

**FINANCIAL DISCLOSURE REPORT  
FOR CALENDAR YEAR 2008**

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>  05/08/2009
<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>  01/01/2008 to 12/31/2008
<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 _____	
<b>IMPORTANT NOTES:</b> 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	[REDACTED] an Illinois not-for-profit corporation
4.	
5.	

**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. 12/31/2008	State of Illinois Retirement System, pension benefits payable at retirement at or after age 55
2.	
3.	

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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> <i>(yours, not spouse's)</i>
1. 2008	State of Illinois - District Court Judge compensation	\$18,334.44
2. 2008	State of Illinois - Circuit Court Judge retirement payments	\$127,857.96
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. 12/31/2008	Catholic Diocese of Rockford, substitute teaching
2. 11/05/2208	VFW, raffle prize
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.				

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**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.		
2.		
3.		
4.		
5.		

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## 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	K	T					
2. Blackhawk Bank account # 1	B	Interest	K	T					
3. Blackhawk Bank account # 2	A	Interest	J	T					
4. Blackhawk Bank account # 3	C	Interest	M	T					
5. Amcore Bank Account # 1	A	Interest	J	T					
6. RJ Bank deposit program	A	Interest	J	T					
7. First Trust Small-Cap 2007-3 Term 9/30/08	A	Dividend			Redeemed	10/03	J		
8. First Trust Equity Income Select # 7	A	Dividend			Redeemed	04/17	J		
9. First Trust Investment Grade Closed End #3 Term 8/14/09	A	Dividend			Sold	04/07	K		
10. First Trust Portfolios L. P. Large-Cap Growth Port Series 8	A	Dividend			Redeemed	03/13	K	A	
11. First Trust Portfolios L. P. Large-Cap Value Port. Series 8	A	Dividend			Redeemed	03/13	K		
12. Van Kampen Small Cap Strategy 2007-4 Term 11/28/08	A	Dividend			Sold	08/20	J		
13. Van Kampen Large Cap Growth Strategy 2007-3 Term 10-9-08	A	Dividend			Redeemed	10/15	J		
14. Van Kampen Global 45 Divd Strat 2007-4 Term 12/31/08	A	Dividend			Sold	08/20	J		
15. Van Kampen Great Intl Firms, series 28 - Cash Wrap 5.5	A	Dividend	J	T					
16. Principal Investors Preferred Security Fd CLAM/F	A	Dividend			Sold	08/20	J		
17. Ishares Tr S&P500 Grw	A	Dividend	J	T					

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 \$50,000,000	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	

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18. Ishares Tr S&P500 Value	A	Dividend	J	T					
19. Ishares Tr Msci EAFE IDX	A	Dividend	J	T	Buy	09/09	J		
20. Ishares Tr Lehman AGG Bnd	A	Dividend			Sold	09/04	K	A	
21. Ishares Tr US TIPS Bd Fd	A	Dividend			Sold	09/04	K	A	
22. IsharesTr Rusl 2000 Grow	A	Dividend	J	T	Buy	05/07	J		
23. Ishares Tr Rusl 2000 Valu	A	Dividend	J	T	Buy	09/09	J		
24. Ishares Tr Rusl Midcap	A	Dividend	J	T					
25. Powershares ETF Trust Dynamic Large Cap Growth	A	Dividend	J	T	Buy	01/02	K		
26.					Sold	09/04	J		
27. First Trust Large-Cap Growth #13 (30273 F772)	A	Dividend	K	T	Buy	03/14	K		
28. First Trust Large-Cap Growth #13 (30273 F822)	A	Dividend	J	T	Buy	03/14	K		
29. Goldman Sachs Satellite Strategies Port Fund	A	Dividend	J	T	Buy	04/10	K		
30. Templeton Global Bond Fund	A	Dividend	J	T	Buy	04/10	K		
31. First Trust Equity Income Select #13 (30274X129)	A	Dividend	J	T	Buy	04/18	J		
32. First Trust ETF DB Strategic Value Index	A	Dividend	J	T	Buy	08/25	J		
33. Hartford High Yield Municipal Bond Fund	A	Interest	K	T	Buy	08/25	J		
34.					Buy	09/09	J		

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35. Wells Fargo Adv. Muni Bond	A	Interest	K	T	Buy	09/09	K		
36. Principal High Yield Fund	A	Dividend	J	T	Buy	09/09	J		
37. Van Kampen Large Cap Growth 2008-4 Term	A	Dividend	J	T	Buy	10/15	J		
38. First Trust Target Small-Cap 4Q'08 Term	A	Dividend	J	T	Buy	10/06	J		
39. First Trust International Port #15	A	Dividend	J	T	Buy	08/26	J		
40. Trust # 1, trustee and income beneficiary		None	J	T					
41. - Drugstore.com stock									
42. Trust # 2, trustee and income beneficiary		None	J	T					
43. - Drugstore.com stock									
44. IRA # 1	A	Dividend	J	T					
45. - Kinross Gold corp. stock					Sold	07/08	J		
46. - Freds, Inc.					Buy	07/08	J		
47. - Time Warner, Inc. stock									
48. IRA # 2	A	Interest	K	T					
49. - Drugstore.com stock									
50. - Morgan Stanley Money market									
51. - CitiGroup					Buy	06/30	J		

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2. Value Codes (See Columns C1 and D3)					
3. Value Method Codes (See Column C2)	Q = Appraisal U = Book Value				

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52. - General Motors					Buy	06/30	J		
53. Mary Anderson, note receivable		None			Redeemed	01/16	J	A	
54. Real Estate # 1, Winnebago County, Illinois (2005, \$100,000)		None	L	R					
55. Real Estate # 2, Winnebago County, Illinois (2003, \$25,000)		None	K	R					
56. Real Estate # 3, Winnebago County, Illinois (\$60,349)		None	L	S					
57. Real Estate # 4, Ashland County, Wisconsin (\$19,800)		None	K	S					
58. Trust # 9, income beneficiary		None	J	T					
59. - Wachovia Securities Bank Sweep Option					Redeemed				

1. Income Gain Codes: (See Columns B1 and D4)	A = \$1,000 or less F = \$50,001 - \$100,000 J = \$15,000 or less N = \$250,001 - \$500,000 P3 = \$25,000,001 - \$50,000,000	B = \$1,001 - \$2,500 G = \$100,001 - \$1,000,000 K = \$15,001 - \$50,000 O = \$500,001 - \$1,000,000 R = Cost (Real Estate Only) V = Other	C = \$2,501 - \$5,000 H1 = \$1,000,001 - \$5,000,000 L = \$50,001 - \$100,000 P1 = \$1,000,001 - \$5,000,000 P4 = More than \$50,000,000 S = Assessment W = Estimated	D = \$5,001 - \$15,000 H2 = More than \$5,000,000 M = \$100,001 - \$250,000 P2 = \$5,000,001 - \$25,000,000 T = Cash Market	E = \$15,001 - \$50,000
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**VIII. ADDITIONAL INFORMATION OR EXPLANATIONS.** *(Indicate part of Report.)*

Part VII, Line 54 was purchased on July 12, 2005 for \$100,000.

Part VII, Line 55 was purchased on September 15, 2003 for \$25,000.

Part VII, Line 56, the assessed value is \$60,349.

Part VII, Line 57, the assessed value is \$19,800.



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**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

A large black rectangular redaction covers the signature area, obscuring the name and any handwritten notes.

**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