

CIRCUIT COURT OF LAKE COUNTY
19TH JUDICIAL CIRCUIT
MANDATORY ARBITRATION PROGRAM

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DELTA J. HAWKINS
Arbitration Administrator

TO: RICHARD A. KRAUSE
FROM: DELTA J. HAWKINS, ARBITRATION ADMINISTRATOR, 19TH JUDICIAL CIRCUIT
SUBJECT: ARBITRATION STATISTICS, CY07, LAKE COUNTY
DATE: 4/22/2008

cc: David M. Hall, Chief Judge
Mary S. Schostok, Deputy Chief Judge, Civil Division
Valerie Boettle Ceckowski, Presiding Judge, ADR
Robert A. Zastany, Executive Director

I have compiled the required arbitration statistics for calendar year 2007 (January 1, 2007 – December 31, 2007) for the A.O.I.C., and have produced a report to highlight the information.

PRE-HEARING STATISTICS

In calendar year 2007, there were 1,476 filings, 111 reinstatements, and 292 transfers into arbitration. Thus, a total of 1,879 cases were added to the arbitration calendar during calendar year 2007, which is up 3% from the previous calendar year. Lake County had 641 cases pending on the pre-hearing arbitration calendar at the end of calendar year 2006, resulting in a total of 2,520 cases on the arbitration calendar for calendar year 2007.

During calendar year 2007, a total of 1,523 cases (60%) on the pre-hearing arbitration calendar were disposed prior to the arbitration hearing, removing these cases from the arbitration calendar. 690 of the disposed cases (45%) were terminated via a judgment and 833 of the disposed cases (55%) were terminated via a dismissal. An additional 54 arbitration cases (2%) were removed from the arbitration call via a transfer order (including transfer to the bankruptcy calendar). Thus, only 943 cases remained pending arbitration.

The average age of a case disposed at pre-hearing was 140 days. Lake County held 400 arbitration hearings during calendar year 2007, indicating that 16% of the cases on the pre-hearing arbitration calendar progressed to hearing.

POST-HEARING CALENDAR

At the end of calendar year 2006, 52 cases were pending on the post-hearing calendar, resulting in a total of 452 cases on the post-hearing calendar for calendar year 2007. Seventy-eight (78) judgments on the award (17%) were entered during calendar year 2007. Eighty-five (85) cases were dismissed on the judgment on award date, resulting in an additional 19% of cases disposed on the judgment on award date. Therefore, 36% of cases on the post-hearing calendar (41% of the cases that completed an arbitration hearing) were disposed on the JOA date. Forty-seven (47) cases (10% of the cases on the 2007 post-hearing calendar) are pending on the post-hearing calendar at the end of calendar year 2007. The average age of a case disposed at post-hearing was 275 days.

On the other hand, 244 arbitration awards were rejected on or before the judgment on award date. Therefore, 54% of the cases on the post-hearing calendar (61% of the cases that completed an arbitration hearing) during calendar year 2007 were moved to the post-rejection calendar.

Subrogation cases constituted the largest group of cases (41%) that completed an arbitration hearing. This category was followed closely by personal injury cases (30%). Other categories of cases that completed arbitration hearings during calendar year 2007 include property damage (31%), contract cases (14%), collection (5.5%), liability/tort (1%), and other (.5%).

Unfortunately, subrogation cases are also more likely to reject than any other case type. For example, in calendar year 2005, subrogation cases accounted for 34% of all arbitration hearings and had a rejection rate of 60% for the subrogation category. In calendar year 2006, subrogation cases accounted for 41% of all arbitration hearings and had a category rejection rate of 68%. In calendar year 2007, subrogation cases accounted for 41% of all arbitration hearings and had a category rejection rate of 73%. The subrogation category rejection rate is in sharp contrast to the collection category, which had a category rejection rate of 23% for calendar year 2007. Monetarily, both the subrogation category and the collection category tend to fall into the small claims division since the January 06 lower limit jurisdictional increase to \$10k. However, collection cases are less likely to file for a jury demand, and therefore less likely to be added to the arbitration hearing calendar since the small claims jurisdictional limit increase. Alternatively, subrogation cases that fall into the small claims division are very likely to file a jury demand, placing them on the arbitration hearing calendar. Thus, the lower rejection rate we usually see in the collection cases is not currently offsetting the higher rejection rate of the subrogation category. The net result is a higher overall rejection rate.

If we examine only those 400 cases that completed an arbitration hearing during calendar year 2007, we find 202 of the cases were AR cases (51%), 183 of the cases were SC cases (46%), and 15 of the cases were L (4%). Of these 400 cases, 128 of the 183 SC cases that completed an arbitration hearing in calendar year 2007 filed a rejection, making the rejection rate for the SC category 70%. Alternatively, 104 of the 202 AR cases that were heard at arbitration filed a rejection, resulting in a 51% rejection rate for the AR category. Finally, only 5 of the 15 L cases filed a rejection, resulting in an L category rejection rate of 33%.

POST-REJECTION CALENDAR

Thirty-four (34) cases that completed arbitration hearings were disposed by a trial. This produces a trial-ratio of 1.8% (percentage of trials based upon the number of cases added to the arbitration calendar) and a trial rate of 14% (percentage of trials based upon the number of

rejections). The average age of a case pending on the post-rejection calendar was 310 days, indicating that cases are moving through the arbitration process at an acceptable rate.

There were 25 jury trials in calendar year 2007, consisting mostly of subrogation (56%) and personal injury cases (32%). The defendant rejected in 20 (80%) of the cases that had jury trials. Using 20% as an arbitrary cutoff point to show whether the rejecting party improved their position at trial we find that 7 cases (28%) showed no change, 16 cases (64%) showed improvement, and 2 cases (8%) did worse at trial.

On the other hand, there were eight (8) bench trials, which consisted of collection (38%) and contract cases (62%). The plaintiff rejected in two (25%) of these cases, while the defendant rejected in 6 (75%) cases. Using 20% as an arbitrary cutoff point to show whether the rejecting party improved their position at trial we find that 7 cases (88%) showed no change, 1 case (12%) showed improvement, and no case did worse at trial.

A copy of trial-award comparisons is available upon request.

Summary

In summary, the pre-hearing statistics indicate that the parties in Lake County are working to settle their differences, without significant court intervention, prior to the arbitration hearing. This is evidenced by the disposal of 60% of cases scheduled on the arbitration calendar prior to the arbitration hearing. Post-hearing statistics indicate that parties continue to work towards settlement after the arbitration hearing, resulting in disposal of 41% of the cases that completed an arbitration hearing on the JOA date. Finally, only 34 cases (1.8% of cases added to the arbitration calendar or 8.5% of cases that completed an arbitration hearing) went on to trial. It appears that arbitration has been successful in reducing the backlog of cases and offering litigants a system where cases are resolved quickly.

ARBITRATION HEARINGS, LAKE COUNTY 1989-2007																			
	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
					*				**					***					****
January		13	33	30	36	28	34	41	48	31	38	26	34	34	44	26	30	24	34
February		15	19	22	21	17	40	36	47	27	32	35	31	36	41	35	32	34	27
March		12	12	17	33	18	37	41	51	41	35	50	33	43	36	46	29	30	30
April		21	25	31	33	24	29	36	34	34	42	54	27	34	40	39	34	35	26
May		19	27	26	28	28	37	30	50	38	37	36	29	33	27	39	53	21	48
June		23	19	26	26	28	39	50	50	43	38	52	35	42	40	37	40	25	34
July		14	20	30	24	29	20	43	42	33	27	29	40	39	49	38	27	21	31
August		28	25	16	23	21	47	49	36	33	37	41	40	35	33	26	40	37	35
September		23	20	26	24	26	30	48	35	31	38	42	37	27	45	34	38	28	33
October		25	31	28	18	30	48	35	42	42	40	43	50	46	42	32	33	35	49
November	10	19	22	11	21	18	37	41	41	30	24	29	30	23	36	36	24	43	32
December	10	16	18	24	17	27	35	42	37	35	43	30	31	37	34	31	36	33	21
Total	20	228	271	287	304	294	433	492	513	418	431	467	417	429	467	419	416	366	400
% of Increase			19%	6%	6%	-3%	47%	14%	4%	-19%	3%	8%	-11%	3%	9%	-10%	-1%	-12%	9%
Total Growth 1990 - 2007 =				75%															
* On 6/6/94, the maximum jurisdictional limit increased from \$15,000 to \$30,000																			
**On 1/1/97, the minimum jurisdictional limit increased from \$2,500 to \$5,000																			
*** On 3/1/02, the maximum jurisdictional limit increased from \$30,000 to \$50,000																			
**** On 1/1/06, the minimum jurisdictional limit increased from \$5,000 to \$10,000																			

Table A

Arbitration Statistical Table, Lake County (by Calendar Year)

	1989 *	1990	1991	1992	1993	1994 **	1995	1996	1997 ***	1998	1999 ~	2000	2001	2002 ****	2003	2004	2005	2006 *****	2007	
Filings		2111	2216	2080	1812	1957	2376	2544	1740	1653	1613	1619	1890	2528	2816	2834	2719	1439	1476	
Reinstatements		236	257	320	351	294	287	307	297	231		238	166	228	202	246	164	123	111	
Transfers		125	117	103	93	56	140	151	160	193	197	170	251	185	190	165	188	258	292	
Total Cases Added to the Arbitration Calendar	767	2472	2590	2503	2256	2307	2803	3002	2197	2077	1810	2027	2307	2941	3208	3245	3071	1820	1879	
% of increase in cases added		222%	5%	-3%	-10%	2%	21%	7%	-27%	-5%	-13%	12%	14%	27%	9%	1%	-5%	-41%	3%	
Total Number of Arbitration Hearings	20	228	271	287	304	294	433	492	513	418	434	467	417	429	467	419	415	366	400	
Hearing Rate		9%	10%	11%	13%	13%	15%	16%	23%	20%	24%	23%	18%	15%	15%	13%	14%	20%	21%	
Rejection Rate		22%	32%	44%	42%	43%	39%	45%	49%	56%	53%	54%	54%	51%	53%	48%	55%	58%	61%	
Trial Rate (Percentage of trials based upon number of rejections)		44%	35%	36%	39%	21%	22%	21%	27%	24%	23%	27%	30%	27%	23.3%	27%	18%	25%	14%	
Trial Ratio (Percentage of trials based upon number of cases added to Arb. Calendar)		0.9%	1.2%	1.8%	2.2%	1.2%	1.3%	1.5%	3.0%	2.6%	2.9%	3.3%	2.9%	2.0%	1.8%	1.7%	1.3%	2.9%	1.8%	
* Not a complete calendar year; only 6 months this period. ** 6/6/94 Maximum jurisdictional limit increased from \$15,000 to \$30,000 *** 1/1/97 Minimum jurisdictional limit increased from \$2,500 to \$5,000 **** 3/1/02 Maximum jurisdictional limit increased from \$30,000 to \$50,000 *****1/1/06 Minimum jurisdictional limit increased from \$5,000 to \$10,000																				
~ Cases added to the arbitration Calendar do not include reinstated cases for Calendar Year '99																				

Table B

Case Type by Arbitration Result Lake CY07

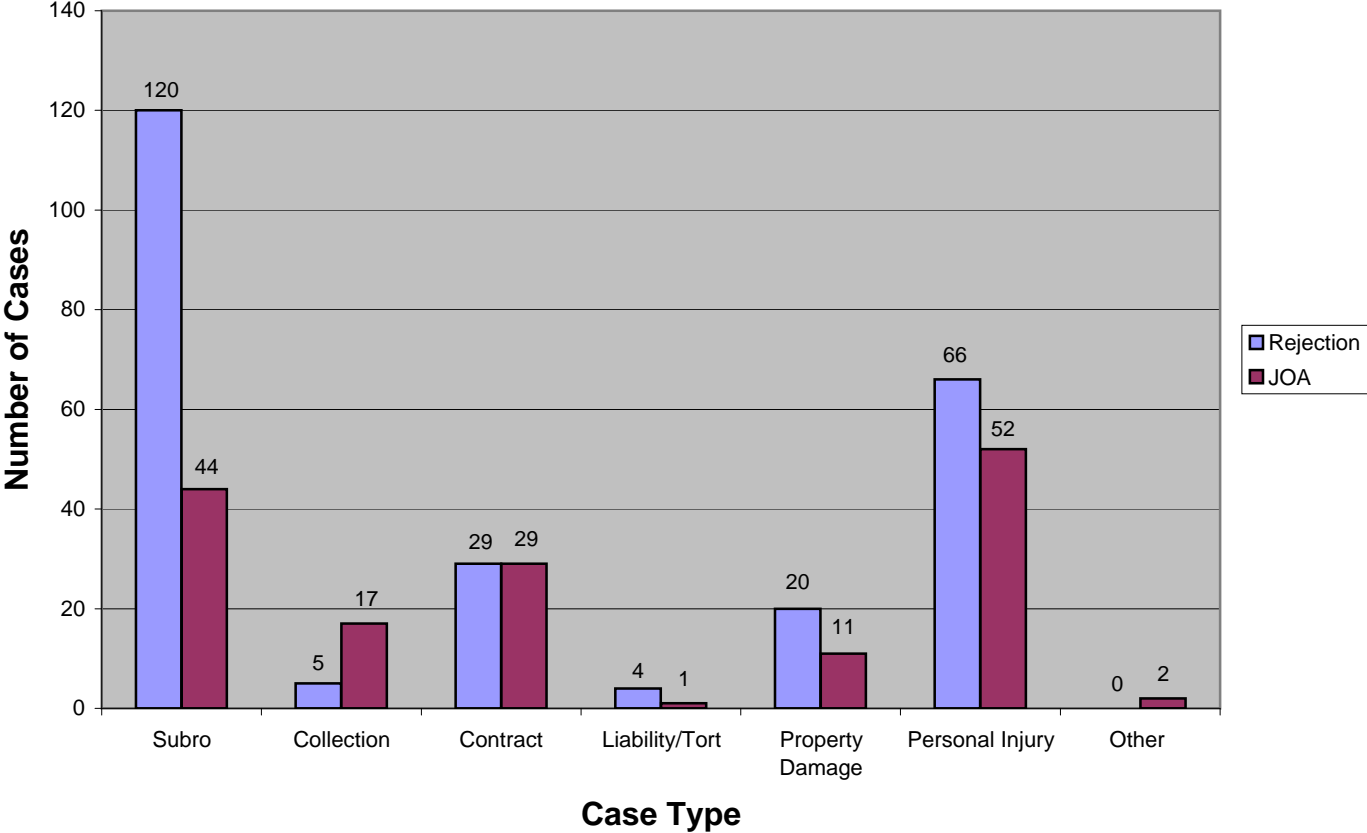


Chart B

Arbitration Hearing by Case Type Lake CY07

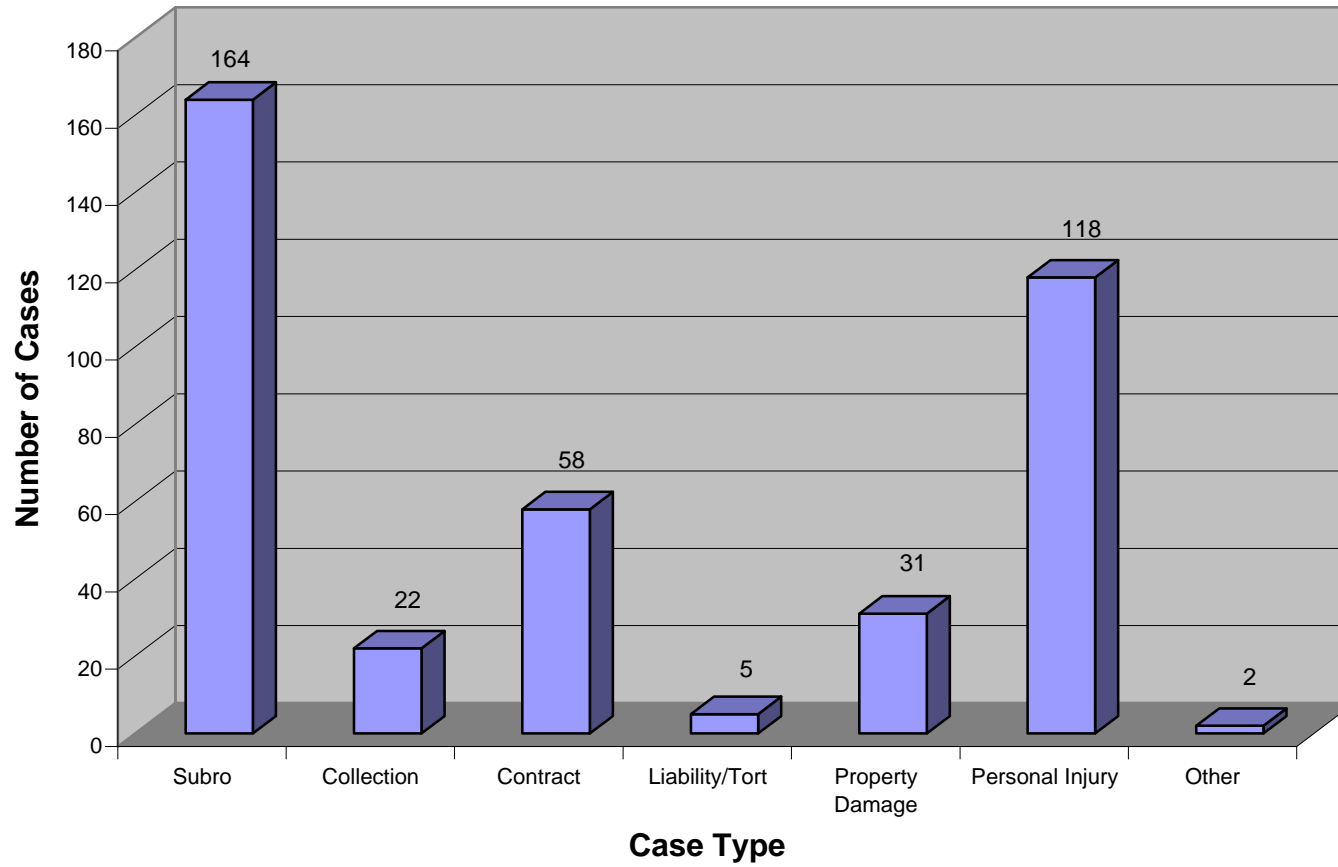
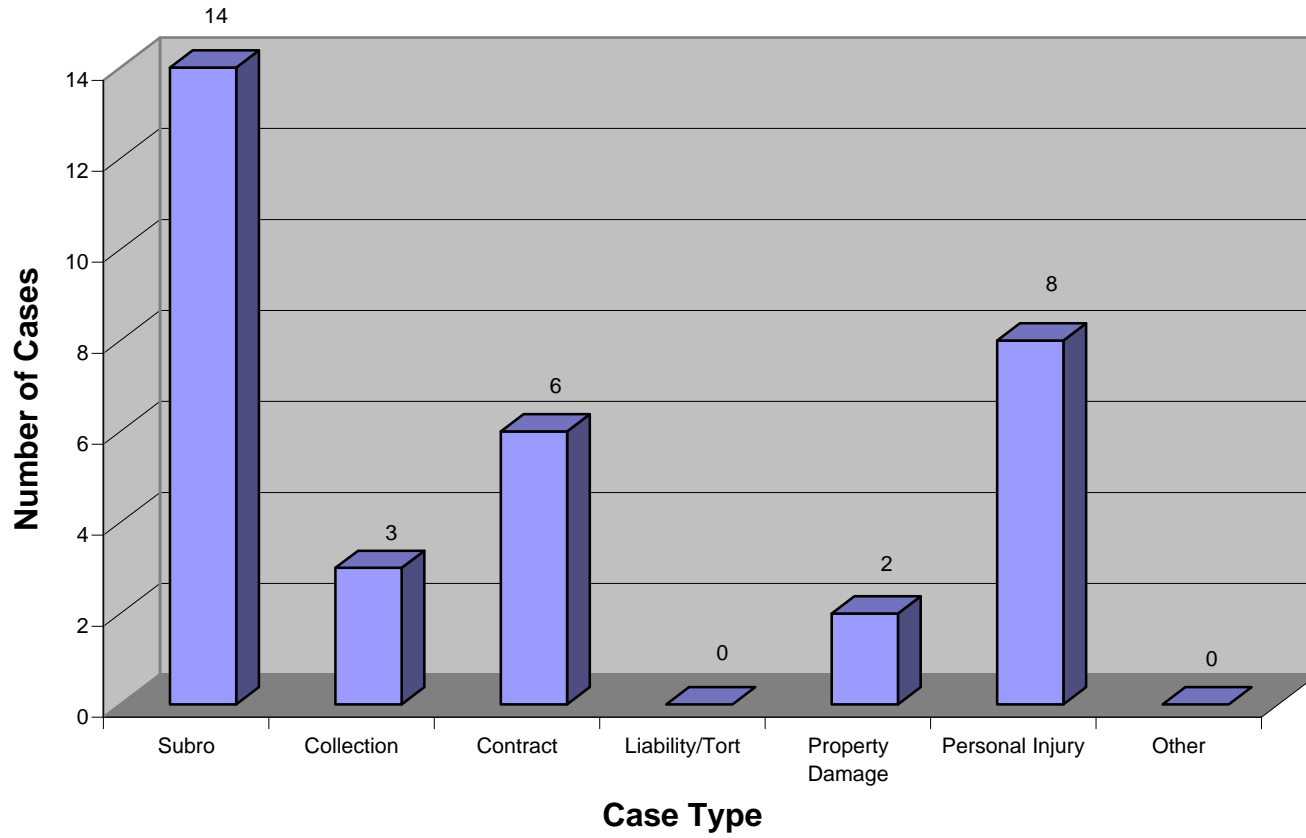


Chart C

Case Type by Post Rejection Trial Lake CY07



Post-Rejection Trials CY07

