

MINNESOTA CLIENT SECURITY BOARD

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WILLIAM J. WERNZ  
DIRECTOR

June 6, 1990

OFFICE OF  
APPELLATE COURTS  
MARTIN A. COLE  
ASSISTANT DIRECTOR

JUN 08 1990

FILED

Office of Appellate Courts  
230 State Capitol  
St. Paul, MN 55155

Re: In Re Petition of the Minnesota Client Security Board  
for Amendment of Rules Relating to Registration of  
Attorneys.

Dear Clerk:

Enclosed are the original and seven copies of the petition and  
statement in support of the petition of the Minnesota Client  
Security Board.

Very truly yours,

William J. Wernz  
Director

By

Martin A. Cole  
Martin A. Cole  
Assistant Director

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Enclosures

cc: Honorable A. M. Keith  
Melvin I. Orenstein

FILE NO. C9-81-1206

STATE OF MINNESOTA

IN SUPREME COURT

OFFICE OF  
APPELLATE COURTS  
FILED

JUN 8 1990

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In Re Petition of the Minnesota  
Client Security Board for  
Amendment of Rules Relating to  
Registration of Attorneys.  
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PETITION

TO: THE SUPREME COURT OF THE STATE OF MINNESOTA:

The Minnesota Client Security Board hereby petitions the Court to adopt, effective with payments due on and after July 1, 1991, the following amendments to Rule 2, Rules for 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-seven Dollars (\$127.00) or in such lesser sum as the court may annually hereafter determine.

Such fee, or a 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

\$25.00 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 this 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.

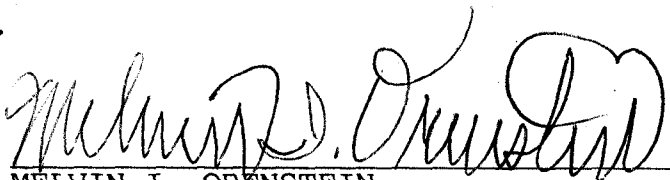
Any attorney admitted to practice law on or after July 1, 1988, shall pay to the Minnesota Client Security Fund \$50 in the fiscal year of admission and an additional \$50 in the fiscal year the attorney becomes subject to the first paragraph of this rule. This second \$50 shall be instead of any annual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

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.

Dated: June 6, 1990.



MELVIN I. ORENSTEIN  
CHAIRMAN, MINNESOTA CLIENT  
SECURITY BOARD  
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(612) 371-3211

OFFICE OF  
APPELLATE COURTS  
FILED

JUN 8 1990

FILE NO. \_\_\_\_\_

STATE OF MINNESOTA

IN SUPREME COURT

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In Re Petition of the Minnesota  
Client Security Board for  
Amendment of Rules Relating to  
Registration of Attorneys.  
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STATEMENT IN SUPPORT  
OF PETITION OF  
MINNESOTA CLIENT  
SECURITY BOARD

INTRODUCTION

When the Minnesota Client Security Fund began operation in 1987, it was funded by an assessment of \$100 on all licensed, practicing Minnesota attorneys, paid during the period from July 1, 1987, to June 30, 1988. Attorneys in the less-than-three-year category were permitted to pay \$50 in their first year of practice and another \$50 (to reach the \$100 total) in the year that they moved into the standard fee category. That initial assessment raised approximately \$1.4 million to fund the Minnesota Client Security Fund. In addition, the Minnesota State Bar Association voluntarily transferred the balance of the prior MSBA Client Security Fund, approximately \$145,000, to the new Fund.

Since July 1, 1988, the Fund has received approximately \$75,000 per year from attorney registration assessments, representing the \$50 assessment on all newly admitted attorneys in their first year of practice and the \$50 assessment on attorneys in their fourth year, as they move up into the standard fee category. Pursuant to Minn. Stat. § 481.20 (1988), the Board also receives the investment income on the balance of the Fund, which is invested as part of the state treasury. This amount was

\$58,040 in FY88 (the Board's fiscal year runs from July 1 to June 30) and \$79,049 in FY89. In FY90 (ending June 30, 1990), the Board projects that it will receive approximately \$67,000 in investment income. Thus the Fund's total annual income is currently less than \$150,000 per year.

The Board's annual disbursements have exceeded the Board's annual income. Administration expenses of the Board have been kept to a minimum, and have averaged less than \$25,000 per year. The primary administrative expenses of the Board are for professional services provided by the staff of the Lawyers Professional Responsibility Board (investigation and presentation of claims) and for the payroll expense which the Client Security Board pays (20 percent of the attorney registration clerk's annual salary). Direct payment to victims of intentional dishonesty by attorneys constitutes the overwhelming majority of the Board's annual disbursements.

The amount of valid claims for which the Board has approved payment has continued to, and is expected to, increase each year. Even regarding the \$489,656 paid by the Board in its first year as an aberration (due to the large carryover of pending claims from the MSBA fund, mostly against attorney Mark Sampson), the Board paid \$236,016 in claims in FY89, projects that it will approve approximately \$261,000 in claims in FY90 and currently has budgeted \$350,000 for each of the next two fiscal years. In total, the Board has paid out approximately \$970,000 in claims to date. Exhibit 1. While projections of future defalcations are necessarily speculative, the Board's current budgets are based upon the Board's first three years experience and upon reasonable

assumptions concerning pending claims, anticipated claims and a very conservative expectation as to unknown claims. Even though the Board has adopted the reasonable policy of limiting the maximum payment per claim to \$50,000, the amount needed annually to pay valid claims appears to be rising.

Unfortunately, "unknown" defalcations continue to occur annually. For example, claims against an attorney who died in May 1989 were unknown when the Board prepared its FY90 budget and presented it to the Court for approval in March 1989.

Nevertheless, the Board approved over \$150,000 in this past fiscal year in claims against this attorney. The Board had budgeted \$250,000 for claims for this entire year.

The initial assessment of approximately \$1.4 million, combined with the \$145,000 received from the MSBA and the approximate \$150,000 per year income, has been adequate to meet the Board's expenditures through the first three years of operation, and will prove adequate to handle the Board's projected budget for FY91. The Fund, however, is decreasing annually and interest income is, of course, decreasing as well. The Board believes that without additional funding the Fund will become dangerously inadequate by June 30, 1992. An annual assessment of \$25 per year on most attorneys is required to maintain the Fund, and hopefully rebuild the overall balance.

THE \$25 PER YEAR ASSESSMENT IS NEEDED TO MAINTAIN  
THE BALANCE OF THE CLIENT SECURITY FUND  
AND THE NECESSARY WORK OF THE CLIENT SECURITY BOARD

Due to the large amount of money needed annually for claims payment, the Client Security Fund is decreasing every year.



Attached are copies of the Board's FY91 and FY92 budgets, which have been approved by the Court. Exhibit 2. These budgets are based upon the Board's current limited sources of income. The Fund's year-end balances are, or are projected to be, as follows:

	<u>Claims Paid (\$)</u>	<u>Year End Balance (\$)</u>
FY88 (June 30, 1988)	489,656	964,508
FY89 (June 30, 1989)	236,016	876,791
FY90 (June 30, 1990)	261,623	735,883
FY91 (June 30, 1991)	350,000	489,639
FY92 (June 30, 1990)	350,000	219,704

As can be seen, based upon current projections, the Fund will be down to approximately one-half million dollars at the point at which the requested assessment would take effect in July 1991. If a major defalcation of the magnitude of the Mark Sampson matter is discovered in the next two years, the Fund would be seriously strained, which could require either strict limits on the amount payable per claim, or another major one-year infusion of funds to maintain public confidence in the legal profession and in the vital work of the Client Security Fund.

With the proposed \$25 annual fee increase, the Fund can meet its budget projections and, hopefully, rebuild the Fund's overall balance. Exhibit 3 sets out a revised budget for FY92 based upon approval of the proposed \$25 payment per attorney in the standard fee category. The Board has also made long range budget projections based upon an anticipated growth in the amount of expenditures of five percent per year. Copies of these projections are also included in Exhibit 3. This results in year-end balances as follows:

	<u>Without Increase</u>	<u>With Increase</u>
FY91	489,639	489,639
FY92	219,704	563,459
FY93	-	642,850
FY94	-	727,347
FY95	-	816,395
FY96	-	909,331
FY97	-	1,005,379

This assessment is the minimum amount per year which can be requested without almost assuring the need for an increase in the near future. The \$25 figure will allow the Fund to slowly rebuild the Fund to a \$1,000,000 balance, absent a major defalcation crisis. The Board thus hopes that this annual amount will remain adequate for several years.

The \$25 per attorney annual assessment is in line with annual assessments for Client Security Funds in many other states with active Client Security programs. Exhibit 4 is a chart compiled from data received by the Board from client security funds in other jurisdictions.<sup>1</sup> As can be seen, the \$25 per year per attorney requested is slightly above average for all states reporting, yet is far less than attorneys have paid in states such as Connecticut, New Jersey and New York. The amount is in line with that for Pennsylvania, Oregon and California, states which maintain active funds which attempt to compensate victims as fully as possible. This has been the goal of the Minnesota Client Security Fund.

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Copies of the responses are available upon request to the Director's Office.

The Board is requesting that the annual assessment apply only to those attorneys in the standard fee category with more than four years of practice. Incoming attorneys will continue to pay \$50 in their first year of practice and \$50 in the fourth year of practice to meet the original \$100 assessment per attorney. Only after meeting that original obligation will attorneys be required to pay on an annual basis. No additional burden on young attorneys is requested. At present, there are approximately 12,500 attorneys in the category who would be required to contribute. This number is expected to be approximately 13,100 by FY92. This will result in an additional \$327,000 in income to the Fund that year, and result, of course, in additional investment income as well. This should be sufficient to meet the Board's current projections and result in a gradual annual surplus to the Fund.

The Office of Lawyers Professional Responsibility's fee is not projected to increase until FY93 at the earliest. The Board of Law Examiners and Continuing Legal Education has had a recent fee increase. The overall fee increases to attorneys have been close to the rate of inflation.

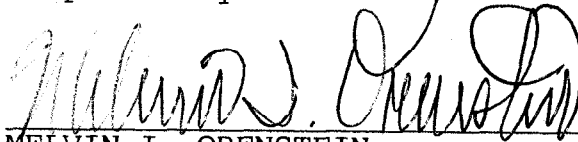
#### CONCLUSION

The \$25 fee increase to begin in FY92 is needed for the Board to maintain its current ability to promptly pay valid claims as fully as possible. This is the basic purpose of the Fund which must be continued. While the Client Security Board and others will continue to look into means of reducing lawyer defalcations, it appears that major defalcations likely will continue and valid claims will continue which need to be paid.

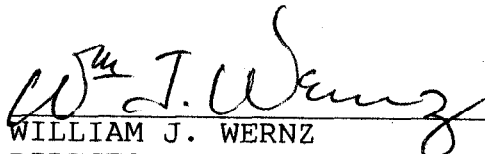
The Client Security Board has carefully considered the proposed fee increase and fully supports it. The Board respectfully requests the Court's order approving the increase sought in the Board's petition.

Dated: June 6, 1990.

Respectfully submitted



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CLAIMS AND AMOUNTS PER ATTORNEY  
as of May 25, 1990

Attorney	Pending	Amount	Paid	Amount	Denied
A.					1
B.	2	2,947.93			
B.			1	\$50,000.00	
B.	1	200,000.00			
B.					1
C.	1	277,000.00			7
D.			3	52,875.00	
D.					1
D.	1	157,569.01	10	176,119.60	
E.					1
E.	1	50,000.00			1
F.			2	12,954.00	1
F.			6	110,586.06	6
F.	1	23,363.84			
F.					1
G.					1
H.	1	192,000.00			
H.					1
H.	3	29,050.00			
H.	1	1,000.00			1
J.					1
L.			1	368.00	
L.	1	24,951.10			
L.			3	560.00	

CLAIMS AND AMOUNTS PER ATTORNEY  
as of May 25, 1990

Attorney	Pending	Amount	Paid	Amount	Denied
M.					1
M.			7	24,170.00	3
M.					1
O.			3	15,299.73	
P.			2	39,000.00	
P.					1
P.			3	17,082.02	2
P.	1	19,250.00			
S.	1	600.00	19	400,924.68	13
S.					1
S.			2	57,821.34	
S.					1
S.					1
S.			1	2,360.23	
S.	1	2,900.00	5	1,953.26	
S.			1	557.87	
S.					1
T.					1
T.					1
T.			2	6,160.00	
T.					2
W.					1
<b>TOTAL</b>	<b>16</b>	<b>\$981,631.88</b>	<b>71</b>	<b>\$968,791.79</b>	<b>54</b>

Minnesota Client Security Board  
FY'90 and FY'91  
Summaries

FY'90

Balance Forward In 7/1/89 \$876,791

Income

Atty fees:

800 @ \$50 \$40,000 (new admittees)

700 @ \$50 \$35,000 (4th yr attys)

\$75,000

Interest

\$67,000

Total Income

\$142,000

TOTAL AVAILABLE FUNDS

\$1,018,791

FY'90 ESTIMATED EXPENDITURES & PAYOUTS

\$282,908

ESTIMATED BALANCE 6/30/90

\$735,883

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FY'91

Balance Forward In 7/1/90

\$735,883

Income

Atty fees:

800 @ \$50 \$40,000 (new admittees)

700 @ \$50 \$35,000 (4th yr attys)

\$75,000

Interest 7.5%

\$53,985

Total Income

\$128,985

TOTAL AVAILABLE FUNDS

\$864,868

FY'91 ESTIMATED EXPENDITURES & PAYOUTS

\$375,229

ESTIMATED BALANCE 6/30/91

\$489,639

Revised 3/27/90

Minnesota Client Security Board  
FY'92  
Summary

FY'92

Balance Forward In 7/1/91 \$489,639

Income

Atty fees:

800 @ \$50      \$40,000 (new admittees)

700 @ \$50      \$35,000 (4th yr attys)

\$75,000

Interest 7.5%

\$30,857

Total Income

\$105,857

TOTAL AVAILABLE FUNDS

\$595,496

FY'92 ESTIMATED EXPENDITURES & PAYOUTS

\$375,792

ESTIMATED BALANCE 6/30/92

\$219,704



3/27/90

**Minnesota Client Security Board  
Expenditure Summary  
FY'88, FY'89, FY'90, FY'91 & FY'92**

	<b>FY'88 Actual Expend.</b>	<b>FY'89 Actual Expend.</b>	<b>FY'90 Estimated Expend.</b>	<b>FY'91 Estimated Budget</b>	<b>FY'92 Estimated Budget</b>
<b>1. Payroll</b>	\$5,823	\$7,260	\$5,600	\$6,104	\$6,592
<b>2. Claim Payouts</b>	\$489,656	\$236,016	\$261,623	\$350,000	\$350,000
<b>3. Professional &amp; Technical Services</b>	<b>\$29,762</b>	<b>\$16,130</b>	<b>\$15,100</b>	<b>\$17,600</b>	<b>\$17,600</b>
LPRB	\$28,990	\$13,845	\$15,000	\$15,000	\$15,000
Sub/Lit	\$772	\$2,285	\$100	\$2,500	\$2,500
Hearings	\$0	\$0	\$0	\$100	\$100
<b>4. Purchased Services</b>	\$0	\$135	\$200	\$200	\$210
<b>5. Travel In-State</b>	\$659	\$533	\$300	\$525	\$550
<b>6. Travel Out-of-State</b>	\$522	\$0	\$0	\$600	\$630
<b>7. Supplies</b>	\$495	\$10	\$85	\$200	\$210
<b>Total</b>	<b>\$526,917</b>	<b>\$260,084</b>	<b>\$282,908</b>	<b>\$375,229</b>	<b>\$375,792</b>

FY'91 & FY'92 Budget Footnotes:

1. CSB pays 20% of Atty Reg clerk's salary. FY'90 salary decreased due to change in personnel. FY'91 increased by 9%. FY'92 increased by 8%
2. FY'90, FY'91 & FY'92 claims payouts estimated by CSB Asst. Director. FY'91 and '92 are speculative estimates based upon 3 years' CSB data to date and information on pending and anticipated claims.
3. Includes services of LPRB. As of 7/1/89 Atty General fees are no longer charged.
4. Includes Board Meeting expenses. FY'91 based on projected FY'90 expenditures. FY'92 increased by 5%.
5. Includes Board member expenses. FY'91 based on 3 year average plus 105%. FY'92 increased by 5%.
6. Includes funding for attendance at one conference. FY'91 based on FY'88 travel expense. FY'92 increased by 5%.
7. Letterhead and miscellaneous supplies. FY'91 based on 3 year average plus 105% FY'92 increase by 5%.

Interest for FY'90 is based on interest rec'd to 12/31/89 multiplied by 2.  
Interest figures on Page 1-2 for FY'91 and FY'92 are based on month-end balance minus net result of anticipated expenditures divided by 12 plus estimated attorney registration receipts divided by 12 plus previous month interest multiplied by .0075

7.5% interest is the average interest earned over the past 12 months.

5/8/90

ASSUMES \$25.00 FEE INCREASE EFFECTIVE 7/1/91

Minnesota Client Security Board  
FY'92  
Summary

Balance Forward In 7/1/91 \$489,639

Income

Atty fees:

13094 @ \$25	\$327,350	(5+ yr attys)
800 @ \$50	\$40,000	(new admittees)
700 @ \$50	<u>\$35,000</u>	(4th yr attys)
	\$402,350	

Interest 7.5% \$47,262

Total Income \$449,612

TOTAL AVAILABLE FUNDS \$939,251

FY'92 ESTIMATED EXPENDITURES & PAYOUTS \$375,792

ESTIMATED BALANCE 6/30/92 \$563,459

FY'93

Balance Forward In 7/1/92 \$563,459

Income

Atty fees:

13794 @ \$25	\$344,850	(5+ yr attys)
800 @ \$50	\$40,000	(new admittees)
700 @ \$50	<u>\$35,000</u>	(4th yr attys)
	\$419,850	

Interest 7.5% \$54,123

Total Income \$473,973

TOTAL AVAILABLE FUNDS \$1,037,432

FY'93 ESTIMATED EXPENDITURES & PAYOUTS \$394,582

ESTIMATED BALANCE 6/30/93 \$642,850

5/8/90

ASSUMES \$25.00 FEE INCREASE EFFECTIVE 7/1/91

Minnesota Client Security Board  
FY'94  
Summary

Balance Forward In 7/1/93 \$642,850

Income

Atty fees:

14494 @ \$25 \$362,350 (5+ yr attys)  
800 @ \$50 \$40,000 (new admittees)  
700 @ \$50 \$35,000 (4th yr attys)  
\$437,350

Interest 7.5% \$61,458

Total Income

\$498,808

TOTAL AVAILABLE FUNDS

\$1,141,658

FY'94 ESTIMATED EXPENDITURES & PAYOUTS

\$414,311

ESTIMATED BALANCE 6/30/94

\$727,347

FY'95

Balance Forward In 7/1/94

\$727,347

Income

Atty fees:

15194 @ \$25 \$379,850 (5+ yr attys)  
800 @ \$50 \$40,000 (new admittees)  
700 @ \$50 \$35,000 (4th yr attys)  
\$454,850

Interest 7.5% \$69,224

Total Income

\$524,074

TOTAL AVAILABLE FUNDS

\$1,251,421

FY'95 ESTIMATED EXPENDITURES & PAYOUTS

\$435,026

ESTIMATED BALANCE 6/30/95

\$816,395

5/8/90

ASSUMES \$25.00 FEE INCREASE EFFECTIVE 7/1/91

Minnesota Client Security Board  
FY'96  
Summary

Balance Forward In 7/1/95 \$816,395

Income

Atty fees:

15894 @ \$25 \$397,350 (5+ yr attys)  
800 @ \$50 \$40,000 (new admittees)  
700 @ \$50 \$35,000 (4th yr attys)  
\$472,350

Interest 7.5% \$77,364

Total Income \$549,714

TOTAL AVAILABLE FUNDS \$1,366,109

FY'96 ESTIMATED EXPENDITURES & PAYOUTS \$456,778

ESTIMATED BALANCE 6/30/96 \$909,331

FY'97

Balance Forward In 7/1/96 \$909,331

Income

Atty fees:

16594 @ \$25 \$414,850 (5+ yr attys)  
800 @ \$50 \$40,000 (new admittees)  
700 @ \$50 \$35,000 (4th yr attys)  
\$489,850

Interest 7.5% \$85,814

Total Income \$575,664

TOTAL AVAILABLE FUNDS \$1,484,995

FY'97 ESTIMATED EXPENDITURES & PAYOUTS \$479,616

ESTIMATED BALANCE 6/30/97 \$1,005,379

5/7/90

**Minnesota Client Security Board  
Expenditure Projections  
FY'92, FY'93, FY'94, FY'95, FY'96 & FY'97**

	FY'92 Estimated Expend.	FY'93 Estimated Expend.	FY'94 Estimated Expend.	FY'95 Estimated Budget	FY'96 Estimated Budget	FY'97 Estimated Budget
<b>1. Payroll</b>	\$6,592	\$6,922	\$7,268	\$7,631	\$8,013	\$8,413
<b>2. Claim Payouts</b>	\$350,000	\$367,500	\$385,875	\$405,169	\$425,427	\$446,699
<b>3. Professional &amp; Technical Services</b>	<b>\$17,600</b>	<b>\$18,480</b>	<b>\$19,404</b>	<b>\$20,374</b>	<b>\$21,393</b>	<b>\$22,463</b>
LPRB	\$15,000	\$15,750	\$16,538	\$17,364	\$18,233	\$19,144
Sub/Lit	\$2,500	\$2,625	\$2,756	\$2,894	\$3,039	\$3,191
Hearings	\$100	\$105	\$110	\$116	\$122	\$128
<b>4. Purchased Services</b>	\$210	\$221	\$232	\$243	\$255	\$268
<b>5. Travel In-State</b>	\$550	\$578	\$606	\$637	\$669	\$702
<b>6. Travel Out-of-State</b>	\$630	\$662	\$695	\$729	\$766	\$804
<b>7. Supplies</b>	\$210	\$221	\$232	\$243	\$255	\$268
<b>Total</b>	<b>\$375,792</b>	<b>\$394,582</b>	<b>\$414,311</b>	<b>\$435,026</b>	<b>\$456,778</b>	<b>\$479,616</b>

MEMORANDUM

TO: Martin A. Cole  
Assistant Director

FROM: Patricia M. Jorgensen  
Legal Assistant *PMJ*

DATE: April 12, 1990

RE: Client Security Fund Survey of States Assessment.

Forty-two (42) states replied to the survey, including the District of Columbia. Three (3) states do not have an active Client Security Fund. (Kansas has a proposed Client Security Fund.)

Of the 39 remaining states:

18 states assess their attorneys annually or biennially.\* (California is considering increasing their assessment to \$50 and Nevada is considering increasing their \$5.00 assessment.)

8 states make an annual appropriation from their state's general revenues, the bar association dues or the attorney registration fees.

5 states rely on voluntary contributions or interest. (Georgia is considering an assessment.)

3 states have a staggered system of collecting funds based on number of years in practice.

3 states have an optional assessment.

2 states rely on other methods of funding. (Nebraska relies on original funding. North Dakota failed to state what method of funding they utilize.)

\*The average annual assessment is \$17.18 of those states who replied to the survey.

PMJ:tt

Client Security Fund Survey of States Assessments

<u>STATE</u>	<u>ASSESSMENT</u>	<u>AMOUNT</u>
Alabama	Staggered	\$25.00 for four years to max of \$100.00.
Alaska	Yes	\$10.00
Arizona	Yes	\$10.00
California	Yes	\$25.00, petitioning to increase to \$50.00.
Colorado	Voluntary	Voluntary bar association.
Connecticut	yes	\$50.00
Delaware	Yes	\$10.00
DC	Yes	\$5.00
Florida	Yes	\$7.20 per member. Rules set an annual \$15 actual contribution.
Georgia	Voluntary	Voluntary contributions and interest. Considering assessment if a voluntary check-off program on annual dues notices does not work.
Hawaii		
Idaho	Optional	Not to exceed \$10.00 per year to maintain fund.
Illinois		
Indiana	Yes	\$2.00
Iowa	Staggered	1st year attorneys not assessed; full-time active attorneys assessed \$50 annually until they reach the \$200 limit. Government or corporate attorneys pay \$25 annually until they reach the \$200 limit.
Kansas	No CSF	Proposed, \$50 if attorney 5 yrs or less \$100 if attorney for more than 5 years.
Kentucky	Interest	Income self-generated from interest.
Louisiana	Voluntary	Voluntary Contributions.
Maine	No CSF	Disband in 1982, assesment was \$10.00.
Maryland	Staggered	\$20 for more than 5 years; \$10 less than 5 years
Massachuetts	Appropriation	Appropriation from Attorney Registration fees.
Michigan	Voluntary	Voluntary program, initial appropriation was 5% of bar dues.
Mississippi	Appropriation	Annual appropriation of \$5000; amount to equal \$5.00 per member.
Missouri	Appropriation	Amount appropriated from bar dues about \$2.25 per attorney.
Montana	Yes, 2 annual	\$10.00 to fund & \$10.00 to bond.
Nebraska	No	Operating on original funds



Client Security Fund Survey of States Assessments

<u>STATE</u>	<u>ASSESSMENT</u>	<u>AMOUNT</u>
Nevada	Yes	\$5 annually. Considering increasing current assessment; have made special assessment because of low funds.
New Hampshire	Appropriation	Annual appropriation from Bar dues. No appropriation made in the last three years.
New Jersey	Yes	Active attorneys \$50 annually; active attorneys in their 3rd or 4th year \$25; those in their 1st or 2nd years or those admitted for 50 years or more are exempt.
New Mexico	No CSF	
New York	Yes, biennial	\$50.00
North Carolina	Optional, Waived 1987-89	1990 and 1991 \$15.00
North Dakota	No	Considering assessment. No other information given
Ohio	Appropriation	22% of the total atty registration fees.
Oklahoma	Appropriation	Funded by the Bar Assn general operating budget.
Oregon	Yes	\$25.00 separate from bar dues.
Pennsylvania	Yes	\$20.00
Rhode Island		
South Carolina	Yes	\$10.00 for all active members of the bar.
South Dakota	Yes	\$20 per attorney. Assessment is discontinued any time the fund exceeds \$100,000 and reimposed anytime the fund drops below \$80,000.
Tennessee	Yes	\$10.00; attys over 50 \$150; license after 1965 \$250.00
Texas	Appropriation	Annual appropriation from bar fund.
Utah		
Vermont	Optional assessment	Bar might vote to allocate money as needed or if there is a healthy budget.
Virginia		
Washington	Appropriation	Funds are budgeted for by the Washington State Bar Association.
West Virginia		
Wisconsin	Yes	\$5.00
Wyoming		

**MINNESOTA CLIENT SECURITY BOARD**

520 LAFAYETTE ROAD  
FIRST FLOOR  
ST. PAUL, MINNESOTA 55155-4196  
612-296-3952

June 6, 1990

C  
The Honorable A. M. Keith  
Associate Justice  
Supreme Court of Minnesota  
State Capitol  
St. Paul, MN 55155

Re: In Re Petition of the Minnesota Client Security Board  
for Amendment of Rules Relating to Registration of  
Attorneys.

Dear Justice Keith:

O  
I enclose copies of the petition in the above-entitled matter.  
Initial filings have been made with the clerk today.

Very truly yours,

William J. Wernz  
Director

P  
By \_\_\_\_\_  
Martin A. Cole  
Assistant Director

Y  
ma  
Enclosures  
cc: Clerk of Appellate Courts ✓