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A Letter to the Editor published recently in the *American Bar Association Journal* was highly critical of client protection funds and the lack of protection they provide. The letter, entitled “*Security Funds Not Up To Snuff*”, was authored by “HALT – An Organization of Americans for Legal Reform”. I was unfamiliar with HALT, and my first reaction was a defensive one – why is this organization attacking client protection funds?

To move beyond my initial reaction, I had to make a determined effort not to focus upon HALT, but its message, which was based primarily upon the data published in the ABA’s latest *Law Client Protection Survey*. Halt’s letter argued that arbitrary fund limits and inadequate financing is only “lip service” to client protection. The letter offers inaccurate data to support HALT’s message.

With the help of several NCPO members, I prepared a response. In addition to correcting the inaccurate information, we acknowledged that no fund is perfect, and that there are some in need of real improvement. But that response has not put the issue at rest for me.

Those of us who are committed to providing support to funds and other programs aimed at protecting legal consumers from dishonest conduct in the practice of law must always be willing to address legitimate concerns raised about client protection. We must also continually look for ways to do what we do better. We must gather and review, no less than annually, the statistics on what we are doing. This form of self-evaluation is one way to ensure that our funds are not simply paying “lip service” to client protection.

In addition to self-evaluation, we must continue to exchange information among ourselves, other members of the legal profession, and others who share our commitment to client protection. NCPO’s workshops, newsletter, and training materials are aimed at helping us to better achieve this goal. We must also look for new ways of supporting funds and improving their protections. That is why it’s critically important that we react to letters like HALT’s, but not simply with another letter. We must react by finding ways to improve law client protection.

Planning for the Isaac Hecht Award

Isaac Hecht, Director Emeritus and Co-founder of the National Client Protection Organization, died in Baltimore, Maryland on January 23, 2003, at age 89. Isaac was a long-time Treasurer of the Maryland Lawyers’ Fund for Client Protection and, over an 18-year period, a member of the American Bar Association’s Standing Committee on Client Protection and its predecessor standing committees. Isaac was an expert and frequent lecturer at national professional conferences in matters involving professional responsibility, ethics and client protection funds. At his death, Isaac was an active partner in the Baltimore law firm of Hecht & Chapper.

Shortly after Isaac’s death, NCPO’s Board of Directors announced its intent to create the Isaac Hecht Law Client Protection Award to honor Isaac’s extraordinary contributions to the legal profession in the United States and Canada, and its programs to protect law clients from dishonest conduct in the practice of law. The Board of Directors also authorized NCPO’s Treasurer to establish a special bank account to fund the award with contributions from Isaac’s family, his friends and professional colleagues. Contributions thus far exceed \$5,400. More are welcome, and can be sent to A. Root Edmonson, c/o North Carolina Client Security Fund, P.O. Box 25908, Raleigh, NC 27611.

The Isaac Hecht Law Client Protection Award will be presented annually to an individual, client protection fund, or other professional association that has demonstrated excellence in the field of law client protection. “Excellence” includes significant achievements in promoting public confidence in the administration of justice and the integrity of the legal profession; the substantial reimbursement of law clients for eligible losses; the development of programs to pre-

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Nevada Supreme Court Justice Nancy A. Becker



On February 28, 2003, more than 40 client protection administrators, staff, and trustees, gathered in Las Vegas, Nevada for the fifth NCPO Training Workshop. The Nevada Client Protection Fund and the Nevada State Bar Association hosted the workshop, which was a great success. Georgia Taylor and her Nevada colleagues, as well as NCPO's planning committee, are to be commended for a job well done!



John Gleason, Howard Stern and Chuck Goldberg discuss the unique role of fund trustees.

Las Vegas Workshop

A Huge Success!

Janet Green Marbley

The Workshop was held at the Tuscany Suites Hotel in Las Vegas. A reception was held the night before the Workshop began, followed by dinner for the group on Las Vegas' legendary "Strip". The reception and dinner provided a wonderful opportunity to meet and greet one another while enjoying the wonders of Las Vegas.

The Workshop began with welcoming remarks by Justice Nancy A. Becker of the Nevada Supreme Court. The Workshop agenda included a presentation on 12 different areas of client protection, including how to interview claimants, dealing with the media, the role of trustees, loss prevention programs, and sanctions and restitution. The Workshop provided an excellent overview of the various topics, and provided an opportunity to discuss and exchange information.

NCPO was founded to be an educational resource for the exchange of information among client protection funds throughout the United States and Canada. The Las Vegas Workshop provided an excellent opportunity to do just that and more. Thanks again to Georgia Taylor, Fred Miller, and the other members of the planning committee, the Nevada State Bar, and to the Workshop participants.

► *Janet Green Marbley is NCPO's President, and the Administrator of the Ohio Supreme Court's Client Protection Fund.*



Coffee Break. John Holtaway and Chuck Goldberg



Welcome! Deborah Davis, Marj Perrin and Michelle Berkey of the Nevada State Bar



Root Edmonson discusses coping with abandoned law practices.

▼ continued from page 11 coverage. Stay tuned.

New Trustees in Maryland

Janet Moss, Administrator of Maryland's client protection fund reports three new Trustee appointments by the Maryland Court of Appeals: attorneys Patrick A. Roberson, Cecelia Ann Keller, and Leonard H. Shapiro. Barbara Ann Spicer, Vice-chair of the Board, has been elected Chair of the Board of Trustees to succeed Richard Reed.

Progress Continues in Colorado

Charles Goldberg, Chair of Colorado's law client protection fund, has co-authored with Alex C. Myers, a third-year student at the University of Denver College of Law, a comprehensive analysis of the Colorado fund's history, structure, procedures, and experiences. "The Colorado Attorneys' Fund for Client Protection" was published in the November 2003 issue of *The Colorado Lawyer*. The fund was established by the Colorado Supreme Court in 1998. Thus far it has reimbursed eligible victims \$235,141. The fund has a \$25,000 maximum limit on awards. E-mail Chuck Goldberg for a copy of the monograph: cgoldberg@rothgerber.com.

Last of the Wine

A New York City lawyer who bought a bungalow in Hawaii and a world-class wine collection while stealing from the accounts of disabled and mentally ill people he had been appointed to protect as legal guardian has been sentenced to serve a three to nine-year prison sentence. The lawyer was

disbarred after pleading guilty to stealing more than \$2.1 million from 17 incapacitated clients. Fortunately, state law requires guardianships to be insured, and all victim losses have been covered. Kress' wine collection, which was stored in New Jersey, was sold at auction for several hundred thousand dollars to repay victims and creditors.

Reimbursement Rises in Oregon

Sylvia E. Stevens, Assistant General Counsel of the Oregon State Bar, reports that the State Bar's law client protection fund paid \$98,664 in reimbursement in 2002. Claims pending at year's end totaled \$108,000. The maximum limit per loss in Oregon is \$25,000. The fund is financed by a \$5 annual assessment on Oregon's lawyers. The largest number of claims seek reimbursement of unearned legal fees, and the largest losses involve the theft of trust and estate assets.

L.A. Law

The National Law Journal reports that the District Attorney of Los Angeles has created a task force that has the exclusive assignment of prosecuting lawyers who have committed crimes, most often against their law clients. The three-year old unit has thus far won 16 convictions, and has eight cases pending. There are about two dozen open cases under investigation by the three assistant district attorneys who staff the special unit. The cases prosecuted include the theft by disbarred lawyer Leonard Samuels of a \$190,000 medical malpractice settlement that alleged a failure to diagnose his client's stomach cancer. The client died before Samuels' trial.

News from Nova Scotia

Victoria Rees reports that her fund has

been struggling with a multitude of unearned fee claims, as well as lawyers loaning, borrowing and brokering loans for and from clients. The fund considered a policy which would deny unearned fee/retainer claims, but opted for a new policy based on the ABA's Model Rules and others in U.S. and Canadian jurisdictions. Related amendments to the Nova Scotia Rules of Ethics and trust account regulations respecting loaning, borrowing and brokering of loans by lawyers is under consideration. There's also a new protection fund up there called the Land Registration Act Compensation Fund. Created by the Nova Scotia bar in partnership with the provincial government, the fund's purpose is to compensate losses arising from fraud and dishonesty under a new Land Registration Act system. Contact Victoria for further information: vrees@nsbs.org.

Full Reimbursement to Massachusetts Victims

Karen D. O'Toole, Assistant Board Counsel for the Massachusetts law client protection fund reports that the fund's 2000 Annual Report has been posted on the fund's handsome new website: www.state.ma.us/ClientsSecurityBoard/. The fund reimbursed \$1.1 million to 69 eligible law clients in 2002, fully reimbursing nearly every loss. The fund closed the year with 115 pending claims, alleging \$10.9 million in losses, another new record.

Reforms in Michigan

Victoria V. Kremski, Assistant Regulation Counsel for the State Bar of Michigan reports that the Supreme Court has approved a \$15 annual assessment on each lawyer to finance the law client protection fund. The Court has also appointed a special committee to review all aspects of the fund's structure and operations, including insurance and bonding for risks now covered by the fund..

Impaired Lawyers and Client Protection

The ABA's Standing Committee on Ethics and Professional Responsibility has issued Formal Opinion 03-429(6/11/03) which identifies the obligations of law partners and supervisors when a law firm colleague develops a mental impairment which threatens the firm's clients.


In Memoriam
Gilbert A. Webb, Esquire

The Client Protection Webb

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