

THE MAINE LAWYERS' FUND FOR CLIENT PROTECTION

The Maine Lawyers' Fund for Client Protection was created by an Order of the Maine Supreme Judicial Court, dated July 1, 1997. The purpose of the Fund is to promote public confidence in the administration of justice and the integrity of the legal profession, by reimbursing clients who suffer losses caused by an attorney's dishonest conduct. Generally, such conduct involves the misuse of funds in the care of the attorney or the misappropriation of amounts for the attorney's personal benefit. The Fund was not designed to address losses caused by legal malpractice and no amounts are payable to clients for such activity.

The Fund is administered by a Board of seven trustees, appointed by the Maine Supreme Judicial Court, including five lawyers and two non-lawyers, all of whom serve for three-year, staggered terms. The current Trustees are Diane Cutler of Bangor; Kathryn M. Dion of North Yarmouth; John P. Foster, Esq. of Eastport; Hugh G. E. MacMahon, Esq. of Portland; Jon S. Oxman, Esq. of Auburn; Barbara L. Raimondi, Esq. of Auburn; and Peter B. Webster, Esq. of Portland.

All claims made to the Fund are investigated by Bar Counsel of the Board of Overseers, who formally notifies the lawyer against whom the claim is made, considers all the information, and makes a report and recommendation to the Trustees who then decide on the disposition of the claim. The maximum amount payable by the Fund on any individual claim is \$25,000, and the maximum amount which may be paid for claims against any single lawyer is \$50,000. During the existence of the Fund, the per lawyer limit has been reached with claims involving one lawyer.

The operations of the Fund are supported by an annual assessment against all Maine judges and lawyers in the amount of \$30. Beginning in fiscal 2003, the Court provided that

allocations from the Fund would also be used to provide the financing for the Maine Assistance Program, designed to assist Maine lawyers dealing with difficulties resulting from emotional disorders or substance abuse. In 2003, \$100,000 was allocated from the Fund to MAP, with \$80,000 ordered to be paid in 2004 and \$75,000 in 2005.

Prior to 2001, no claims had been paid from the Fund. During fiscal 2002, the Trustees considered nine claims and made reimbursement awards to clients totaling \$9,549. In fiscal 2003, the Fund disposed of forty claims involving payments totaling \$60,140.27. For the year ending June 30, 2004, the Trustees paid eight claims in the total amount of \$21,044.50. In the claims involving one lawyer, the limit of \$50,000 was reached, as a result of which the Trustees prorated the payments to a number of claimants to observe the limitations of the Rules.

The Fund's assets total approximately \$500,000 and its accounts are examined and audited annually by Albin, Randall & Bennett, CPA's of Portland, Maine.

Dated: September 1, 2004