

Protection of the Public

CLIENT SECURITY FUND

Adherence to the standards established by the Missouri Rules of Professional Conduct is expected from every lawyer. The Missouri Bar recognizes that, regardless of efforts to maintain a high degree of competence and ethics among the members of the legal profession, some lawyers fail to meet those standards. To compensate clients harmed by this small minority of lawyers, The Missouri Bar maintains a Client Security Fund.

The Board of Governors of The Missouri Bar created the Client Security Fund in 1966. The fund is maintained by appropriations from the annual enrollment fees paid by each member of The Missouri Bar. The 2008 appropriation to the fund was \$185,000. The fund also accrues interest and receives restitution payments from lawyers seeking reinstatement.

A six-member Client Security Fund Committee operates under rules established by the Board of Governors. Each year the committee holds hearings on the claims submitted by clients. The committee may recommend reimbursement of a claim in full or in part, or may recommend denial of a claim. All payments recommended by the committee are subject to review by the Board of Governors. The Board retains full discretion regarding payment of any claim.

The Regulations and Rules of Procedure of the Client Security Fund Committee only permit payments for certain types of wrongful conduct. Compensation is not available for fee disputes or cases of malpractice. As a prerequisite for payment, the attorney must be disbarred, suspended, deceased or adjudicated mentally incapacitated. The committee advises the Office of Chief Disciplinary Counsel and the Advisory Committee of all payments and requests that reinstatement of any disbarred or suspended lawyer be conditioned upon reimbursement of the Fund. The Office of Chief Disciplinary Counsel routinely contacts the committee to determine if there have been any payments from the Fund related to a lawyer applying for reinstatement.

Payments are limited to 80% of the amount of the loss over \$2,500 and there is a maximum payment of \$50,000 per claim. The committee may require claimants seeking more than \$3,000 to demonstrate exhaustion of other remedies.

The committee met in Jefferson City and by conference call to consider claims received during 2008 and claims held over from previous years. At its meetings on July 18 and November 21, 2008, the Board of Governors approved payment of 16 claims for a total of \$44,549.47. The Board of Governors also approved denial of 13 claims and dismissal of one claim.