

Lawyers' Fund for Client Protection  
Annual Report for the Fiscal Year 2005

The Maine Lawyers' Fund for Client Protection was created by an Order of the Maine 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. 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 Trustees for the fiscal year ending June 30, 2005 were Diane Cutler, Jon S. Oxman, John F. Logan, II, Hugh McMahon, John Foster, Robert McArthur, and Barbara Raimondi.

The Fund is supported by an annual assessment against all Maine judges and attorneys. Since 2003, the Fund has also supported the Maine Assistance Program (MAP). MAP provides assistance to Maine lawyers who may be suffering from emotional disorders or substance abuse. It is the hope that the availability of free, confidential assistance may serve to prevent the behaviors that give rise to claims against the Fund. In 2005, \$80,000 was allocated from the Fund to MAP.

All claims made to the Fund are investigated by the Board of Bar 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.

From 7/1/01 through 6/30/02, the first year of the Fund, no claims were made.

From 7/1/02 through 6/30/03, the Fund considered 40 claims and reimbursed claimants in the total amount of \$60,147.

From 7/1/03 through 6/30/04, the Trustees approved 8 claims totaling \$21,044.50.

From 7/1/04 through 6/30/05, 7 claims were made totaling \$77,376. Two of those claims were approved and 4 denied. Approved claims were in the total amount of \$31, 628.06. Two claims were pending at the end of the fiscal year.

So far in Fiscal Year 2006, from 7/1/05 through 5/12/06, 22 new claims were made against the Fund totaling \$8,032,254.36. Six of those claims have been approved in the amount of \$100,000. Claims deferred total \$33, 137.36. Thirteen claims remain pending as of 5/12/06.

The Fund's accounts are audited annually by Albin, Randall & Bennett, CPA's of Portland, Maine.

Dated: June 12, 2006