

OFFICE OF
APPELLATE COURTS

JUL 12 1991

FILED

ANNUAL REPORT OF
MINNESOTA CLIENT SECURITY BOARD

CO-85-2205

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June 1991

MINNESOTA CLIENT SECURITY BOARD

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July 11, 1991

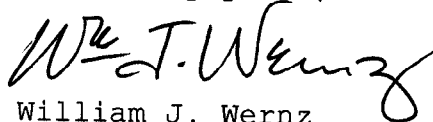
Re: Client Security Board Annual Report

Dear Mr. Grittner:

Enclosed for filing is the Client Security Board Annual Report.

The justices received draft copies of the report prior to the Board's approval. The Board approved the report after corrections were made to Attachments 1 and 5.

Very truly yours,



William J. Wernz
Director

jd

Enclosure

cc: Sandra S. Gardebring (w/enclosure)

TABLE OF CONTENTS

	<u>Page</u>
I. OVERVIEW	2
II. SUMMARY OF ACTIVITIES AND PROCEDURES OF THE CLIENT SECURITY BOARD	5
III. GOALS AND OBJECTIVES	10

APPENDIX

Attachment 1	-	Claims and Amounts per Attorney
Attachment 2	-	Order Amending Rules of the Supreme Court for Registration of Attorneys
Attachment 3	-	Client Security Board Claim Form
Attachment 4	-	Client Security Board Brochure
Attachment 5	-	Tables Summarizing Claims by Area of Law

I. OVERVIEW.

Rule 1.10, Minnesota Rules of the Client Security Board, provides:

At least once a year and at such other times as the Supreme Court may order, the Board shall file with the Court a written report reviewing in detail the administration of the fund, its operation, its assets and liabilities.

This fourth annual report of the Minnesota Client Security Board covers the period July 1, 1990, through June 30, 1991.

Highlights. Major events and accomplishments for the fourth year of operation of the Client Security Board have been:

- (1) Securing funding needed to deal fully and fairly with the increasing volume of client security claims. On November 14, 1990, the Court approved the Board's request for an increase in the attorney registration fee of \$20 per attorney (practicing more than four years). The Board also is continuing to work with the MSBA to explore whether other funding options exist, including bonding or re-insurance for the fund.
- (2) Surpassing \$1 million in valid claims paid during the Board's four year history. The Board continued to meet regularly to resolve as many claims as promptly as possible. The Board will meet eight times this fiscal year and expects to resolve approximately 60 claims, and pay out or approve for payment over \$300,000 in valid claims. The Board expects to have only three pending claims more than seven months old when its fiscal year ends on June 30, 1991.

(3) Aggressively pursuing subrogation and restitution rights wherever possible. The Board received payment on a major settlement with a bank and a lawyer's former partner (negotiated last year) and full restitution from two attorneys on whose behalf the Board had paid small claims this year. The Board is receiving periodic payments from four other attorneys on their restitution obligations. The Attorney General has provided excellent representation for the Board in its dealings with respondents.

Claims. In its four years of operation, the Board has paid 98 claims, totalling over \$1.2 million. Eighty-one claims have been denied by the Board. Attachment 1.

The Board again acted promptly this past year to resolve the majority of all claims for reimbursement which the Board received. The Board anticipates that after its June 24, 1991, meeting, approximately 20 claims, alleging losses totalling approximately \$850,000, will be pending before the Board. One large claim for \$300,000 is largely based upon an unpaid malpractice judgment. Only three of the twenty claims were filed prior to December 1990. When the fiscal year began, there were 17 claims pending before the Board. All but three of those claims has been resolved this year. The Board has received 64 new claims as of May 29 and resolved 51 claims so far. It is expected that during FY 6/91 over 30 claims will be approved in the total amount of approximately \$300,000. A small number of these claims will be paid from the next fiscal year's budget.

Twenty-six claims have been denied to date this year as not meeting the requirements for payment under the Board's rules.

Almost all of the claims denied were either malpractice claims, fee disputes, or did not arise out of an attorney-client relationship or a fiduciary relationship closely related to an attorney-client relationship. In instances where the claimed loss appeared to be primarily a fee dispute, the Board referred claimants to fee arbitration proceedings.

The Board generally limits payment on any one claim to \$50,000. By adopting a maximum payment amount as a Board policy, rather than recommending a formal rule to the Court, the Board may award more than \$50,000 in cases of extreme hardship depending on the Fund's resources. No claimant to date has received in excess of the maximum. Full payment on any claim exceeding the current \$50,000 maximum remains a goal of the Board for the future, but even with the fee increase approved by the Court this year, the Board does not expect current resources to allow for a relaxation of the maximum payment policy. In the past year, this maximum amount was applied to three claims which would have exceeded the maximum \$50,000. Two of those large claims were paid on behalf of one disbarred attorney. All other claims which met the Board's rules this year were paid in full.

Funding. With the approval by the Court of the Board's request for a \$20 increase in the attorney registration fee, the Board hopes to maintain a sufficient balance in the Fund for the next several years. Attachment 2. The matter was fully debated, with extensive input from the MSBA, before the Court approved the request. The Board will continue to receive two \$50 installments from young lawyers to fulfill the original \$100 per attorney obligation.

The Board projects a June 30 balance of \$640,304. With the added funding now available, the Board's budget for next year (ending June 30, 1992) projects a year-end balance of \$749,178, even with an increase in the amount projected for claim payment to \$280,000. Long range budgets forecast that the Fund will grow very slowly over the next few years, barring a major defalcation which would require prompt Board action.

Collections. There were no major new recoveries by the Board this year to report, but many minor successes. The Attorney General has negotiated several repayment schedules with respondents who are making monthly payments on their subrogation obligations to the Board. The adoption by the Court of an amendment to Rule 18(e), Rules on Lawyers Professional Responsibility, which requires disbarred or suspended attorneys to satisfy any Client Security Board subrogation interest prior to reinstatement, was a positive step which has increased the willingness of respondents to begin payment.

The Board is seeking to collect a sizeable amount of funds (approximately \$26,000) currently frozen in the trust account of a deceased lawyer on whose behalf the Board paid out over \$175,000 in claims. This matter should be resolved in the next year.

II. ACTIVITIES AND PROCEDURES OF THE CLIENT SECURITY BOARD.

The Board has five lawyer members and two non-lawyer members, all volunteers, and is chaired by Minneapolis attorney Melvin Orenstein. The Office of Lawyers Professional Responsibility provides staff services to the Board for investigating claims and conducting Board meetings.

Board Members. The following individuals currently serve on the Board:

<u>Name</u>	<u>Term Expires</u>
Melvin I. Orenstein, Minneapolis	June 30, 1993
Sandra M. Brown, Minneapolis	June 30, 1993
Gilbert W. Harries, Duluth	June 30, 1991
Jean L. King, St. Paul	June 30, 1992
Ronald B. Sieloff, St. Paul	June 30, 1991
James B. Vessey, Minneapolis	June 30, 1993
Nancy B. Vollertsen, Rochester	June 30, 1992

Mr. Orenstein was re-elected chairman by the Client Security Board this year. Ms. King and Ms. Brown are public members. All other members are licensed attorneys. Mr. Sieloff is eligible for reappointment to another three-year term and has been re-nominated by the MSBA. Mr. Harries, although eligible for another term, has indicated that he will not seek reappointment. Mr. Harries also served for several years on the MSBA Client Security Board prior to the current Board being created. A new member is expected to be appointed by the Court soon. The Board's liaison on the Minnesota Supreme Court is Justice Sandra Gardebring, who replaced Chief Justice Keith in that role this year.

Rules of the Minnesota Client Security Board. The rules took effect on July 1, 1987. To date, there have been no amendments to the Board's rules. The Board anticipates review of the rules in the near future, although no major rule changes are foreseen.

Funding and Budget Procedures. An assessment of all licensed Minnesota attorneys originally was authorized by the

Court in April 1987. That first year assessment raised approximately \$1.4 million. The Fund has a current balance of approximately \$700,000. In FY91, the Fund received approximately \$75,000 from assessments of new attorneys. The Fund will also receive approximately \$56,000 in investment income this year. Pursuant to Minn. Stat. § 481.20 (1988), the Board receives the investment income earned on the balance of the Fund. The Department of Finance issues all payments upon authorization from the Board Chair. The Board does not handle any funds or the investment of the Fund. The assessment is collected through the Office of Attorney Registration and placed into a segregated fund within the state treasury.

The new assessment which will take effect on July 1, 1991, is expected to raise an additional \$257,880 this year. The Board has increased its budget amount for claims accordingly to \$280,000 next year. The added income will also result, of course, in additional investment income for the Fund.

The Board's budget is prepared annually, and filed publicly, for approval by the Minnesota Supreme Court. Budgeting amounts to be paid for valid claims (most of which are not yet known) depends in part on the unfortunate assumption that lawyer theft will continue like the past despite efforts to reduce defalcations. Despite the inherent unpredictability of future dishonesty, budgetary projections have been reasonably accurate to date. With each additional year of claim experience, the Board hopes to become even more accurate in its projections. The Board's FY'92 budget was approved recently by the Supreme Court.

Administrative Staff. The Office of the Director of Lawyers Professional Responsibility provides staff services to

the Client Security Board. William Wernz, Director of the Office of Lawyers Professional Responsibility, also serves as Director of the Client Security Board by court order. Attorney Martin Cole and legal assistant Patricia Jorgensen handle the Client Security Board's investigations on approximately a quarter-time basis. All three staff members have been responsible for the client security work for several years. Administrative expenses of approximately \$20,000 will be incurred by the Board this year. Payment of claims accounts for almost 90 percent of the Board's expenses. The Board and staff have worked hard to keep non-claim expenses to a minimum.

The Minnesota Attorney General's office provides outstanding legal services to the Client Security Board in enforcing the Board's subrogation rights against respondent attorneys or against third parties from whom payment may be obtained. Martha J. Casserly, Special Assistant Attorney General, is the Board's attorney for all civil matters. The Board pays no attorney's fees for the Attorney General's representation, but is responsible for direct costs of litigation. The Attorney General, on behalf of the Board, has aggressively sought reimbursement where appropriate, and the Board is hopeful of continued success in this area. Recovery of amounts paid out by the Board, however, is never expected to be a significant independent source of additional revenue to the Board. This past year approximately \$38,000 will be recovered. Several matters are pending which could result in substantial recovery in FY'92.

Claims Procedures. Claims are initiated by submitting the claim on forms approved by the Board to the Director's Office.

Claimants are also provided a brochure to help explain the process prior to their determining whether to file.

Attachments 3 and 4. The respondent attorney is given an opportunity to respond to the claim in writing. A member of the Director's staff meets personally with the claimant in many cases, unless the claim clearly can be decided solely on the information in the claim or from any documents submitted by the claimant.

Claimants are normally required to pursue reasonably available civil remedies, including obtaining default judgments against the attorney. In most cases, attorney disciplinary proceedings also will have been completed before Client Security payment is made. The Board will generally rely on findings made in a related lawyer disciplinary action concerning misappropriation, or related civil or criminal matters where possible.

If a claim is denied, the claimant is notified in writing of the Board's determination and provided its reasoning. The claimant has the right to request reconsideration and a meeting with the full Board, so that the claimant will have full opportunity to present the merits of the claim before any denial is final. The Board desires that all claimants be provided a full opportunity to be heard and to present all documents and evidence in their favor before claims are finally resolved.

Education and Information. In addition to claims resolution, the Board also has an educational and information gathering obligation. As noted, a brochure explaining Board procedures is provided to claimants along with claim forms. A Board or staff member attended two one-day national conferences

on client security issues this year to gain and exchange information. The Board is also collecting information on an insurance check notification rule adopted in New York and North Carolina, which has had some impact on attorney forgery and misappropriation of insurance settlements in those states. The Board will study whether to propose a similar rule for Minnesota.

The Board has been in operation for four years and compiles statistical data to categorize claims paid by areas of law. Attachment 5. The Board plans to expand its record-keeping and more thoroughly analyze the information to determine if any other patterns of defalcations emerge.

III. GOALS AND OBJECTIVES.

1. Claim Resolution.

The Board will continue to monitor matters where disciplinary or civil litigation is pending, so that resolution of these claims will occur promptly upon the completion of related cases. In FY'92, the Board intends to continue to pay all valid claims in full up to the \$50,000 limitation. The Board has budgeted \$280,000 for claim payment next year.

2. Disciplinary and Criminal Proceedings.

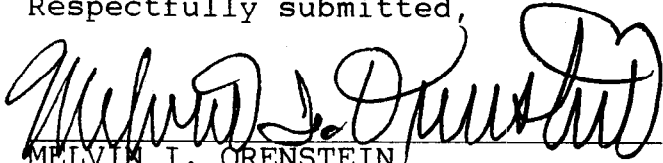
The Board intends to continue to urge strong enforcement measures against dishonest lawyers, by the Office of Lawyers Professional Responsibility, the Court and by criminal authorities upon report of criminal actions by the victims. The Board hopes to meet more regularly with its Court liaison to maintain a dialogue on these issues. The Board will continue to aggressively pursue dishonest lawyers to obtain repayment of amounts paid out by the Fund.

3. Education and Publicity.

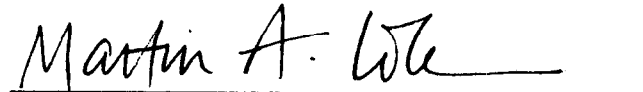
The Office of Lawyers Professional Responsibility will continue to notify prospective claimants of the existence of the Fund during disciplinary investigations and help to provide claim forms to potential claimants. Groups are encouraged to contact the Board about speaking opportunities.

The Board's four years of operation have been extremely successful. Almost all commentary on the Board has been favorable. Any doubts about the need for a Fund to reimburse victims of lawyer theft seem to have been overcome. A more secure funding mechanism is now in place which will allow the Board to continue its work and expand its educational work. The Board thus hopes to remain a vital part of the overall protection of the public from the small number of dishonest attorneys.

Respectfully submitted,


MELVIN I. ORENSTEIN
CHAIRMAN


WILLIAM J. WERNZ
DIRECTOR


MARTIN A. COLE
ASSISTANT DIRECTOR

CLAIMS AND AMOUNTS PER ATTORNEY
as of May 29, 1991

Attorney	Pending	Amount	Paid	Amount	Denied	Crim. Pros.
T.A.					1	
J.A.			2	\$100,000.00		No
L.B.			2	3,947.93		Yes*
R.B.			1	50,000.00		Yes
J.B.			1	50,000.00		Yes
A.B.					1	Yes
M.C.					9	Yes
A.D.			3	62,875.00		Yes
J.D.					1	No**
B.D.	2	226,569.01	10	175,309.60		Deceased
J.D.	1	2,000.00				No**
B.E.					1	
R.E.					2	
J.F.			2	12,954.00	1	No**
J.F.			6	113,626.59	6	Yes
P.F.	1	23,363.84				No**
N.F.					1	
T.G.					1	
C.G.					1	
S.H.					1	
T.H.					1	
S.H.			2	12,800.00	3	No
H.H.	1	14,500.00				
D.H.			1	1,000.00	1	No
G.H.					6	

CLAIMS AND AMOUNTS PER ATTORNEY
as of May 29, 1991

Attorney	Pending	Amount	Paid	Amount	Denied	Crim. Pros.
J.H.	1	1,000.00	2	5,900.00	1	Yes
C.I.			1	535.78		No
L.J.					1	
A.J.	1	1,200.00				No
R.J. & J.S.					1	
W.L.	8	18,477.85	5	32,449.08	1	No**
D.L.	1	40,000.00				Yes
E.L.			1	368.00		No
M.L.	1	24,951.10				No**
D.L.			3	560.00		No
P.M.					1	
G.M.			7	24,170.00	3	No**
R.M.	1	300,000.00				No
W.M.	2	2,525.00	3	425.00	3	No
B.O.			3	15,297.73		Yes
K.O.	1	26,400.00				No
K.P.			2	39,000.00	1	No**
D.P.	1	222,000.00			1	No**
R.P.					1	
T.P.			3	17,090.02	2	No
J.P.	1	940.00				
D.P.			1	16,450.00		No
M.R.	3	3,500.00	1	5,000.00	1	No**
M.S.			20	404,678.55	14	Yes

CLAIMS AND AMOUNTS PER ATTORNEY
as of May 29, 1991

Attorney	Pending	Amount	Paid	Amount	Denied	Crim. Pros.
W.S.					1	
W.S.					1	No
J.S.			2	57,821.34		Deceased
A.S.					1	
I.S.					1	
W.S.	4	4,910.00				No**
P.S.			1	2,360.23		No
J.S.			5	2,349.26	1	No**
J.S.			1	557.87		No
R.S.					1	
M.T.					1	
D.T.					1	
J.T.			2	6,160.00		No
N.T.					2	
S.W.			5	19,945.00	2	No**
J.W.					1	
TOTAL	30	\$912,336.80	98	\$1,233,630.98	81	

* Criminal prosecution not for client theft.

** Authorities notified - did not prosecute or have not yet prosecuted.

STATE OF MINNESOTA
IN SUPREME COURT
C9-81-1206

In re Amendments to the
Rules of the Supreme Court **ORDER**
for Registration of Attorneys

WHEREAS, the Minnesota Client Security Board and the Minnesota State Bar Association filed petitions to amend Rule 2, Rules of the Supreme Court for Registration of Attorneys, concerning the levying of a fee for the Minnesota Client Security Fund; and

WHEREAS, on November 9, 1990, a public hearing was held before this Court to determine whether the petition should or should not be granted; and

WHEREAS, the Supreme Court has reviewed the petitions and is fully advised in the premises;

NOW, THEREFORE, IT IS HEREBY ORDERED:

1. The attached amendments to Rule 2 of the Rules of the Supreme Court for Registration Attorneys be, and the same hereby are, prescribed and promulgated for the regulation of the practice of law in the State of Minnesota.

2. These amendments shall become effective with payments due on or after July 1, 1991 and shall remain in effect until July 1, 1995.

3. The Client Security Board and the Minnesota State Bar Association shall continue to monitor these rules and amendments and shall explore ways of permanently financing the Client Security Fund.

DATED: November 14, 1990

BY THE COURT
Peter S. Popovich
Chief Justice

ATTACHMENT 2

**RULES RELATING TO
REGISTRATION OF ATTORNEYS**

RULE 2. REGISTRATION FEE.

In order to defray the expenses of examinations and investigations for admission to the bar and disciplinary proceedings, over and above the amount paid by applicants for such admission, with exception hereinafter enumerated, each attorney admitted to practice law in this state and those members of the judiciary who are required to be admitted to practice as a prerequisite to holding office shall hereafter annually pay to the clerk of the appellate courts a registration fee in the sum of One Hundred ~~Two Dollars (\$102.00)~~ Twenty Two Dollars (\$122.00) or in such lesser sum as the court may annually hereafter determine.

Such fee, or portion thereof, shall be paid on or before the first day of January, April, July, or October of each year as requested by the clerk of the appellate courts.

All sums so received shall be allocated as follows:

\$15.00 to the State Board of Law Examiners

\$7.00 to the State Board of Continuing Legal Education

\$80.00 to the Lawyers Professional Responsibility Board

\$20.00 to the Minnesota Client Security Fund.

The following attorneys and judges shall pay an annual registration fee of Thirty-nine Dollars (\$39.00):

(a) Any Attorney or Judge whose permanent residence is outside the State of Minnesota and who does not practice law within the state;

(b) Any attorney who has not been admitted to practice for more than three years;

(c) Any attorney while on duty in the armed forces of the United States.

The Thirty-nine Dollars (\$39.00) so received shall be allocated as follows:

\$15.00 to the State Board of Law Examiners

\$7.00 to the State Board of Continuing Legal Education

17.00 to the Lawyers Professional Responsibility Board.

Any attorney admitted to practice law on or after July 1, 1988, shall pay to the Minnesota Client Security Fund \$50 in the fiscal year of admission and an additional \$50 in the fiscal year the attorney becomes subject to the first paragraph of this rule. This second \$50 shall be instead of any annual assessment in favor of the Client Security Fund in that year.

Any attorney who is retired from any gainful employment or permanently disabled, or who files annually with the clerk of the appellate courts and affidavit that he or she is so retired or disabled and not engaged in the practice of law, shall be placed in a fee-exempt category and shall remain in good standing. An attorney claiming retired or permanently disabled status who subsequently resumes active practice of law shall promptly file notice of such change of status with the clerk of the appellate courts and pay the annual registration fee.

Any judge who is retired from any gainful employment or permanently disabled, who no longer serves on the bench or practices law, and who files annually with the clerk of the appellate courts that he or she is so retired or disabled and not engaged in the practice of law, shall be placed in the fee exempt category and shall remain in good standing. A judge claiming retired or permanently disabled status who subsequently resumes service on the bench or the active practice of law shall promptly file notice of such change of status with the clerk of the appellate courts and pay the annual registration fee.

MINNESOTA CLIENT SECURITY BOARD
Staff Office
520 Lafayette Road, 1st Floor
St. Paul, MN 55155-4196
(612) 296-3952

I hereby apply to the Minnesota Client Security Board for payment of a loss I claim I suffered because of my lawyer's dishonesty. I understand that payment by the Board is discretionary and not a matter of right.

1. My name, address and telephone number are as follows:

2. The name, address and telephone number of the lawyer whose dishonest act caused me the loss are:

3. a. When did you hire the lawyer to represent you?

b. When did the loss occur?

c. When did your attorney-client relationship with the lawyer end?

4. a. Describe in detail what the lawyer did that was dishonest and how this caused your loss (if space is insufficient, you may attach more papers):

b. When did you learn of the attorney's dishonest act?

5. a. How much money or property did the attorney's dishonest act cause you to lose?

b. How did you calculate the amount of this loss?

c. When and how did your money come into the lawyer's possession?

6. Attach copies of all relevant documents, including correspondence, bank statements, receipts, copies of cancelled checks and names and addresses of witnesses (if any).

7. Please describe what you have done to recover your loss:

a. Have you sued the lawyer?

b. Have you made any other claim against the lawyer or the lawyer's assets (such as insurance claims, arbitration claims, etc.)?

c. Have you contacted the appropriate criminal authorities about possible prosecution?

If the answer to any of these is yes, please attach copies of your claim or pleadings. If the answer is no, please explain why you have not taken such action.

8. Has your loss caused you any special hardship? If so, please describe:

SUBROGATION AGREEMENT

If the Client Security Board pays me any amount for my loss, I agree that the Board shall be subrogated, in the amount of the payment to me, to all my rights against the lawyer named in this claim. I authorize the Board to take any action on the subrogated claim. I understand that I shall be notified if the Board takes action. I also recognize that I may join in the action to press a claim for my loss in excess of the amount paid to me by the fund, but the fund shall have first priority to any recovery in the suit.

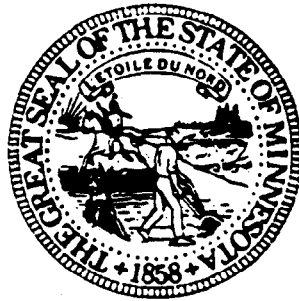
I swear that the above information is accurate and complete.

Claimant Signature(s)

SUBSCRIBED AND SWORN to
before me this ____ day
of _____, 19__.

Notary Public

Minnesota
Client
Security
Fund



Minnesota Client Security Board
520 Lafayette Road, 1st Floor
St. Paul, MN 55155-4196
(612) 296-3952

What is the Client Security Fund?

The Client Security Fund is a fund established by the Minnesota Supreme Court to reimburse clients who suffer loss of money or other property from the dishonest conduct of their attorney. The Fund is a remedy of last resort for clients who cannot be repaid from other sources, such as from insurance or from the attorney involved. Claimants are expected to make reasonable efforts to collect from these other sources first.

Why was the Client Security Fund Established?

The legal profession depends upon the trust of clients. When a lawyer betrays that trust by taking client funds, it is important that the victims be fairly compensated.

How is the Fund Financed?

All active Minnesota lawyers pay for the Client Security Fund. None of the money in the Fund comes from clients' fees. No tax dollars are used.

Who Administers the Client Security Fund?

The Fund is administered by a Board appointed by the Minnesota Supreme Court. The Board has five lawyer members and two non-lawyer members. All serve without compensation as a public service. The Office of Lawyers Professional Responsibility provides staff services for the Board.

How Does the Client Security Board Operate and Make Decisions?

The Minnesota Supreme Court has adopted written rules for the Client Security Board. The Board follows these rules in its procedures and decisions. The Board is allowed a good deal of discretion in deciding what claims to pay and deny, and the amount of payment. A copy of the rules is available on request.

What Kinds of Losses are Covered?

The Client Security Fund covers most situations in which lawyers have stolen clients' money or other property entrusted to them. The attorney in question must be a Minnesota lawyer, and must have served the client as an attorney, in a fiduciary capacity (as administrator, executor, trustee of an express trust, guardian, or conservator), or as an escrow agent arising from an attorney-client relationship. The Board generally limits payment to \$50,000 per claim. Payment by the Board is a matter of grace, not of right.

What Kinds of Losses are Not Covered?

The Fund does not cover losses resulting from the malpractice or negligence of lawyers. The Board does not have the authority to discipline attorneys for misconduct, to resolve fee disputes, or to determine legal malpractice claims. Such matters should be reported to the Office of Lawyers Professional Responsibility or may be the subject of civil lawsuits.

What Happens When a Claim is Filed?

Each claim is reviewed to determine eligibility for payment. If a claim is denied, the claimant will be advised of the reasons for denial. The Board determines the merit of all claims, and the amount of any reimbursement. In most instances, claimants meet personally with someone from the Board's staff.

How is a Claim Filed?

A claim form or other information or assistance may be obtained by writing to:

Minnesota Client Security Board

520 Lafayette Road, 1st Floor

St. Paul, MN 55155-4196

Telephone: (612) 296-3952

Reported Client Losses
July 1, 1987 through May 29, 1991

Table 1. This table summarizes, by area of law, all claims for reimbursement filed since July 1, 1987 (including claims carried on from MSBA Client Security Fund.)

Area of Law	# of Claims	% of Claims	Amount of Loss Alleged	% of Alleged Losses
Bankruptcy	19	10	\$653,386.06	7
Business	3	1	\$2,337.00	1
Criminal	12	6	\$177,437.12	2
Family	31	16	\$173,542.87	2
Investment	13	7	\$668,911.36	7
Litigation	33	17	\$4,183,860.09	45
Personal Injury	10	5	\$431,177.20	5
Probate	21	11	\$688,072.07	7
Real Estate	18	9	\$1,273,712.71	14
Settlement	8	4	\$121,356.66	1
Tax	8	4	\$97,212.71	1
Worker's Comp	1	0	\$750.00	0
Other	20	10	\$740,308.37	8
	197	100	\$9,212,064.22	100

Reported Client Losses
July 1, 1990 through May 29, 1991

Table 2. This table summarizes, by area of law, all claims for reimbursement filed during fiscal year 1991.

Area of Law	# of Claims	% of Claims	Amount of Loss Alleged	% of Alleged Losses
Bankruptcy	2	3	\$19,627.50	1
Business	3	5	\$2,337.00	0
Criminal	3	5	\$18,005.65	1
Family	16	28	\$17,776.00	0
Investment	3	5	\$104,000.00	6
Litigation	14	24	\$666,034.89	38
Probate	8	14	\$120,044.73	7
Real Estate	3	5	\$744,079.00	42
Worker's Comp	1	2	\$750.00	0
Other	5	9	\$83,371.82	5
	58	100	\$1,776,026.59	100

Awards of Reimbursement

July 1, 1987 through May 29, 1991

Table 3. This table summarizes, by area of law, all awards of reimbursement approved by the Board since 1987.

Area of Law	# Of Awards	% of all Awards	Amount of All Awards	Alleged Loss Involved	% of All Losses	% of Alleged Loss Reimbursed*
Bankruptcy	14	14	\$39,908.30	\$48,584.30	1	82
Business	2	3	\$437.00	\$774.00	0	56
Criminal	4	4	\$66,271.60	\$86,031.47	4	77
Family	17	18	\$123,283.68	\$151,241.87	6	82
Investment	1	1	\$0.00	\$353,342.35	15	0
Litigation	19	20	\$236,532.38	\$362,159.38	15	65
Personal Injury	4	4	\$117,923.30	\$263,113.00	11	45
Probate	13	13	\$301,025.24	\$741,838.46	30	41
Real Estate	8	8	\$162,861.71	\$173,229.71	7	94
Settlement	2	2	\$13,975.00	\$69,565.15	3	20
Tax	7	7	\$38,120.20	\$96,452.71	4	40
Worker's Comp	1	1	\$750.00	\$750.00	0	100
Other	5	5	\$9,789.38	\$85,448.60	4	11
	<u>97</u>	<u>100</u>	<u>\$1,110,877.79</u>	<u>\$2,432,531.00</u>	<u>100</u>	<u>46</u>

Awards of Reimbursement

July 1, 1990 through May 29, 1991

Table 4. This table summarizes, by area of law, all claims for reimbursement approved by the Board during fiscal year 1991.

Area of Law	# Of Awards	% of all Awards	Amount of All Awards	Alleged Loss Involved	% of All Losses	% of Alleged Loss Reimbursed
Bankruptcy	4	16	\$15,950.43	\$23,600.43	5	68
Business	2	8	\$437.00	\$774.00	0	56
Criminal	1	4	\$5,450.00	\$15,000.00	3	36
Family	4	16	\$5,425.00	\$5,825.00	1	93
Investment	1	4	\$50,000.00	\$65,000.00	13	77
Litigation	7	28	\$21,685.78	\$84,435.78	17	26
Probate	2	8	\$70,126.58	\$219,672.50	44	32
Worker's Comp	1	4	\$750.00	\$750.00	0	100
Other	3	12	\$51,595.00	\$83,659.22	17	62
	<u>25</u>	<u>100</u>	<u>\$221,419.79</u>	<u>\$498,716.43</u>	<u>100</u>	<u>44</u>

*Actual losses eligible for reimbursement under the rules were all paid at 100%, except 6 losses (for 7/87 - 5/91) which were paid up to \$50,000. Thus, nearly 100% of losses eligible for payment were in fact paid.