

## FINANCIAL DISCLOSURE REPORT FOR CALENDAR YEAR 2007

*Report Required by the Ethics  
in Government Act of 1978  
(5 U.S.C. app. §§ 101-111)*

<b>1. Person Reporting</b> (last name, first, middle initial)  Kapala, Frederick J	<b>2. Court or Organization</b>  District Court, N D Illinois	<b>3. Date of Report</b>  4/20/2008
<b>4. Title</b> (Article III judges indicate active or senior status; magistrate judges indicate full- or part-time)  District Judge	<b>5a. Report Type</b> (check appropriate type) <input type="checkbox"/> Nomination,                      Date <input type="checkbox"/> Initial <input checked="" type="checkbox"/> Annual <input type="checkbox"/> Final <b>5b.</b> <input type="checkbox"/> Amended Report	<b>6. Reporting Period</b>  01/01/2007 to 12/31/2007
<b>7. Chambers or Office Address</b>  211 South Court Street Rockford, IL 61101	<b>8. On the basis of the information contained in this Report and any modifications pertaining thereto, it is, in my opinion, in compliance with applicable laws and regulations.</b>  Reviewing Officer _____ Date _____	

**IMPORTANT NOTES:** *The instructions accompanying this form must be followed. Complete all parts, checking the NONE box for each part where you have no reportable information. Sign on last page.*

**I. POSITIONS.** *(Reporting individual only; see pp. 9-13 of filing instructions.)*

NONE *(No reportable positions.)*

	<u>POSITION</u>	<u>NAME OF ORGANIZATION/ENTITY</u>
1.	Trustee	Trust # 1
2.	Trustee	Trust # 2
3.	Director	<span style="background-color: black; color: black;">[REDACTED]</span> an Illinois not-for-profit corporation
4.		
5.		

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**II. AGREEMENTS.** *(Reporting individual only; see pp. 14-16 of filing instructions.)*

NONE *(No reportable agreements.)*

<u>DATE</u>	<u>PARTIES AND TERMS</u>
1. 12/31/2007	State of Illinois Retirement System, pension benefits payable at retirement at or after age 55
2.	
3.	

**FINANCIAL DISCLOSURE REPORT**  
Page 2 of 9

<b>Name of Person Reporting</b> Kapala, Frederick J	<b>Date of Report</b> 4/20/2008
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**III. NON-INVESTMENT INCOME.** *(Reporting individual and spouse; see pp. 17-24 of filing instructions.)*

**A. Filer's Non-Investment Income**

NONE *(No reportable non-investment income.)*

<u>DATE</u>	<u>SOURCE AND TYPE</u>	<u>INCOME</u> (yours, not spouse's)
1. 2007	State of Illinois - Circuit Court Judge compensation	\$ 80,027.88
2. 2007	State of Illinois - Circuit Court Judge retirement payments	\$ 79,924.92
3.		
4.		

**B. Spouse's Non-Investment Income -** *If you were married during any portion of the reporting year, complete this section.  
(Dollar amount not required except for honoraria.)*

NONE *(No reportable non-investment income.)*

<u>DATE</u>	<u>SOURCE AND TYPE</u>
1. 12/31/2007	Catholic Diocese of Rockford, substitute teaching
2.	
3.	
4.	

**IV. REIMBURSEMENTS** -- *transportation, lodging, food, entertainment.*

*(Includes those to spouse and dependent children; see pp. 25-27 of filing instructions.)*

NONE *(No reportable reimbursements.)*

<u>SOURCE</u>	<u>DATES</u>	<u>LOCATION</u>	<u>PURPOSE</u>	<u>ITEMS PAID OR PROVIDED</u>
1.				
2.				
3.				
4.				
5.				

**FINANCIAL DISCLOSURE REPORT**

Page 3 of 9

Name of Person Reporting

Kapala, Frederick J

Date of Report

4/20/2008

**V. GIFTS.** *(Includes those to spouse and dependent children; see pp. 28-31 of filing instructions.)*

NONE *(No reportable gifts.)*

	<u>SOURCE</u>	<u>DESCRIPTION</u>	<u>VALUE</u>
1.			
2.			
3.			
4.			
5.			

**VI. LIABILITIES.** *(Includes those of spouse and dependent children; see pp. 32-33 of filing instructions.)*

NONE *(No reportable liabilities.)*

	<u>CREDITOR</u>	<u>DESCRIPTION</u>	<u>VALUE CODE</u>
1.	Wanda Brungart	personal loan	K
2.			
3.			
4.			
5.			

**FINANCIAL DISCLOSURE REPORT**

Page 4 of 9

Name of Person Reporting

Kapala, Frederick J

Date of Report

4/20/2008

**VII. INVESTMENTS and TRUSTS** – income, value, transactions (Includes those of spouse and dependent children; see pp. 34-60 of filing instructions.)

NONE (No reportable income, assets, or transactions.)

A. Description of Assets (including trust assets)  Place "(X)" after each asset exempt from prior disclosure	B. Income during reporting period		C. Gross value at end of reporting period		D. Transactions during reporting period				
	(1) Amount Code 1 (A-H)	(2) Type (e.g., div., rent, or int.)	(1) Value Code 2 (J-P)	(2) Value Method Code 3 (Q-W)	(1) Type (e.g., buy, sell, redemption)	(2) Date Month - Day	(3) Value Code 2 (J-P)	(4) Gain Code 1 (A-H)	(5) Identity of buyer/seller (if private transaction)
	1. Chase Bank account # 1	A	Interest	J	T				
2. Blackhawk Bank account # 1	A	Interest	J	T					
3. Blackhawk Bank account # 2	A	Interest	J	T					
4. Blackhawk Bank account # 3	D	Interest	M	T					
5. Amcore Bank Account # 1	A	Interest	J	T					
6. RJ Bank deposit program	A	Interest	J	T					
7. Stillwater Bank Account	C	Interest			Redeemed	1/5	M		
8. Heritage Trust Money Market Fund	A	Interest			Redeemed	1/5	J		
9. BlackRock Corp HI YLD III	A	Dividend			Buy	1/12	K		
10.					Sell	08/16	J		
11. First Trust S&P Target SMID 60 Portfolio	A	Dividend			Sell	7/5	J	B	
12. First Trust Small-Cap 2007-3 Term 9/30/08	A	Dividend	J	T	Buy	7/6	J		
13. First Trust Equity Income Select # 7	B	Dividend	K	T					
14. First Trust Investment Grade Closed End #3 Term 8/14/09	A	Dividend	K	T	Buy	9/7	K		
15. First Trust Portfolios L. P. Large-Cap Growth Port Series 8	A	Dividend	K	T					
16. First Trust Portfolios L. P. Large-Cap Value Port. Series 8	B	Dividend	K	T					
17. First Trust Target VIP June 2006	A	Dividend			Sell	9/6	J	C	

1. Income Gain Codes: (See Columns B1 and D4)	A =\$1,000 or less F =\$50,001 - \$100,000	B =\$1,001 - \$2,500 G =\$100,001 - \$1,000,000	C =\$2,501 - \$5,000 H1 =\$1,000,001 - \$5,000,000	D =\$5,001 - \$15,000 H2 =More than \$5,000,000	E =\$15,001 - \$50,000
2. Value Codes (See Columns C1 and D3)	J =\$15,000 or less N =\$250,001 - \$500,000 P3 =\$25,000,001 - \$50,000,000	K =\$15,001 - \$50,000 O =\$500,001 - \$1,000,000	L =\$50,001 - \$100,000 P1 =\$1,000,001 - \$5,000,000 P4 =More than \$5,000,000	M =\$100,001 - \$250,000 P2 =\$5,000,001 - \$25,000,000	
3. Value Method Codes (See Column C2)	Q =Appraisal U =Book Value	R =Cost (Real Estate Only) V =Other	S =Assessment W =Estimated	T =Cash Market	

**FINANCIAL DISCLOSURE REPORT**

Page 5 of 9

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**Kapala, Frederick J**

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	18. Van Kampen C&S Global Real Estate	A	Dividend			Buy	4/13	K		
19.					Sell	11/16	K			
20. Van Kampen Small Cap Strategy 2007-4 Term 11/28/08	A	Dividend	J	T	Buy	9/7	J			
21. Van Kampen Large Cap Growth Strategy 2007-3 Term 10-9-08	A	Dividend	K	T	Buy	7/11	K			
22. Van Kampen Global 45 Divd Strat 2007-4 Term 12/31/08	A	Dividend	K	T	Buy	10/1	K			
23. Van Kampen Strategic Growth Lrg-Cap 2006-2 Wrap	A	Dividend			Sell	7/16	K	B		
24. Van Kampen Great Intl Firms, series 28 - Cash Wrap 5.5	A	Dividend	J	T						
25. Van Kampen Global 45 Div Strategic Port 2006-03	A	Dividend			Sell	10/4	K	C		
26. DWS Multi Mkt Income Trust	A	Dividend			Buy	1/16	J			
27.					Sell	8/16	J			
28. ING Prime Rate Tr SH Ben Int	B	Dividend			Sell	11/16	J			
29.					Buy	4/13	J			
30.					Sell	11/16	J			
31. Principal Investors Preferred Security Fd CL AM/F	A	Dividend	J	T	Buy	12/31	J			
32. Ishares Tr S&P500 Grw	A	Dividend	K	T						
33. Ishares Tr S&P500 Value	A	Dividend	K	T						
34. Ishares Tr Msci EAFE IDX	A	Dividend	J	T	Partial Sale	12/26	J	A		

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2. Value Codes (See Columns C1 and D3)	J = \$15,000 or less N = \$250,001 - \$500,000 P3 = \$25,000,001 - \$50,000,000	K = \$15,001 - \$50,000 O = \$500,001 - \$1,000,000	L = \$50,001 - \$100,000 P1 = \$1,000,001 - \$5,000,000 P4 = More than \$5,000,000	M = \$100,001 - \$250,000 P2 = \$5,000,001 - \$25,000,000	
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**FINANCIAL DISCLOSURE REPORT**

Page 6 of 9

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	35.					Buy	1/16	J		
36. Ishares Tr Lehman AGG Bnd	B	Dividend	K	T	Buy	1/12	J			
37. Ishares Tr US TIPS Bd Fd	A	Dividend	K	T	Buy	11/16	K			
38. IsharesTr Rusl 2000 Grow	A	Dividend	J	T	Buy	1/12	J			
39. Ishares Tr Rusl 2000 Valu	A	Dividend	J	T	Partial Sale	8/16	J	A		
40. Ishares Tr Rusl Midcap	A	Dividend	K	T	Buy	1/12	K			
41.					Buy	12/26	J			
42. Trust # 1, trustee and income beneficiary		None	J	T						
43. - Drugstore.com stock										
44. Trust # 2, trustee and income beneficiary		None	J	T						
45. - Drugstore.com stock										
46. IRA # 1	A	Dividend	J	T						
47. - Kinross Gold corp. stock										
48. - Time Warner, Inc. stock										
49. IRA # 2	A	Interest	K	T						
50. - Drugstore.com stock										
51. - Morgan Stanley Money market										

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**FINANCIAL DISCLOSURE REPORT**

Page 7 of 9

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	52. Mary Anderson, note receivable		None	J	T				
53. Real Estate # 1, Winnebago County, Illinois (2005, \$100,000)		None	L	R					
54. Real Estate # 2, Winnebago County, Illinois (2003, \$25,000)		None	K	R					
55. Real Estate # 3, Winnebago County, Illinois (\$47,129)		None	K	S					
56. Real Estate # 4, Ashland County, Wisconsin (\$19,775)		None	K	S					
57. Trust # 8, income beneficiary Y									
58. - Wachovia Securities Bank Sweep Option Y					Redeemed				
59. Trust # 9, income beneficiary	A	Interest	J	T					
60. - Wachovia Securities Bank Sweep Option									

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**FINANCIAL DISCLOSURE REPORT**

Page 8 of 9

Name of Person Reporting

**Kapala, Frederick J**

Date of Report

4/20/2008

**VIII. ADDITIONAL INFORMATION OR EXPLANATIONS.** *(Indicate part of Report.)*

Part VII, Line 57 - Trust # 8 was exhausted during 2007. Trust #8 was not created by the reporting person, [REDACTED]

Part VII, Line 53 was purchased on July 12, 2005 for \$100,000.

Part VII, Line 54 was purchased on September 15, 2003 for \$25,000.

Part VII, Line 55, the assessed value is \$47,129.

Part VII, Line 56, the assessed value is \$19,775.

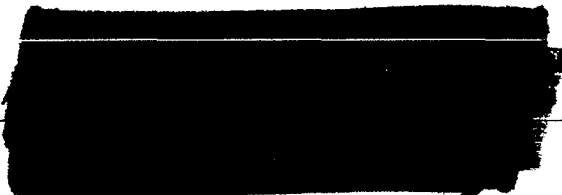


**IX. CERTIFICATION.**

I certify that all information given above (including information pertaining to my spouse and minor or dependent children, if any) is accurate, true, and complete to the best of my knowledge and belief, and that any information not reported was withheld because it met applicable statutory provisions permitting non-disclosure.

I further certify that earned income from outside employment and honoraria and the acceptance of gifts which have been reported are in compliance with the provisions of 5 U.S.C. app. § 501 et. seq., 5 U.S.C. § 7353, and Judicial Conference regulations.

Signature



**NOTE: ANY INDIVIDUAL WHO KNOWINGLY AND WILFULLY FALSIFIES OR FAILS TO FILE THIS REPORT MAY BE SUBJECT TO CIVIL AND CRIMINAL SANCTIONS (5 U.S.C. app. § 104)**

**FILING INSTRUCTIONS**

Mail signed original and 3 additional copies to:

Committee on Financial Disclosure  
Administrative Office of the United States Courts  
Suite 2-301  
One Columbus Circle, N.E.  
Washington, D.C. 20544