

Minnesota Client Security Fund



**Minnesota Client Security Board
1500 Landmark Towers
345 St. Peter Street
St. Paul, MN 55102-1218**

**(651) 296-3952
(Outstate) 1-800-657-3601
Fax: (651) 297-5801
www.mncourts.gov/csb**

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 maximum amount the Board may pay on a claim is \$150,000. 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.

How is a Claim Filed?

A claim form, the Client Security Board Rules, or other information may be obtained by logging onto the Client Security Board web site at: www.mncourts.gov/csb. For further information or assistance contact:

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The information contained in this brochure is meant to assist in submission of any written claim to the Client Security Board.

Prepared by the Minnesota
Client Security Board