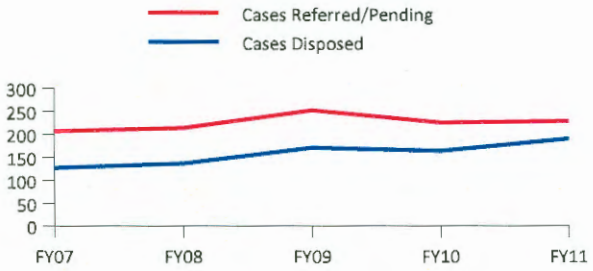
Whiteside County

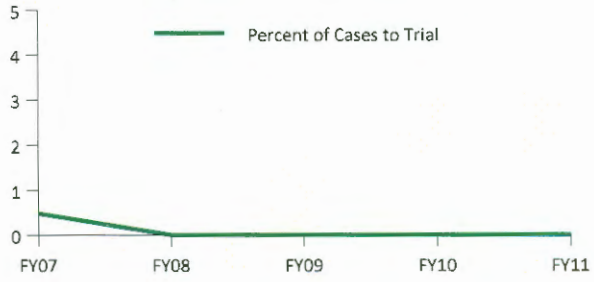
Arbitration Caseload FY 11	
Cases Pending/Referred to Arbitration	228
Cases Settled/Dismissed	190
Arbitration Hearings	6
Awards Accepted	0
Awards Rejected	1
Cases Filed in Arbitration that Proceeded to Trial	0

While the number of cases referred to Whiteside County's arbitration program vary annually, on average, 225 cases per year have been referred to, or are pending in, arbitration over the past five state fiscal years.

The table presents information regarding the total number of cases litigated in arbitration which were either resolved during the arbitration process, or ultimately went to trial. Program data indicate that 83 percent (190 of 228) of cases filed in the Whiteside County arbitration program during State Fiscal Year 2011 were disposed of by settlement or dismissal. This disposition rate is higher than the five-year average of 70 percent and the statewide average of 74 percent.

The data for Whiteside County's 2011 arbitration operations are reflected in the graphs below. In Whiteside County, none of the 228 cases filed in arbitration proceeded to trial.





Sixteenth Judicial Circuit

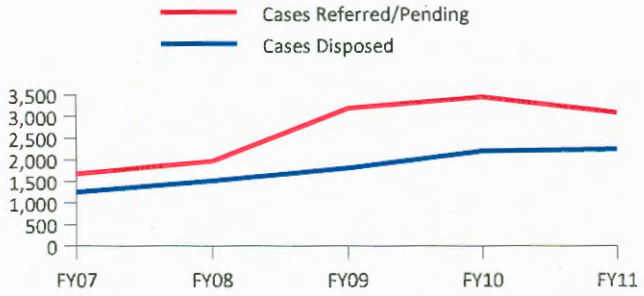
Kane County

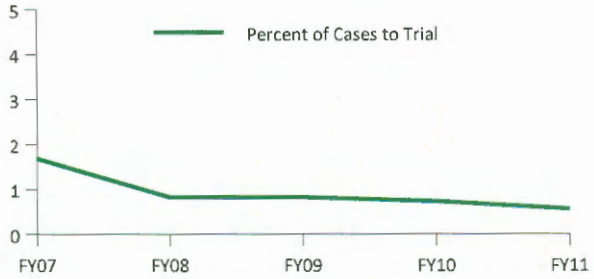
Arbitration Caseload FY 11	
Cases Pending/Referred to Arbitration	3,078
Cases Settled/Dismissed	2,246
Arbitration Hearings	169
Awards Accepted	52
Awards Rejected	99
Cases Filed in Arbitration that Proceeded to Trial	17

The Sixteenth Judicial Circuit consists of DeKalb, Kane and Kendall Counties. During Fiscal Year 1994, the Supreme Court approved Kane County's request to operate a court-annexed mandatory arbitration program. Initial arbitration hearings were held in June 1995. A supervising judge is assigned to oversee arbitration matters, and is assisted by an arbitration program assistant.

The table presents information regarding the total number of cases litigated in arbitration which were either resolved during the arbitration process, or ultimately went to trial. Program data indicate that 73 percent (2,246 of 3,078) of cases filed in the Kane County arbitration program during State Fiscal Year 2011 were disposed of by settlement or dismissal. This disposition rate is higher than the five-year average of 68 percent but slightly lower than the statewide average of 74 percent. On average, 2,664 cases per year have been referred to, or are pending in, arbitration over the past five state fiscal years.

The data for Kane County's 2011 arbitration operations are illustrated in the graphs below. In Kane County, less than one percent of the cases (17 of 3,078) filed in arbitration proceeded to trial.



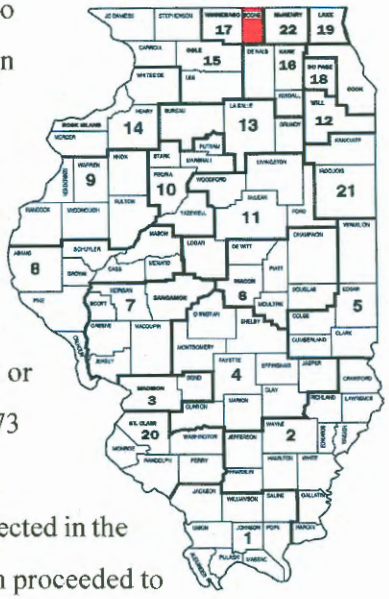


Seventeenth Judicial Circuit

Boone County

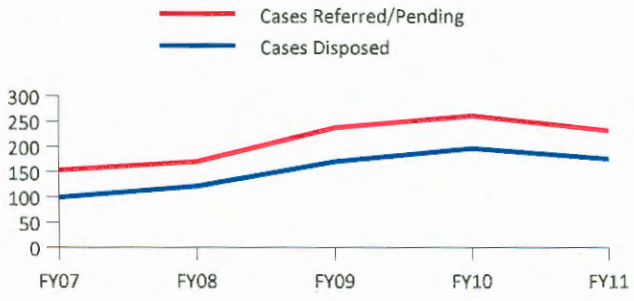
Arbitration Caseload FY 11	
Cases Pending/Referred to Arbitration	231
Cases Settled/Dismissed	175
Arbitration Hearings	14
Awards Accepted	5
Awards Rejected	4
Cases Filed in Arbitration that Proceeded to Trial	0

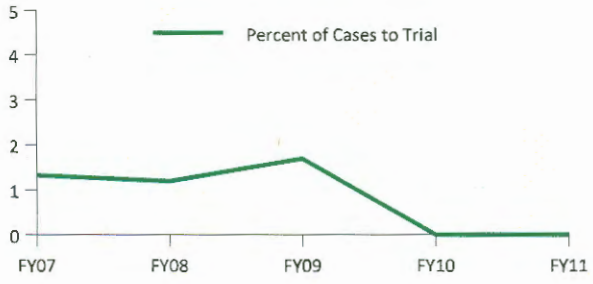
The Seventeenth Judicial Circuit consists of Boone and Winnebago Counties. The circuit's arbitration center is located near the courthouse in Rockford, Illinois. The Boone County program began hearing arbitration-eligible matters in February 1995. A supervising judge from each county is assigned to oversee the arbitration programs and is assisted by an arbitration administrator.



The table presents information regarding the total number of cases litigated in arbitration which were either resolved during the arbitration process, or ultimately went to trial. Program data indicate that 76 percent (175 of 231) of cases filed in the Boone County arbitration program during State Fiscal Year 2011 were disposed of by settlement or dismissal. This disposition rate is higher than the five-year average of 73 percent and higher than the statewide average of 74 percent.

The data for Boone County's 2011 arbitration operations are reflected in the graphs below. In Boone County, none of the 231 cases filed in arbitration proceeded to trial.





Seventeenth Judicial Circuit

Winnebago County

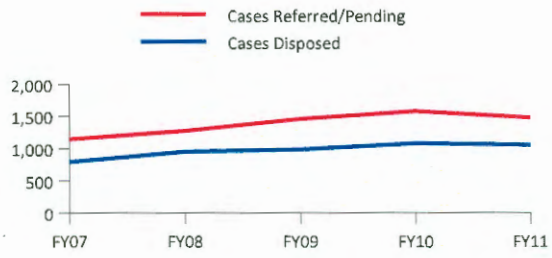
Arbitration Caseload FY 11	
Cases Pending/Referred to Arbitration	1,474
Cases Settled/Dismissed	1,053
Arbitration Hearings	118
Awards Accepted	37
Awards Rejected	55
Cases Filed in Arbitration that Proceeded to Trial	11

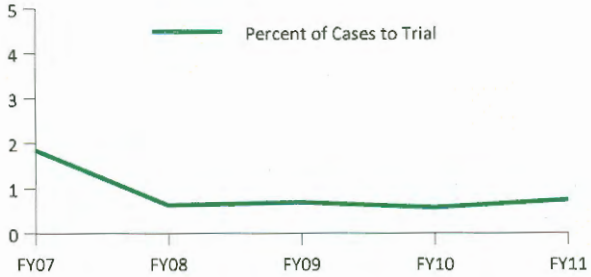
In the fall of 1987, court-annexed mandatory arbitration was instituted as a pilot program in Winnebago County, making it the oldest court-annexed arbitration system in the state.

On average, 1,382 cases per year have been referred to, or are pending in, arbitration over the past five state fiscal years.

The table presents information regarding the total number of cases litigated in arbitration which were either resolved during the arbitration process, or ultimately went to trial. Program data indicate that 71 percent (1,053 of 1,474) of cases filed in the Winnebago County arbitration program during State Fiscal Year 2011 were disposed of by settlement or dismissal. This disposition rate is slightly higher than the five-year average of 70 percent and lower than the statewide average of 74 percent.

The data for Winnebago County's 2011 arbitration operations are reflected in the graphs below. In Winnebago County, less than one percent of cases (11 of 1,474) filed in arbitration proceeded to trial.





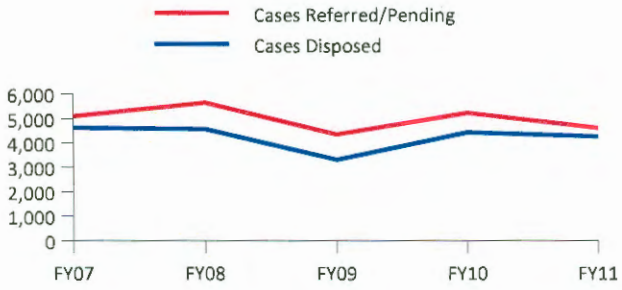
Eighteenth Judicial Circuit

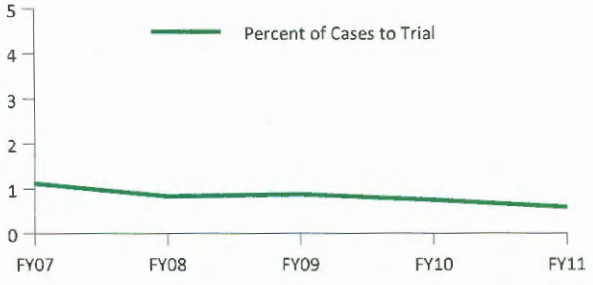
DuPage County

Arbitration Caseload FY 11	
Cases Pending/Referred to Arbitration	4,601
Cases Settled/Dismissed	4,258
Arbitration Hearings	391
Awards Accepted	70
Awards Rejected	186
Cases Filed in Arbitration that Proceeded to Trial	27

The Eighteenth Judicial Circuit, the second most populous jurisdiction in Illinois, is a suburban jurisdiction serving the residents of DuPage County. Since its initial Supreme Court authorization in December 1988, court-annexed arbitration has become an important resource for assisting the judicial system in the adjudication of civil matters. During State Fiscal Year 2002, the Supreme Court authorized DuPage County's arbitration program to permanently operate at the $50,000 jurisdictional limit. A supervising judge oversees arbitration matters and is assisted by an arbitration program administrator.

The table presents information regarding the total number of cases litigated in arbitration which were either resolved during the arbitration process, or ultimately went to trial. On average, 4,972 cases have been referred to, or are pending in, arbitration over the past five state fiscal years. Program data indicate that 93 percent (4,258 of 4,601) of cases filed in the DuPage County arbitration program during State Fiscal Year 2011 were disposed of by settlement or dismissal. This disposition rate is higher than the five-year average of 85 percent and the statewide average of 74 percent. The data for DuPage County's 2011 arbitration operations are reflected in the graphs below. In DuPage County, less than one percent of cases (27 of 4,601) filed in arbitration proceeded to trial.





Nineteenth Judicial Circuit

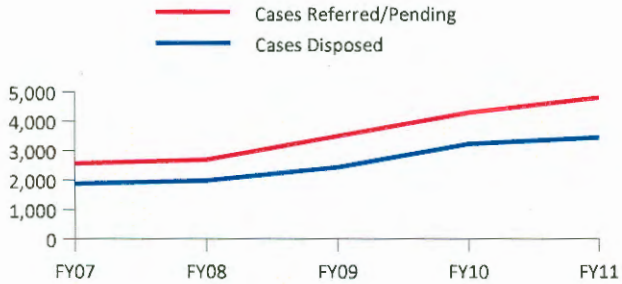
Lake County

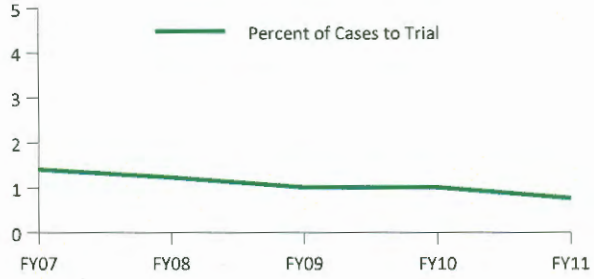
Arbitration Caseload FY 11	
Cases Pending/Referred to Arbitration	4,804
Cases Settled/Dismissed	3,455
Arbitration Hearings	404
Awards Accepted	108
Awards Rejected	217
Cases Filed in Arbitration that Proceeded to Trial	46

In December 1988, Lake County was approved by the Supreme Court to begin operating an arbitration program. The supervising judge is assisted by an arbitration program administrator and an administrative assistant. On average, 3,569 cases per year have been referred to, or are pending in, arbitration over the past five state fiscal years.

The table presents information regarding the total number of cases litigated in arbitration which were either resolved during the arbitration process, or ultimately went to trial. Program data indicate that 72 percent (3,455 of 4,804) of cases filed in the Lake County arbitration program during State Fiscal Year 2011 were disposed of by settlement or dismissal, which is slightly lower than the statewide average of 74 percent.

The data for Lake County's 2011 arbitration operations are reflected in the graphs below. In Lake County, less than one percent of cases (46 of 4,804) filed in arbitration proceeded to trial.



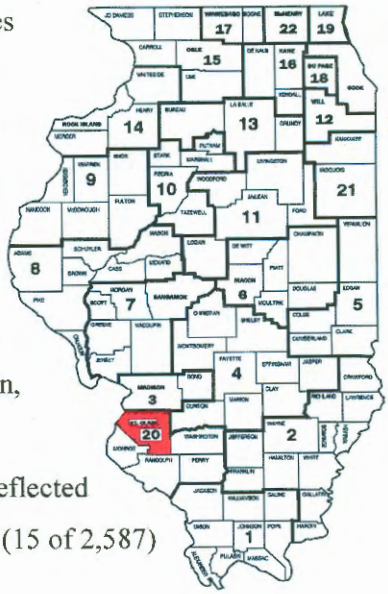


Twentieth Judicial Circuit

St. Clair County

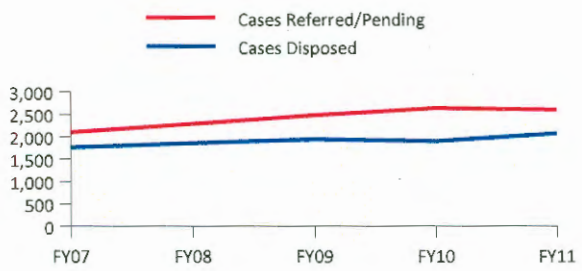
Arbitration Caseload FY 11	
Cases Pending/Referred to Arbitration	2,587
Cases Settled/Dismissed	2,068
Arbitration Hearings	147
Awards Accepted	52
Awards Rejected	61
Cases Filed in Arbitration that Proceeded to Trial	15

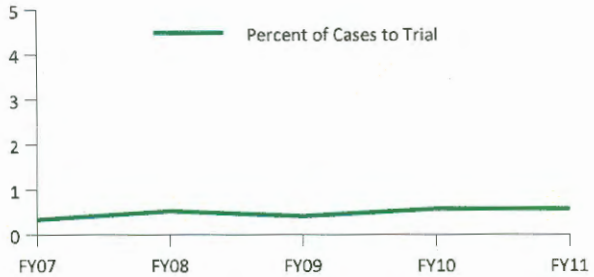
The Twentieth Judicial Circuit is comprised of five counties: St. Clair, Perry, Monroe, Randolph and Washington. The Supreme Court approved St. Clair County's request to begin an arbitration program in May 1993, and the first hearings were held in February 1994. A supervising judge is assigned to oversee arbitration matters and is assisted by an arbitration program administrator.



The table presents information regarding the total number of cases litigated in arbitration which were either resolved during the arbitration process, or ultimately went to trial. Program data indicate that 80 percent (2,068 of 2,587) of cases filed in the St. Clair County arbitration program during State Fiscal Year 2011 were disposed of by settlement or dismissal. This disposition rate is slightly higher than the five-year average of 79 percent and higher than the statewide average of 74 percent. An average of 2,409 cases per year have been referred to, or are pending in, arbitration over the past five state fiscal years.

The data for St. Clair County's 2011 arbitration operations are reflected in the graphs below. In St. Clair County, less than one percent of cases (15 of 2,587) filed in arbitration proceeded to trial.





Twenty-Second Judicial Circuit

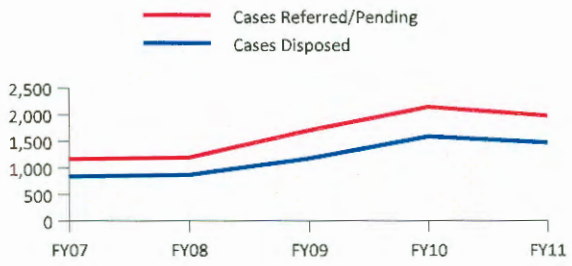
McHenry County

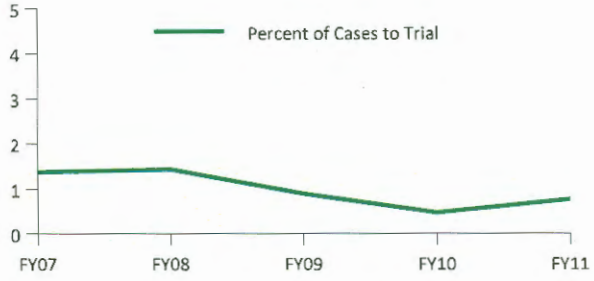
Arbitration Caseload FY 11	
Cases Pending/Referred to Arbitration	1,973
Cases Settled/Dismissed	1,470
Arbitration Hearings	88
Awards Accepted	34
Awards Rejected	37
Cases Filed in Arbitration that Proceeded to Trial	15

In 1990, McHenry County was approved to operate an arbitration program as a component of the Nineteenth Judicial Circuit's operations. On December 4, 2006, legislation created the Twenty-Second Judicial Circuit, making McHenry County a single-county circuit and the newest judicial circuit in the state. The supervising judge in McHenry County is assisted by an arbitration program administrator.

The table presents information regarding the total number of cases litigated in arbitration which were either resolved during the arbitration process, or ultimately went to trial. On average, 1,631 cases have been referred to, or are pending in, arbitration over the past five state fiscal years.

Program data indicate that 75 percent (1,470 of 1,973) of cases filed in the McHenry County arbitration program during State Fiscal Year 2011 were disposed of by settlement or dismissal. This disposition rate is higher than the statewide average of 74 percent, and higher than the five-year average of 73 percent. The data for McHenry County's 2011 arbitration operations are reflected in the graphs below. In McHenry County, less than one percent of the cases (15 of 1,973) filed in arbitration proceeded to trial.

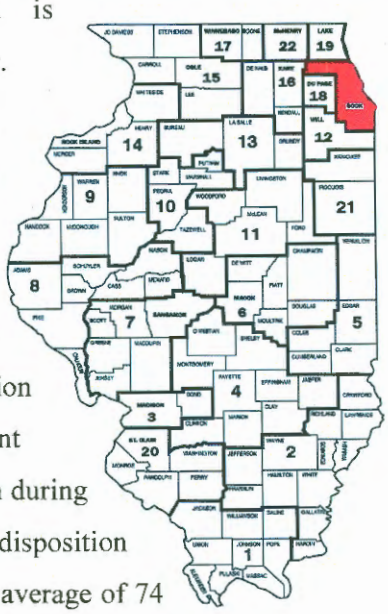




Circuit Court of Cook County

Arbitration Caseload FY 11	
Cases Pending/Referred to Arbitration	15,771
Cases Settled/Dismissed	10,861
Arbitration Hearings	6,681
Awards Accepted	1,466
Awards Rejected	3,676
Cases Filed in Arbitration that Proceeded to Trial	434

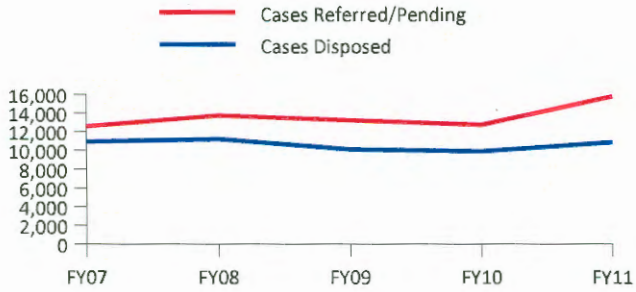
The Circuit Court of Cook County is the largest unified general jurisdiction court in the nation. The Supreme Court authorized the implementation of an arbitration program in Cook County in January 1990. The arbitration center is located in downtown Chicago. A supervising judge oversees arbitration program matters and is assisted by an arbitration program administrator and deputy administrator.

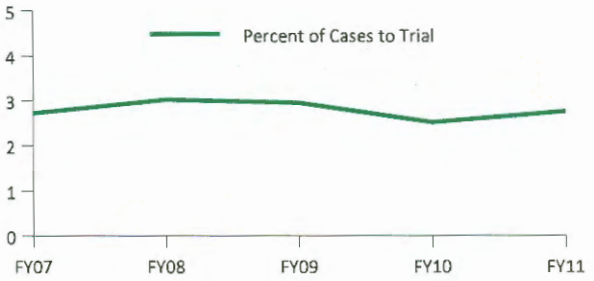


While the number of cases referred to Cook County's arbitration program vary annually, on average, 13,583 cases per year have been referred to, or are pending in, arbitration over the past five state fiscal years.

The table presents information regarding the total number of cases litigated in arbitration which were either resolved during the arbitration process, or ultimately went to trial. Program data indicate that 69 percent (10,861 of 15,771) of cases filed in the Cook County arbitration program during State Fiscal Year 2011 were disposed of by settlement or dismissal. This disposition rate is lower than the five-year average of 78 percent and the statewide average of 74 percent.

The data for Cook County's 2011 arbitration operations are reflected in the graphs below. In Cook County less than three percent of the cases (434 of 15,771) filed in arbitration proceeded to trial.





Appendices

APPENDIX 1

Administration

The Administrative Office of the Illinois Courts, the Alternative Dispute Resolution Coordinating Committee of the Illinois Judicial Conference, and local arbitration supervising judges and administrators provide ongoing support to the mandatory arbitration programs in Illinois. A brief description of the roles and functions of these entities follows.

Administrative Office of the Illinois Courts

The Administrative Office of the Illinois Courts (AOIC) works with the circuit courts to coordinate the operations of the arbitration programs throughout the state. Administrative Office staff assist in:

- Establishing new arbitration programs approved by the Supreme Court;
- Drafting local rules;
- Recruiting personnel;
- Acquiring facilities;
- Training new arbitrators;
- Purchasing equipment;
- Developing judicial calendaring systems;
- Preparing budgets;
- Processing vouchers;
- Addressing personnel issues;
- Compiling statistical data;
- Negotiating contracts and leases; and
- Coordinating the collection of arbitration filing fees.

In addition, AOIC staff serve as liaison to the Illinois Judicial Conference's Alternative Dispute Resolution Coordinating Committee.

Alternative Dispute Resolution Coordinating Committee

The charge of the Alternative Dispute Resolution Coordinating Committee, as directed by the Supreme Court, is to:

- Monitor and assess court-annexed mandatory arbitration programs;
- Make recommendations for proposed policy modifications to the full body of the Illinois Judicial Conference;
- Survey and compile information regarding existing court-supported dispute

resolution programs;

- Explore and examine innovative dispute resolution processing techniques;
- Study the impact of proposed amendments to relevant Supreme Court rules; and
- Propose rule amendments in response to suggestions and information received from program participants, supervising judges, and arbitration administrators.

Local Administration

The chief circuit judge in each jurisdiction operating a mandatory arbitration program appoints a supervising judge to provide oversight for the arbitration program. The supervising judge:

- Has authority to resolve questions arising in arbitration proceedings;
- Reviews applications for appointment or re-certification of an arbitrator;
- Resolves arbitrator or arbitration process complaints; and
- Promotes the dissemination of information about the arbitration process, the results of arbitration, developing caselaw, and new practices and procedures in the area of arbitration.

The supervising judges are assisted by arbitration administrators who are responsible for duties such as:

- Maintaining a roster of active arbitrators;
- Scheduling arbitration hearings;
- Conducting arbitrator training;
- Compiling statistical information required by the AOIC;
- Processing vouchers; and
- Submitting purchase requisitions related to arbitration programs.

Caseflow and Hearings

Case Assignment

In all jurisdictions, except Cook County, cases are assigned to mandatory arbitration calendars either as initially filed or by court transfer. In an initial filing, litigants may file their case with the office of the clerk of the circuit court as an arbitration case. The clerk places the matter directly onto the calendar of the supervising judge for arbitration.

An additional means by which cases are assigned to a mandatory arbitration calendar is through court transfer. In all jurisdictions operating a court-annexed mandatory arbitration program, if it appears to the court that no claim in the action has a value in excess of the arbitration program's jurisdictional amount, a case may be transferred to the arbitration calendar. For example, if the court finds that an action originally filed as a law case (actions for damages in excess of $50,000) has a potential for damages within the jurisdictional amount for arbitration, the court may transfer the law case to the arbitration calendar.

In the Circuit Court of Cook County, cases are not initially filed as arbitration cases. Rather, civil cases in which the money damages being sought are between $10,000 and $50,000 are filed in the Municipal Department. Cases in which the money damages being sought are greater than $10,000 but do not exceed $30,000 are considered "arbitration-eligible." After preliminary matters are managed, arbitration-eligible cases are transferred to the arbitration program.

Pre-Hearing Matters

The pre-hearing stage for cases subject to arbitration is similar to the pretrial stage for all cases wherein a summons is issued, motions are made and argued, and discovery is conducted. However, for cases subject to arbitration, discovery is limited pursuant to Illinois Supreme Court Rules 89 and 222.

One of the most important features of the arbitration program is the court's control of the time elapsed between the date of filing or transfer of the case to the arbitration calendar and the arbitration hearing. Supreme Court Rule 88 mandates speedy dispositions. Pursuant to the Rule, and consistent with the practices of each program site, all cases set for arbitration must proceed to hearing within one year of the date of filing or transfer to the arbitration calendar unless continued by the court upon good cause shown.

Pre-hearing matters consist of new filings, reinstatements and transfers from other calendars. Cases may be removed, prior to being heard, in either a dispositive or non-dispositive manner. A dispositive removal is one which terminates the case prior to commencement of the arbitration hearing. There are generally three types of pre-hearing dispositive removals: entry of a judgment; case dismissal; or the entry of a settlement order by the court.

A non-dispositive removal of a case, prior to an arbitration hearing, may eliminate the case from arbitration altogether. Other non-dispositive removals may simply move the case along to the next stage of the arbitration process. A case which has proceeded to an arbitration hearing, for example, is considered a non-dispositive removal. Non-dispositive removals also include those occasions when a case is placed on a special calendar. For example, a case transferred to a bankruptcy calendar will generally stay all arbitration-related activity. Another type of non-dispositive removal occurs when a case is transferred out of arbitration. Occasionally, a judge may decide that a case is not suited for arbitration and transfer the case to the appropriate calendar.

To provide litigants with the timeliest disposition of their cases, Illinois' arbitration system encourages attorneys and litigants to focus their early attention on arbitration-eligible cases. Therefore, the practice is to set a firm and prompt date for the arbitration hearing so that disputing parties, anxious to avoid the time and cost of an arbitration hearing, have a powerful incentive to negotiate and settle the matter prior to the hearing. In instances where a default judgment can be taken, parties are also encouraged to seek that disposition at the earliest possible time.

As a result of this program philosophy, a sizeable portion of each jurisdiction's arbitration caseload terminates voluntarily, or by court order, in advance of the arbitration hearing. An analysis of the State Fiscal Year 2011 statistics indicates that parties are carefully managing their cases and working to settle disputes without significant court intervention prior to the arbitration hearing. During State Fiscal Year 2011, 50 percent of the cases, prior to an arbitration hearing, were disposed through default judgment, dismissal, or some other form of pre-hearing termination. While it is true that a large number of these cases may have terminated without the need for a trial, regardless of the availability of arbitration, the arbitration process tends to motivate a disposition sooner in the life of most cases due in part to the setting of a firm hearing date.

Additionally, terminations via court-ordered dismissals, voluntary dismissals, settlement orders, and default judgments typically require limited court time to process. To the extent that arbitration encourages these dispositions, the system helps save the court and the litigants the expense of more costly and time-consuming proceedings.

A high rate of pre-hearing terminations also allows each program site to remain current with its hearing calendar and may allow the court to reduce a backlog. The combination of pre-hearing terminations and arbitration hearing capacity enables the system to absorb and process a greater number of cases in less time. (*See Appendix 4 for Pre-Hearing Dispositions, Column 5*).

Arbitration Hearing and Award

With some exceptions, the arbitration hearing resembles a traditional trial court proceeding. The Illinois Code of Civil Procedure and the rules of evidence apply. However, Supreme Court Rule 90(c) makes certain documents presumptively admissible. These documents include bills, records, and reports of hospitals, doctors, dentists, repair persons and employers, as well as written statements

from opinion witnesses. The streamlined mechanism for the presentation of evidence enables attorneys to present their cases without undue delay.

Unlike proceedings in the trial court, the arbitration hearing is conducted by a panel of three trained attorneys who serve as arbitrators. At the hearing, each party to the dispute makes a concise presentation of his/her case to the arbitrators. Immediately following the hearing, the arbitrators deliberate privately and decide the issues as presented. To find in favor of a party requires the concurrence of two arbitrators. In most instances, an arbitration hearing is completed in approximately two hours. Following the hearing and the arbitrators' disposition, the clerk of the court records the arbitration award and forwards notice to the parties. As a courtesy to the litigants, many arbitration centers post the arbitration award immediately following submission by the arbitrators, thereby notifying the parties of the outcome on the same day as the hearing.

Post-Hearing Matters

Post-hearing matters consist largely of cases which have been heard by an arbitration panel and are awaiting further action. Cases previously terminated following a hearing may also be subsequently reinstated (added) at this stage. However, this is a rare occurrence even in the larger arbitration programs.

Arbitration administrators report three types of post-hearing removals from the arbitration calendar: entry of judgment on the arbitration award; dismissal or settlement by order of the court; or rejection of the arbitration award. While any of these actions will remove a case, only judgment on the award, dismissal, or settlement result in termination of the case. These actions are considered dispositive removals. Post-hearing terminations, or dispositive removals, are typically the most common means by which cases are removed after an arbitration hearing.

A commonly cited measure of performance for court-annexed arbitration programs is the extent to which awards are accepted by the litigants as the final resolution of the case. However, parties have many resolution options after the arbitration hearing is concluded. Tracking the various options by which post-hearing cases are removed from the arbitration inventory provides the most accurate measure.

A satisfied party may move the court to enter judgment on the arbitration award. Statewide statistics indicate 23 percent of parties in arbitration hearings motioned the court to enter a judgment on an award. If no party rejects the arbitration award, the court may enter judgment. Reported figures indicate that approximately 12 percent of the cases which progressed to a hearing were disposed after the arbitration hearing on terms other than those stated in the award. These cases were disposed either through settlement reached by the parties or by voluntary dismissals. The parties work toward settling the conflict prior to the deadline for rejecting the arbitration award. These statistics suggest in a number of cases that proceed to hearing, the parties may be guided by the arbitrator's assessment of the worth of the case, but they may not want a judgment entered.

The post-hearing statistics for arbitration programs consist of judgments entered on the arbitration award and settlements reached after the arbitration award and prior to the expiration for the filing of a rejection.

Rejecting an Arbitration Award

Supreme Court Rule 93 sets forth four conditions a party must meet in order to reject an arbitration award. The rejecting party must have: been present, personally or via counsel, at the arbitration hearing; participated in the arbitration process in good faith and in a meaningful manner; filed a rejection notice within 30 days of the date the award was filed; and unless indigent, paid a rejection fee. If these four conditions are not met, the party may be barred from rejecting the award and any other party to the action may petition the court to enter a judgment on the arbitration award. If a party's rejection of an arbitration award is filed and not barred, the supervising judge for arbitration must place the case on the trial call.

The rejection fee is intended to discourage frivolous rejections. All such fees are paid to the clerk of the court, who forwards the fee to the State Treasurer for deposit in the Mandatory Arbitration Fund. For awards of $30,000 or less, the rejection fee is $200. For awards greater than $30,000, the rejection fee is $500.

Rejection rates for arbitration awards vary from jurisdiction to jurisdiction. In State Fiscal Year 2011, the statewide average rejection rate was 53 percent, which is slightly higher than the five-year average of 52 percent (State Fiscal Year 2007 through 2011). Although the rejection rate may seem high, the success of arbitration is best measured by the percentage of cases resolved before trial, rather than by the rejection rate of arbitration awards alone. Of cases qualifying for the arbitration process, less than two percent ultimately went to trial in State Fiscal Year 2011. (*See Appendix 4 for Post-Hearing Dispositions, Column 7*).

Post-Rejection Matters

Post-rejection matters consist of arbitration cases in which one of the parties rejects the award of the arbitrators and seeks a trial before a judge or jury. In addition, cases which are occasionally reinstated at this stage of the arbitration process may be added to the inventory of cases pending post-rejection action. Post-rejection removals are generally dispositive. When a case is removed by way of judgment before or after trial, dismissal or settlement, it is removed from the court's inventory of pending civil cases.

Many options remain available to parties after having rejected an award. As noted, parties file a notice of rejection of the arbitration award for the same variety of tactical reasons that they file notices of appeal from trial court judgments. More significant than the rejection rate is the frequency in which arbitration cases are settled subsequent to the rejection, but prior to trial. Of those cases that have gone to hearing, but for which the award has been rejected, 69 percent are still resolved. (*See Appendix 4 for Post-Rejection Dispositions, Column 10*).

APPENDIX 2

AVERAGE AWARD AMOUNT FOR ARBITRATION CASES

The table reflects, by case type, the average award amount for cases that were heard in arbitration in State Fiscal Year 2011.

Arbitration Program	Automobile/ Subrogatiou	Collections	Contracts	Liability/ Tort	Property Damage	Personal Injury	Other
Boone		$13,381	$19,980			$8,422	
Cook	$8,893	$13,141*		$7,773**		$17,654	$6,375
DuPage	$5,936	$17,769	$18,089	$13,487	$5,581	$13,231	
Ford		$10,486	$12,512				
Henry		$68,460					
Kane	$5,111	$21,633	$15,706	$7,000	$13,409	$14,606	$25,000
Lake	$6,181	$15,130	$9,568		$2,294	$12,738	$14,712
Madison	$14,919	$12,720	$15,984	$14,169	$9,773	$14,917	$4,800
McHenry	$10,928	$13,929	$13,324		$5,002	$16,547	
McLean		$7,555	$14,604			$12,261	$10,542
Mercer				$8,687		$9,711	
Rock Island	$5,810	$29,720	$150,703	$1,000	$9,000	$46,676	
St. Clair	$15,919	$8,278	$13,340	$9,327	$4,585	$13,805	$5,619
Whiteside			$29,802			$44,500	
Will	$15,463	$17,837	$16,758		$14,368	$14,188	$17,178
Winnebago	$10,131	$22,625	$17,157		$7,151	$12,830	

*This figure includes Collections and Contracts

** This figure includes Liability, Tort and Property Damage

APPENDIX 3

AVERAGE NUMBER OF DAYS IN ARBITRATION

The table reflects, by case type, the average number of days a case spends in the arbitration system, from filing to final determination in State Fiscal Year 2011.

Arbitration Program	Automobile/ Subrogation	Collections	Contracts	Liability/ Tort	Property Damage	Personal Injury	Other
Boone		238	272			378	
Cook	481	449*		497**		556	413
DuPage	364	325	406	380	317	399	337
Ford		42	9				
Henry		1,441					
Kane	372	324	475	425	593	623	1,412
Lake	184	302	466		229	365	308
Madison	376	298	381	386	240	381	193
McHenry	327	376	463		320	569	
McLean	1	55	35		1	19	13
Mercer			753	274		227	
Rock Island	293	2,174	3,153	2,297	179	2,593	
St. Clair	446	369	404	438	419	370	283
Whiteside			1,102			4,183	
Will	450	395	393		519	511	436
Winnebago	369	334	335		296	466	439

*This figure includes Collections and Contracts

**This figure includes Liability, Tort and Property Damage

APPENDIX 4
STATE FISCAL YEAR 2011
STATEWIDE ARBITRATION DATA

ARBITRATION PROGRAM	CASES PENDING 7/01/10	CASES REFERRED TO ARBITRATION	TOTAL CASES ON CALENDAR	PRE-HEARING DISPOSITIONS	ARBITRATION HEARING	POST-HEARING DISPOSITIONS	JUDGMENT ON AWARD	AWARDS REJECTED	POST-REJECTION DISPOSITIONS	TRIALS	CASES PENDING 6/30/11
Boone	64	167	231	165	14	1	5	4	4	0	56
Cook	6,275	8,648	15,771	3307	6,681	553	1,466	3,676	5,101	434	6,056
DuPage	577	4,024	4,601	3,896	391	112	70	186	153	27	314
Ford	16	12	28	3	1	1	1	0	0	0	24
Henry	16	95	111	86	5	4	1	0	0	1	14
Kane	1,001	2,007	3,078	2,031	169	71	52	99	75	17	878
Lake	1,022	3,782	4,804	3,038	404	89	108	217	174	46	728
Madison	490	1,137	1,627	1,104	139	25	68	49	40	17	373
McHenry	542	1,431	1,973	1,380	88	13	34	37	28	15	378
McLean	417	75	492	78	7	8	5	2	0	0	406
Mercer	18	26	44	29	2	0	2	0	0	0	11
Rock Island	178	312	490	260	30	7	11	15	5	2	160
St. Clair	659	1,928	2,587	1,910	147	41	52	61	50	15	311
Whiteside	59	169	228	182	6	5	0	1	3	0	31
Will	1,015	2,748	3,763	2,683	146	55	34	63	49	17	716
Winnebago	487	987	1,474	941	118	25	37	55	39	11	421