
Virginia State Bar Informational Brochures

CLIENTS' PROTECTION FUND

We are here to help — Virginia lawyers care

What is the Clients' Protection Fund?

The Virginia State Bar established the Clients' Protection Fund to reimburse clients who suffer a quantifiable financial loss due to the dishonest conduct of a Virginia lawyer.

Why was the fund created?

To promote public confidence in the administration of justice and the honor and integrity of the legal profession by reimbursing all or part of losses sustained by clients of those to whom a fiduciary duty is owed as a result of a Virginia lawyer's dishonest conduct.

How is it funded?

The fund is supported by fees paid by Virginia lawyers.

Reimbursable losses must satisfy all elements of the following test:

1. The loss was caused by the dishonest conduct of the lawyer, not by negligence or malpractice.
 2. The loss arose from a lawyer-client relationship or a fiduciary relationship between the lawyer and the claimant.
 3. The claim is filed within seven years from when the petitioner knew or should have known about the loss.
 4. The amount of the loss can be documented.
 5. One of the following applies to the lawyer:
 - has been disbarred or suspended from the practice of law or transferred to another class of membership during a disciplinary proceeding; or
 - has voluntarily resigned from the practice of law in Virginia; or
 - has died; or
 - has been adjudicated incompetent; or
 - has discharged debts in bankruptcy; or
 - whose whereabouts are unknown to the claimant after reasonable efforts to locate the lawyer.
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Who investigates the claims and grants payments from the fund?

A fourteen-member board appointed by the Virginia State Bar Council operates the fund. Members of the board investigate each claim, and the board reviews the results of the investigation to ascertain if the claimed loss fits within its guidelines for reimbursement.

Is there a limit on how much a petitioner can receive?

Yes. Each petitioner may receive no more than \$75,000 for losses that occurred on or after July 1, 2015, or \$50,000 for losses that occurred before July 1, 2015.

How are claims filed?

If you believe your loss meets the requirements outlined, contact the Virginia State Bar Clients' Protection Fund at (804) 775-9426 to request information or find more information on its website, www.vsb.org/site/public/clients-protection-fund.

Public Information Brochures

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