The Client Protection Webb

A publication of the National Client Protection Organization

July 2026
Volume XXIV, Issue II

Indiana Considers "Sunsetting" Fund

Vote could make Indiana the only state without a fund

The Indiana State Bar Association's House of Delegates will consider a resolution which would shut down the state's Client's Financial Assistance Fund, in place since September 1961 - one of the first client security funds in the U.S. As of this writing, the resolution is the only item on the agenda for the annual meeting of the House of Delegates, scheduled for September 24, 2026 in Indianapolis.

The resolution is the result of a multi-year study of the Fund's ability to fulfill its mission to provide meaningful redress to victimized law clients. The study concluded that, if left unaltered, the organizational structure of Indiana's Fund would cause it "to ultimately die on its own." The Indiana Fund is the only U.S. client protection program to be wholly funded by a voluntary bar association. As such, it only covers the intentional dishonesty of members of the Indiana Bar Association. Each member's annual fee includes a $2 contribution to the Fund. The Fund's reserve has declined from $617,000 in 1997 to $350,000 in 2025.

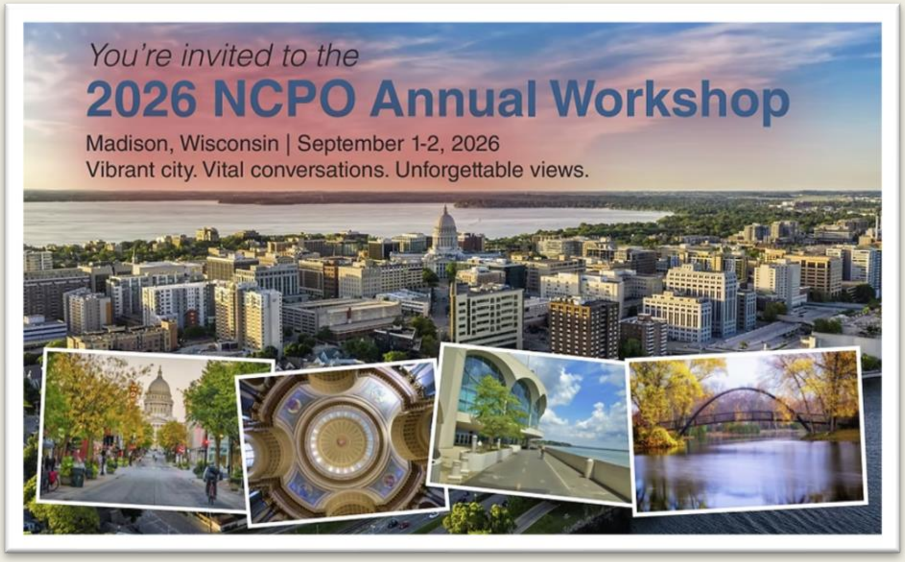
The report noted that the recommendation to shut down the Fund is opposed by the Fund's current trustees and not one to be taken lightly. The report also cites ABA Model Rules which categorize voluntary contributions as the "weakest" form of client protection program funding. According to the report, efforts by the Indiana Bar Association to develop alternate funding sources for the Client's Financial Assistance Fund – including with the Indiana Supreme Court – "left no viable path forward at this time."

NCPO has offered resources and assistance to those involved with Indiana's fund. This has included sharing the Standards for Evaluating Funds, the Model Rules, and the most recent client protection survey. We have also met with the Indiana Bar to discuss ways to strengthen the fund, the proposal to close it, and possible structures under which it could continue operating, including the possibility of the Indiana Supreme Court assuming responsibility for it. We have invited Indiana representatives to our workshops for several years and have offered to send NCPO representatives to meet with members of the Bar and/or Court in person.

If the resolution is approved, the remaining $350,000 in the fund would be dedicated to other programs that "promote public confidence in the integrity, trustworthiness and professionalism of Indiana attorneys." The full report can be found at:
https://cdn.ymaws.com/www.inbar.org/resource/resmgr/pdfs/pdfs2/The_Future_of_CFAF.pdf.
The Resolution to be considered by the Indiana Bar Association's House of Delegates is at
https://cdn.ymaws.com/www.inbar.org/resource/resmgr/bog/2026_april_17/cfaf_resolution.pdf

Madison Workshop Tackles AI, Shared Claims, Immigration, Gambling

Hotel Reservation Deadline is August 1st.



NCPO's annual workshop convenes in Madison, Wisconsin on September 1 & 2, 2026 with a full agenda of challenging issues to address. Visit [here](#) to register for the workshop. To reserve a room at the Monona Terrace's conference rate, visit [Monona Terrace](#) by August 1st. Workshop Assistance Grants are available to help defray the cost of attending. Don't let budget cuts or inflation stand in the way of the unmatched opportunity NCPO's workshop provides to learn, consult and collaborate with peers engaged in the very specialized client protection field --- our niche in the practice of law. Apply for a workshop assistance grant of up to $1,000 at https://www.ncpo.org/_files/ugd/289ac3_1bf9306431e24f179b5601a5c1bcd0ee.pdf

Panels will address how artificial intelligence can be used by funds, the impact of compulsive gambling and other addictive behaviors on the practice of law, together with loss prevention measures available to funds, and the prevalence of claims arising from immigration cases. Also on the docket are discussions of current ethics issues arising in pending claims. The traditional "Town Hall" and "Hot Topics" sessions will invite each attending jurisdiction to share issues they would like to have the group address. Another panel will examine fund organization in mandatory and voluntary bar jurisdictions within the context of the ongoing deliberations in Indiana about whether to "sunset" the Indiana Client's Financial Assistance Fund.

NCPO will also name the Isaac Hecht Award recipient during dinner on September 1st. The annual award recognizes individuals and professional organizations that have demonstrated "excellence in the field of law client protection." "Excellence" includes significant achievements in promoting public confidence in the integrity of the legal profession; the substantial reimbursement of law clients for eligible losses caused by a lawyer's dishonest conduct; the development of programs to prevent or detect professional misconduct in the practice of law; and meaningful public information programs for attorneys and legal consumers.

This year's Wisconsin workshop is NCPO's 20th annual gathering of funds from across the U.S. and Canada. NCPO's annual meeting will be the first event on September 1st – All are invited to attend and share how NCPO can support their fund. The complete workshop agenda can be found at the end of this newsletter.

TAKE THE AI SURVEY

All NCPO members are asked to visit https://forms.cloud.microsoft/r/HDikLY41hS and complete the 5 minute survey about the use of artificial intelligence at their fund. Responses will be discussed during the Workshop's AI panel. The panel's goal is to present demonstrations of specific AI applications which can be used to support the work of client protection funds.

Thousands stranded by collapse of immigration firm

The self-proclaimed "Lawyer of Miracles"

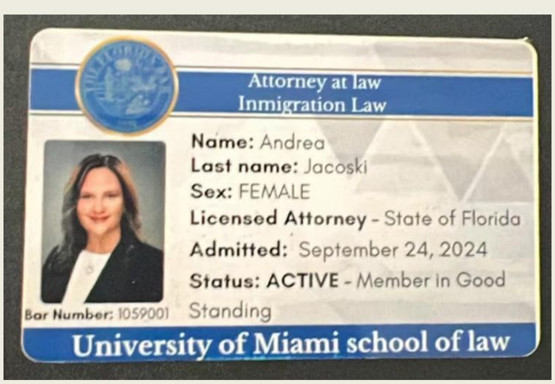
She called herself the "Lawyer of Miracles" and lived a lavish lifestyle which included a private jet with "Abogado" emblazoned on its sides. Alexandra Lozano Kennedy's Seattle firm employed hundreds in the U.S. and abroad. When she resigned from the Washington State bar in May 2026, she had 53,923 cases pending with U.S. Citizenship and Immigration Services.

Lozano Kennedy's practice began to unravel when nine clients filed a lawsuit alleging that she had charged exorbitant fees and filed immigration petitions which she knew had no chance of success. The Washington State Bar alleges Lozano Kennedy's office submitted fraudulent or inadequate applications for green cards and other immigration benefits, leaving clients vulnerable to deportation proceedings. Because Lozano Kennedy used her office address on the filings, clients might not receive notice of developments in their cases, or realize that they were about to be deported.

With less than two months passed since Lozano Kennedy's resignation, it is too soon to tell whether her clients will become client protection claimants. Thousands of Lozano Kennedy's now former clients are seeking help from other immigration attorneys, but the case is just one example of shams impacting immigration practice – and potentially creating claims for client protection funds. Investigators are concerned that vulnerable former Lozano Kennedy clients may be targets for scammers impersonating immigration lawyers or purporting to be affiliated with nonprofit agencies, but still asking for money.

In Doral, Florida, for example, immigration attorney Angel Leal, Jr. had a successful, respected practice until he himself became the victim of identity theft. Mr. Leal's image and voice were cloned using artificial intelligence in order to defraud desperate Hispanic immigrants in his community. The scam utilized fake contracts bearing his firm's logo, forged signatures, fake websites that looked like Leal's actual site and even fabricated hearings at which clients thought they had actually been granted residency or citizenship.

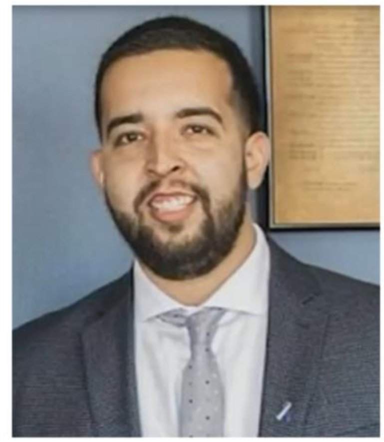
In May, the FBI in Chicago issued a public warning about scammers' impersonating lawyers and immigration officials across the country. According to the Transactional Records Access Clearinghouse (TRAC) at Syracuse University, the immigration court system had 3,318,099 active cases pending at the end of February, 70% of which — more than 2.3 million — correspond to asylum-seekers awaiting hearings. As of March, only 32.8% of immigrants had lawyers when deportation orders were issued, according to TRAC data. The Federal Trade Commission reported that last year, more than 1 million identity theft scams were reported in the U.S., with losses exceeding $3.5 billion. It's an increase of nearly 20% compared with the $2.95 billion reported in 2024.



An example of a fake attorney ID card

Is your fund receiving more immigration-related claims? Let us know about them. Email Mike McCormick at mccormicknj@aol.com

Compulsive Gambler Victimizes California Law Clients



Sergio Valdovinos Ramirez

An attorney accused of stealing more than $300,000 from his clients to "fuel a gambling habit," then faking a terminal cancer diagnosis to delay disciplinary action, has pleaded guilty, according to California officials. Sergio Valdovinos Ramirez, 36, of Manhattan Beach, California, pleaded guilty to three felony counts of grand theft by embezzlement and one felony count of insufficient checking funds. Ramirez will owe more than $200,000 in restitution to five clients. He was disbarred by the State Bar of California in October 2024.

During disciplinary proceedings, Ramirez repeatedly sought adjournments because he said he was undergoing treatment for cancer. Ethics investigators, however, attempted to visit Ramirez in the hospital and were told he had never been a patient and that his treating physician was not a real person.

"The defendant duped and deceived his clients of funds that were earmarked for them only to blow hundreds of thousands of dollars of these funds gambling," Los Angeles County District Attorney Nathan J. Hochman said. Ramirez also used client money for personal expenses, including Lyft rides, utility payments, and trips to restaurants and gas stations.

In two matters, Valdovinos Ramirez told clients he had reached settlements in their cases despite never filing lawsuits, officials said. "Valdovinos Ramirez also wrote checks to his clients that bounced because there was very little to no money in his bank account," according to the district attorney's office. With one client, Valdovinos Ramirez received nearly $74,000 in advance fees for a conservatorship case, officials said. He withdrew the money from the trust account or transferred it to his own bank account and used some of it to purchase thousands of dollars' worth of casino chips.

The client checked her case's status at the courthouse and learned that Valdovinos Ramirez had done no work on the case. She requested Valdovinos Ramirez to refund her, according to the court. "She made this request several times, but he did not return the money and informed her that he had cancer," officials said.

2026 NCPO Membership Drive Continues

If you haven't yet renewed your membership for 2026 – or if you're a client protection professional who is not yet a member - please join us! Membership brings access to support, expertise and guidance from fund administrators, attorneys and trustees with hundreds of years of combined experience. NCPO members are there for each other and ready to help with on-site and remote consultations. NCPO experts can speak with members of your court, bar and legal community and provide support for initiatives to make your fund more effective and responsive to the need in your jurisdiction. Grants are also available for member initiatives to strengthen their fund programs as well as to attend NCPO's annual workshop.

Renew online at https://www.ncpo.org/membership. It's just $25 for individuals and $200 for and organizational member covering all of your fund's staff and trustees. New members are always welcome – and get the first year of membership free! Questions? Contact NCPO's membership chair, Sarah Watson, at swatson@wisbar.org

New York Fund Recovers $375,000

Daphna Zekaria was retained by a lottery winner to help her manage her new financial status. Zekaria pled guilty, however, to stealing from her unlucky clients, whose claims were paid by the New York Lawyers' Fund for Client Protection. Zekaria has now repaid $375,000 to the New York Fund.

Daphna Zekaria

In June 2026, Zekaria was sentenced to six months in jail for stealing nearly $400,000 from her clients and using the money for personal and business expenses.

Records show that Zekaria, a partner at Sokolski and Zekaria, was retained to represent a woman in her divorce and, later, for the sale of her marital home. Between Dec. 29, 2021, and March 4, 2022, Zekaria received approximately $150,000, which were the proceeds of the sale of her client's home, officials said. Zekaria was to hold the funds in her escrow account to be dispersed when the client's divorce was finalized. Instead, she used the funds for personal and business expenses, according to authorities.

In December 2021, a New York State Lottery winner retained Zekaria to hold a portion of his winnings in the firm's escrow account and invest another portion on his behalf, officials said. Instead, Zekaria transferred large sums to other individuals using money from the client's account — transactions she would not have been able to make without the client's funds on deposit, officials said. In all, Zekaria took $230,000 from the victim through three separate transactions.

And in March 2023, a Manhattan woman retained Zekaria to represent her in contesting eviction proceedings. Zekaria took $17,500 from the victim to represent her but performed no legal work on her behalf, officials said. By the time the client requested a refund of the fee, Zekaria had already spent the money to make utility payments and satisfy credit card bills.

New York Fund Awarded Unclaimed Trust Monies

A judge approved defunct law firm Stroock & Stroock & Lavan's plan to pass along nearly $500,000 in unclaimed client funds to the New York Lawyers' Fund for Client Protection as part of an effort to wind down operations. The Supreme Court of New York granted the firm's motion after its attorney said that, if the court did not act quickly, the remaining partners would suffer "significant negative impacts." The 150 year old firm had dissolved in October 2023 after merger talks failed and many partners left the firm.

New York's rules of professional conduct require attorneys to send unclaimed trust money to the New York Fund. The Stroock case is one example where the funds belong to "clients, third parties, accounts, entities, and/or other beneficiaries" and have been unclaimed after the firm's attempt to return them, said Bruce Schneider, the firm's general counsel and a member of the wind-down committee, in a petition to the court.

The court's order did not address the firm's request to also deposit $256,678.81 in unused client retainers in the Supreme Court of New York. The firm has already returned to clients an estimated $2.2 million. The case is In the Matter of the Petition of Stroock & Stroock & Lavan LLP, N.Y. Sup. Ct., 161143/2025, 1/7/26

International Bar Association Creates AI Institute

The International Bar Association has announced the launch of the IBA Artificial Intelligence Institute – a new initiative dedicated to influencing and promoting the development of responsible artificial intelligence (AI) governance through international cooperation and interdisciplinary expertise in alignment with the rule of law and fundamental principles of justice. Dr Farzana Dudhwala will serve as the first Director of the Institute.

The Institute will leverage the IBA's global network of more than 80,000 lawyers and 190 bar associations and law societies spanning all continents to help address the legal, societal, economic and democratic challenges presented by rapidly advancing AI technologies.

The Institute will focus on promoting interdisciplinary collaboration, recognizing that the challenges and opportunities presented by AI extend far beyond the legal profession. It will actively engage with diverse stakeholders including technologists, international organizations, governments, policymakers, civil society, research institutions and industry leaders.

The Institute will also seek to contribute legal expertise and perspectives to existing international and multi-stakeholder AI forums and initiatives, helping to inform the development of practical, human-instituted, human-centered and globally inclusive AI governance frameworks.

As governments and institutions worldwide grapple with questions surrounding frontier AI systems, algorithmic accountability, access to justice, democratic resilience, privacy, intellectual property, labor transformation and cross-border regulatory coordination, the IBA AI Institute aims to become a leading international forum for practical and principled engagement on AI governance.

Ohio Fund Awards More than $400,000 at June Meeting

The Board of Commissioners of the Ohio Lawyers' Fund for Client Protection reimbursed $408,112.67 to 22 victims of attorney theft at its June meeting. Five former or suspended Ohio attorneys were found to have misappropriated client funds. Since its inception, the LFCP has awarded more than $26 million to consumers.

Paid claims arose from unearned retainers as well as the theft of settlement and estate proceeds. Seven past clients of former attorney Javier H. Armengau were awarded $56,020 as a result of his failure to refund unearned fees. He was disbarred on April 8, 2026. Eleven former clients of Ebonie Michelle Martin received a total of $303,038.75 as a result of her misappropriation of client settlement funds. She resigned from the practice of law in Ohio, with discipline pending, on Jan. 13, 2026. Two former clients of Gregory Port were paid a total of $43,553.92 as a result of his misappropriation of estate funds and his failure to refund unearned fees. He was disbarred on Nov. 27, 2024.

Board determinations become final 30 days after the determination unless a party requests reconsideration. If reconsideration is granted, the claim will be reviewed by the board at its next scheduled meeting.
The Fund was created in 1985 by the Supreme Court of Ohio to reimburse victims of attorney theft, embezzlement, or misappropriation. The LFCP is not taxpayer-funded but is funded by registration fees paid by every Ohio attorney. Ohio has over 45,000 attorneys engaged in the active practice of law. Less than 1% of those attorneys are involved in claims reimbursed by the LFCP.

British Fund Tackles £40m Fraud

The United Kingdom's Solicitors Regulation Authority (SRA) – the client protection fund of the UK bar – is investigating "a sophisticated suspected fraud", involving the improper removal and misuse of £39.5m of client funds. So far, former clients of a firm known as "PM Law" have claims pending against the SRA valued at £16m.

One of the offices of the defunct PM Law firm

The PM Law case is the largest and most complex case ever undertaken by the fund, involving 11 companies, 25 offices and more than 30 trading names spread across Yorkshire, Cumbria, Berkshire, Derbyshire and London.

PM Law suddenly closed its doors in February when the SRA confirmed that it had uncovered a "potential fraud" but could not at that stage say how large it was.

Solicitors Regulation Authority

By June, however, the SRA had paid 92 claims, totaling £9.3m, to former clients from the SRA Compensation Fund – up from £3.7m in March – with "hundreds" of further claims expected valued at up to £12.2m. The SRA has moved extra staff into the compensation fund team to help deal with the deluge of claims.

The SRA has also paid out £6.8m from money held in PM Law's client accounts at the time it intervened. The SRA fund has sent 25,000 emails or letters to people identified from seized files as having live matters. It has also handled 17,000 enquiries, and returned 9,300 live files to clients, with a further 20,000 transferred in bulk to insurer clients.

The SRA said staff were working "round the clock, including on weekends, to handle client queries". Paul Hastings, the SRA's director of client protection, said: "We are continuing to do all we can to support former clients of PM Law, including by reuniting them with their money or files."

Law Society chief executive Ian Jeffery praised the SRA for moving "quickly" in its investigation and acting "with openness and transparency". He continued: "The compensation fund provides crucial protection and reassurance to consumers. It is unfortunate the SRA has had to use the fund in this case and we hope any increase to the fund will be kept to a minimum."

EDITOR'S NOTE: *On July 17, 2026 the SRA proposed a new funding plan for the fund which would shift more of the fees paid to support the fund to individual attorneys. The plan is expected to increase the Fund's revenues by 29%. Sarah Rapson, SRA CEO, said "Stakeholders understood the need for change and investment, and there was particularly strong support for the work we outlined to protect consumers and uphold trust in legal services and the profession more generally."*

Be there for the 20th Annual Workshop --

We hope to see you in Madison, Wisconsin for this year's NCPO Workshop. The agenda follows – be sure to bring your issues to the group as well!

Monday August 31, 2026 - 5 p.m. to 7 p.m. *Dine Arounds*
Meet up with the WLFCP Staff and Board Members at various restaurants in downtown Madison

Tuesday September 1, 2026
10:45 a.m. to 11:45 a.m. NCPO Board Meeting
12:00 p.m. to 12:15 p.m. Welcome and Remarks - Justice Susan Crawford, Wisconsin Supreme Court
12:15 p.m. to 1:45 p.m. Town Hall – Lindsey Draper, (WI)

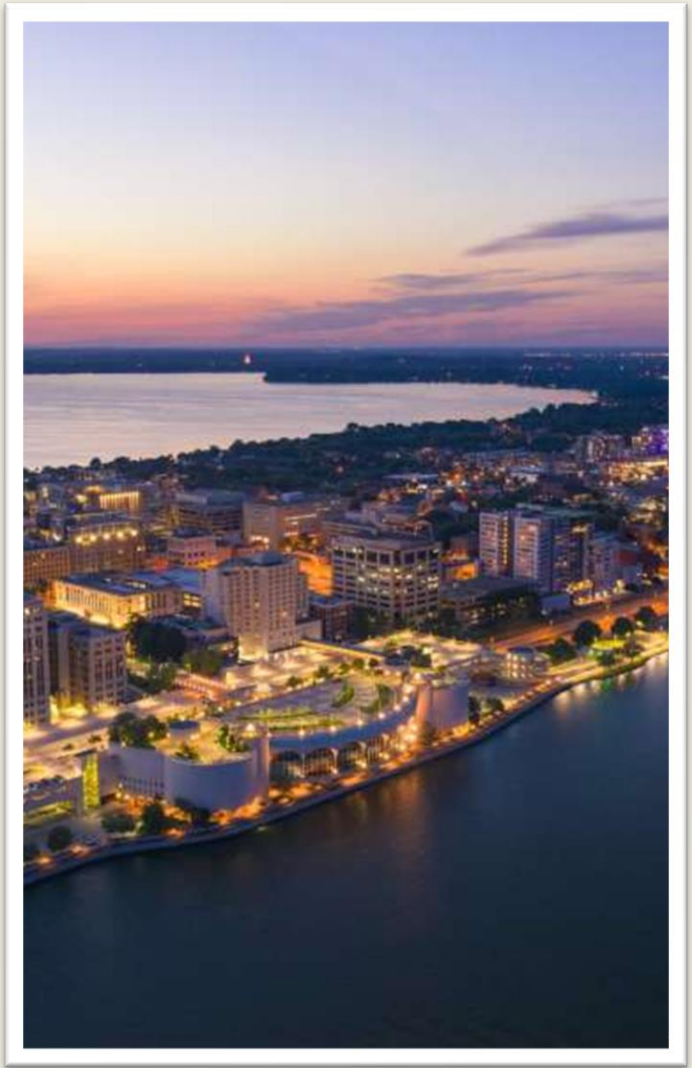
1:45 p.m. to 2:45 p.m. Second Session – Mandatory Bars vs. Voluntary Bars
Mike McCormick (NJ), Ken Bossong (NJ), Janet Marbley, Director, Lawyers' Fund for Client Protection Supreme Court of Ohio
2:45 p.m. to 3:00 p.m. Break
3:00 p.m. to 4:00 p.m. Third Session – Ethics
Stacie Rosenzweig, Shareholder, Halling & Cayo S.C.
Emily Kokie, Investigation Manager, Wisconsin Office of Lawyer Regulation
Myrrha Guzman, Senior Counsel, Illinois Attorney Registration and Disciplinary Commission
4:00 p.m. to 4:15 p.m. Wrap up Gabe Huertas, NCPO President
5:00 p.m. to 6:00 p.m. Reception
6:00 p.m. to 8 p.m. Isaac Hecht Award Dinner

Wednesday September 2, 2026
8:00 a.m. to 9:00 a.m. Breakfast
9:00 a.m. to 9:15 a.m. Welcome and Remarks
Jill Rothstein, State Bar of Wisconsin Executive Director
9:15 a.m. to 10:45 a.m. Hot Topics Lindsey Draper (WI)
10:45 a.m. to 11:45 a.m. AI & Your Fund
Gabe Huertas (NY), Trinity Braun-Arana (IA) and Tré Critelli" (IA)
11:45 a.m. to 12:00 p.m. Midday Remarks – NCPO Gabe Huertas, NCPO President
12:00 p.m. to 1:15 p.m. Lunch – On our own

Continued on next page

Wednesday, September 2, 2026 (*cont.*)

1:15 p.m. to 2:15 p.m. Multi-Jurisdictional Lawyers: Sharing Responsibility Among Funds and Maximizing Recovery for Victims
Kathy Morgan, Executive Director and Counsel for the Pennsylvania Lawyers' Fund for Client Security
Alicia Williams, Director and Counsel for the New Jersey Lawyers' Fund for Client Protection



2:15 p.m. to 3:15 p.m. Immigration
Ben Kurten (WI), Linda Bauer (MA)

3:15 p.m. to 3:30 p.m. Break

3:30 p.m. to 4:30 p.m. Gambling & Compulsive Disorders' Impact on Funds
Luis Del Orbe, Executive Director, NJ Council on Compulsive Gambling, Emily Kokie, Investigation Manager, Wisconsin Office of Lawyer Regulation and Cara Lamusga, WisLAP Program Coordinator, State Bar of Wisconsin

4:30 p.m. to 4:45 p.m. Wrap up, Closing Remarks, Raffle Gabe Huertas, NCPO President

NCPO
National Client Protection Organization, Inc.

★ *The Client Protection Webb is published in memory of Gilbert A. Webb, Esq., who served as Assistant Client Protection Counsel for the American Bar Association's Center for Professional Responsibility. Mr. Webb was dedicated to protecting the welfare of clients victimized by their attorneys and served as an editor of the ABA's first client protection newsletter. Submissions to the Webb are always welcome. Please send them to the editor, Mike McCormick at* mccormicknj@aol.com