

# Lawyers' Fund for Client Protection

## *2010 Annual Report*

The Maine Lawyers' Fund for Client Protection (Fund) 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. The Fund was not designed to address losses caused by legal malpractice and no amounts are payable to clients for such activity.

### **TRUSTEES**

The Fund is administered by a Board of seven trustees, appointed by the Maine Supreme Judicial Court to determine the eligibility claims filed with the Fund and to manage the Fund's assets. Trustees are appointed to three year terms and may serve no more than two consecutive terms. There are five attorney and two non-lawyer Trustees. Trustees serve as volunteers and are compensated only for travel expenses.

The following is the Trustee roster for the year ending 2010:

#### **Officers**

John F. Logan II, Esq., Chair

Raymond J. Cota, Treasurer

Martha C. Gaythwaite, Esq., Secretary

#### **Court Liaison**

The Honorable Warren M. Silver

#### **Trustees**

Meris J. Bickford, Esq.

Laurie A. Gibson, Esq.

Paul H. Sighinolfi, Esq.

Vacancy (Non-Lawyer)

### **STAFF**

The Fund retains the Board of Overseers of the Bar for its administrative, financial, and case investigative functions.

### **Claim Intake and Investigation**

A claimant seeking reimbursement from the Fund must complete a claim form for reimbursement. Upon receipt, the office Bar Counsel of the Board of Overseers of the Bar will initiate investigation of the alleged loss, prepare a record, and submit a report and recommendation to the Trustees for consideration. The claimant has the duty to supply relevant evidence to support the claim. In 2010, five claims for reimbursement were received by the Fund.

## Trustee Review

When the record is complete, the claim is determined on the basis of all available evidence. Notice of the Trustees determination and the reasons therefore is given to the claimant and the lawyer. The approval or denial of a claim shall require the affirmative votes of at least four trustees. Reimbursement from the Fund is a matter of grace. No person shall have the right to reimbursement from the Fund whether as claimant, third-party beneficiary or otherwise. The decisions and actions of the Board of Trustees are not reviewable on any ground in any court or other tribunal.

## Claims Received and Processed

In 2010, the Trustees held three meetings and considered fourteen pending claims. The Trustees determined that four claims were in ineligible for reimbursement. One complaint was dismissed by the Trustees upon confirmation that the respondent attorney reimbursed the complainant after the claim was filed with the Fund. Two complaints that received reimbursement from the Fund in 2006 were finally closed as a result of the Trustees concluding that reimbursement of interest was prohibited pursuant to Rule 13(b). Lastly, seven claimants received final payment for claims that were approved by the Trustees 2009 as noted below.

### 2010 Paid Claim Activity

Case Number	Attorney	Total Claims	Approved Payment	Area of Law
LFCP-09-005	Franklin A. Poe	1	\$1,702.45	Wills/Estates/Probate
LFCP-09-234	Franklin A. Poe	1	\$7,391.69	Wills/Estates/Probate
LFCP-09-241	Franklin A. Poe	1	\$7,101.47	Wills/Estates/Probate
LFCP-09-271	Franklin A. Poe	1	\$7,101.47	Wills/Estates/Probate
LFCP-09-274	Franklin A. Poe	1	\$4,734.31	Wills/Estates/Probate
LFCP-09-275	Franklin A. Poe	1	\$4,734.31	Wills/Estates/Probate
LFCP-09-281	Franklin A. Poe	1	\$4,734.30	Wills/Estates/Probate
<b>Total:</b>		<b>7</b>	<b>\$37,500.00</b>	

Since its inception in 1997, the Fund has award more than \$310,000 to 83 former clients.

## Finances

The Fund is supported by an annual assessment against all Maine judges and attorneys. The Fund's accounts are audited annually by Runyon, Kersten & Ouellette of South Portland, Maine. The Fund's revenues for fiscal year 2010 (July 1 – June 30) totaled \$152,928. A breakdown of revenue shows attorney/judge fee totaling \$107,035, interest income of \$21,617, and restitution of \$24,276. Expenses for the fiscal year totaled \$16,071. The Fund Balance as of June 30, 2010, was \$797,347.

## **Conclusion**

This report confirms that the overwhelming majority of Maine attorneys observe the high standards of integrity when entrusted with client monies or property. However, the dishonest acts of a few can affect the public's image and confidence in the legal profession as a whole. The Lawyers' Fund for Client Protection seeks to restore public confidence in the legal profession by reimbursing clients for losses sustained as a result of the dishonest conduct of their attorneys.

Respectfully submitted,

John F. Logan, II, Esquire  
Lawyers' Fund for Client Protection Chair