



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 uphold the integrity and reputation of the legal profession, The Missouri Bar maintains a Client Security Fund to compensate clients harmed by this small minority of lawyers.

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 2011 appropriation to the Fund was \$204,000. The 2012 budget of The Missouri Bar appropriates \$214,000 to the Fund. The fund also accrues interest and receives restitution payments from lawyers seeking reinstatement. The balance in the Client Security Fund at the conclusion of the bar's fiscal year is retained in the Fund for the succeeding year.

A six-member Client Security Fund Committee appointed by the Board of Governors holds hearings on the claims submitted by clients. The Client Security Fund received a total of 91 claims in 2011. In addition, claims held over from previous years were considered by the committee in 2011.

The Regulations and Rules of Procedure that govern the Client Security Fund permit payment of claims only under specified circumstances 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, adjudged mentally incapacitated, or medically diagnosed as so mentally incapacitated as to be unable to practice law.

The committee may recommend reimbursement of a claim in full or in part, or may recommend denial or dismissal of a claim. Payments are limited to 80 percent of the amount of the loss greater than \$2,500 and there is a maximum payment of \$50,000 per claim.

All recommendations by the committee for payment, denial or dismissal are subject to approval by the Board of Governors. The Board retains full discretion regarding payment of any claim.

In 2011, the Board of Governors approved the committee's recommendations for payment of 60 claims for a total of \$272,269.55. The Board of Governors approved the committee's recommendations for denial of 24 claims.

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.

The Regulations and Rules of Procedure that govern the Client Security Fund and the form submitted to initiate a claim are available on The Missouri Bar website at www.mobar.org under the "Public" tab.