

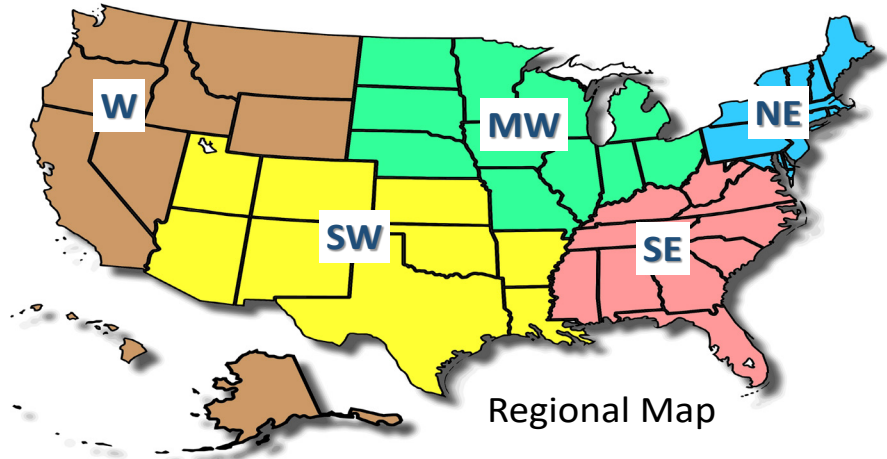
## Client Protection by the Numbers - Making a Difference - by Michael J. Knight, Sr.<sup>1</sup>

Client Protection Funds are often referred to as the “best kept secret” of the legal profession. This characterization is puzzling given that these lawyer-financed programs provide meaningful reimbursement to victims of dishonest lawyers and reflect the noble commitment of the overwhelming majority of honest lawyers to restore the public’s faith and promote confidence in the legal profession. In fact, the legal profession is the only profession that offers such protection to its clients.

Every state has a client protection fund with a shared goal: to protect legal consumers from dishonest conduct in the practice of law. These efforts go well beyond payment of reimbursement claims to restore money or property misappropriated or misapplied in the practice of law. They also include development and implementation of legislation, court rules, and other programs to improve the profession and increase safeguards for law clients.

The American Bar Association’s Standing Committee on Public Protection in the Provision of Legal Services<sup>2</sup> has, for decades, promoted and supported the creation and improvement of states’ client protection fund programs. The Standing Committee, through the ABA Center For Professional Responsibility, conducts a Survey of Lawyers’ Funds for Client Protection. Triennially, sixty (60) questionnaires are distributed to 50 States plus the District of Columbia as well as nine (9) Canadian Provinces. Since 2011, the National Client Protection Organization<sup>3</sup> has proudly assisted in underwriting the cost of conducting the survey.

This article provides a brief analysis of these surveys from 1980 through 2016.<sup>4</sup> These results are also sorted by Region - Northeast (NE), Southeast (SE), Southwest (SW), Midwest (MW) and West (W), and Attorney Population<sup>5</sup> - large states with an attorney population of more than 40,000 registered attorneys; medium states with an attorney population of 15,000 to 40,000 and small states with an attorney population less than 15,000.



1 Mr. Knight is the Executive Director and Counsel for the New York State Lawyers’ Fund for Client Protection. He is also past Counsel and President of the National Client Protection Organization, Inc.

2 Formerly the Standing Committee on Lawyers’ Responsibility for Client Protection (1996), and then the Standing Committee on Client Protection (2017).

3 The National Client Protection Organization, Inc. (NCPO) is a not-for-profit membership corporation organized in May 1998. NCPO is foremost an educational resource for the exchange of information among law client protection funds throughout the United States and Canada. NCPO’s purposes include providing help and support to protection funds and programs to protect legal consumers from dishonest conduct in the practice of law.

4 Results, of course, only include responding states. Source(s): Client Security Fund Statistical Surveys (1980-1989), Client Protection Fund Survey (1990-1993), Survey of Lawyers’ Funds for Client Protection (1994-2016).

5 See attached state tables by region and attorney population.

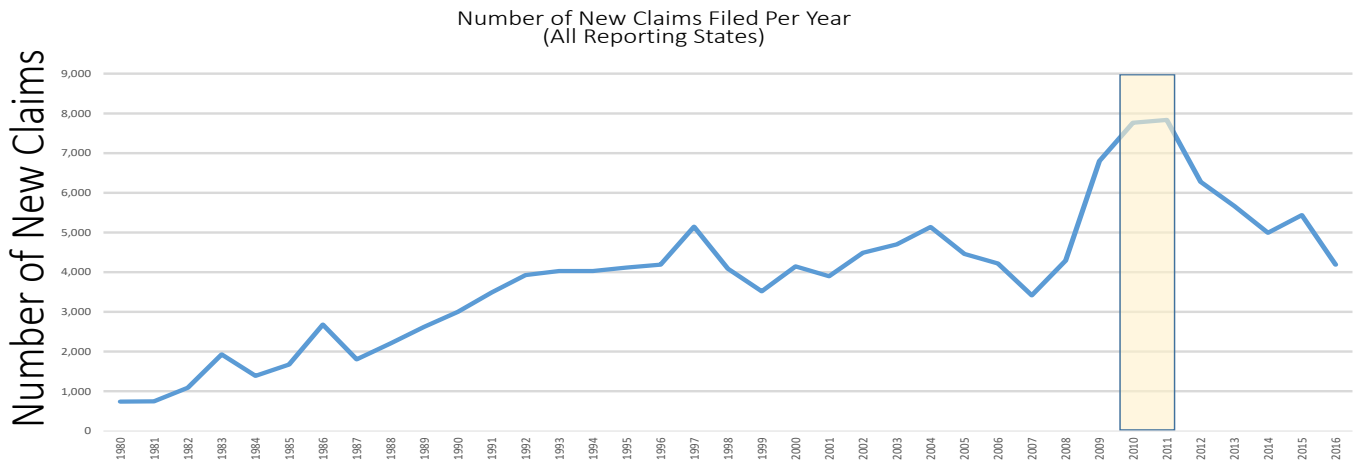
## Number of Claims Filed

In 37 years, more than 144,000 client protection reimbursement claims have been filed in the United States. This averages to nearly 3,900 claims annually. On average, each state received about 78 new claims per year. Regionally, Western states recorded the most claims filed - 50,520 (35%), followed by Northeastern States with 42,405 (29%).

As expected, states with the largest attorney populations account for 109,862 or 76% of all claims filed since 1980. Since 1980, new claim filings have steadily increased, spiking nationally in 2011. The ebb and flow of claim filings appears to be related to national economic trends.

Number of New Claims Filed				
<b>Total Number of New Claims Filed</b>	<b>144,146</b>			
<b>Average Annual Filed Nationwide</b>	<b>3,896</b>			
<b>Average Filed by States Per Year</b>	<b>78</b>			
By Region	Total	Percent	Average	Percent
<b>NE (11 States + D.C.)</b>	42,405	29%	1,146	29%
<b>SE (10 States)</b>	19,226	13%	520	13%
<b>SW (9 States)</b>	11,823	8%	320	8%
<b>MW (11 States)</b>	20,172	14%	545	14%
<b>W (9 States)</b>	50,520	35%	1,365	35%
	<b>144,146</b>	<b>100%</b>	<b>3,896</b>	<b>100%</b>
By Attorney Population	Total	Percent	Average	Percent
<b>Small (22 States)</b>	7,354	5%	9	3%
<b>Medium (18 States)</b>	26,930	19%	40	12%
<b>Large (10 States + D.C.)</b>	109,862	76%	275	85%
	<b>144,146</b>	<b>100%</b>	<b>324</b>	<b>100%</b>

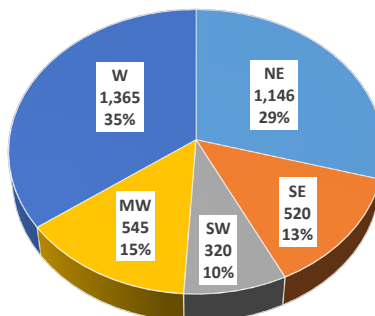
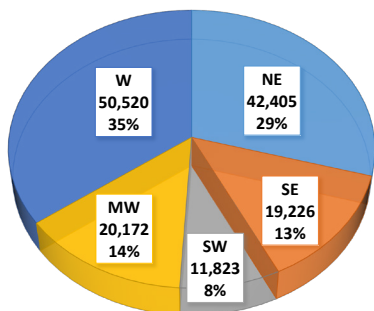
## Number of New Claims Filed, 1980-2016 Total Number of Claims: 144,146



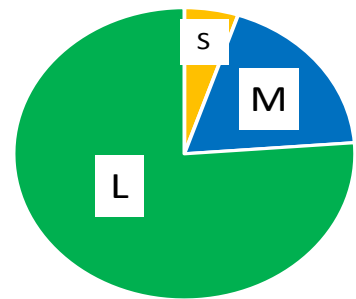
## Number of New Claims Filed, 1980-2016 Total Number of Claims: 144,146

Number of Claims: 144,146

Average Annual Claims Filed: 779



By Attorney Population  
Number Filed

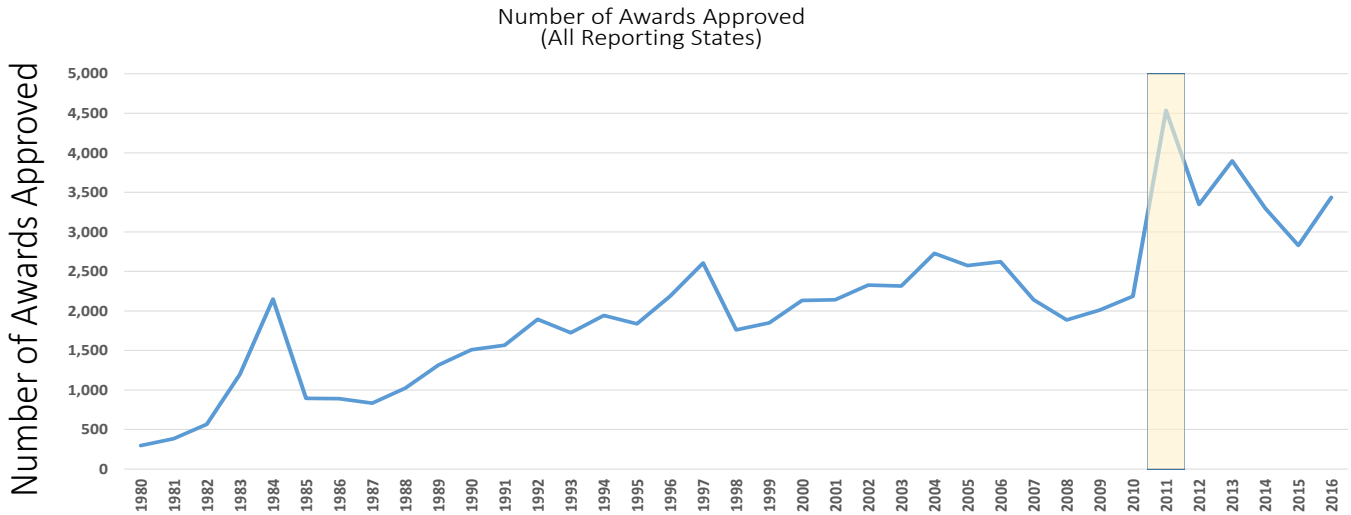


## Number of Awards Approved

In 37 years, nearly 75,000 claims for reimbursement have been approved in the United States. This averages to more than 2,000 awards approved annually. On average, each state approved 40 claims per year. Regionally, Western states reported the largest number of reimbursement awards - 25,824 (35%), followed closely by Northeastern States with 21,823 (29%). Again, as expected, states with the largest attorney populations account for 55,212 or 74% of all awards approved since 1980. As in claims filed, 2011 is the largest re-reported year for approved claims.

Number of Awards Approved				
<b>Total Number of Awards Approved</b>	<b>74,827</b>			
<b>Average Annual Number Approved</b>	<b>2,022</b>			
<b>Average # Approved by States Per Year</b>	<b>40</b>			
By Region				
	Total	Percent	Average	Percent
<b>NE (11 States + D.C.)</b>	21,823	29%	590	29%
<b>SE (10 States)</b>	9,230	12%	249	12%
<b>SW (9 States)</b>	7,777	10%	210	10%
<b>MW (11 States)</b>	10,173	14%	275	14%
<b>W (9 States)</b>	25,824	35%	698	35%
	<b>74,827</b>	<b>100%</b>	<b>2,022</b>	<b>100%</b>
By Attorney Population				
	Total	Percent	Average	Percent
<b>Small (22 States)</b>	4,275	6%	5	3%
<b>Medium (18 States)</b>	15,340	21%	23	14%
<b>Large (10 States + D.C.)</b>	55,212	74%	136	83%
	<b>74,827</b>	<b>100%</b>	<b>164</b>	<b>100%</b>

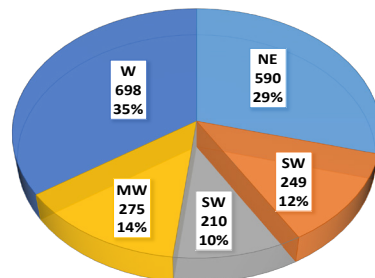
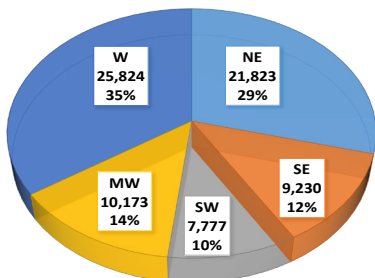
## Number of Awards Approved, 1980-2016 Total Number of Awards: 74,827



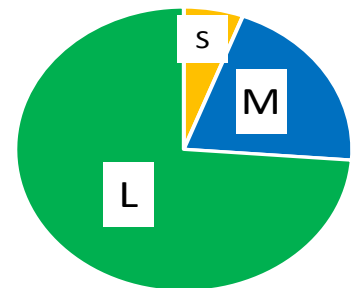
## Number of Awards Approved, 1980-2016 Total Number of Awards: 74,827

Number of Awards: 74,827

Average # Annual Awards: 2,022



## By Attorney Population Number Approved



Average # Annual Awards Per State: 40

## Amount of Awards Approved

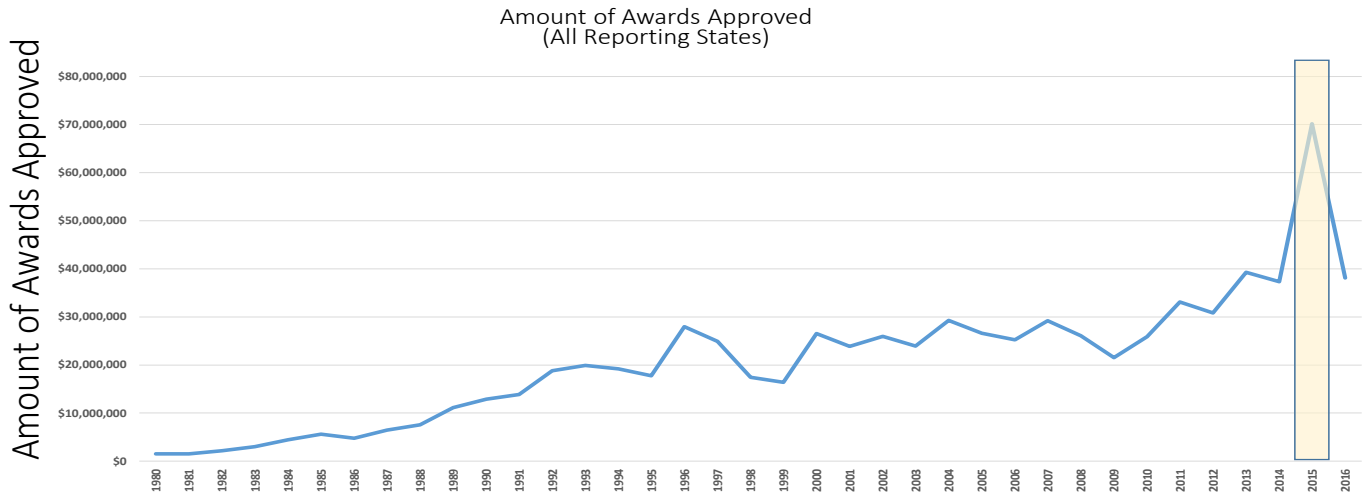
Perhaps the most remarkable statistic is that since 1980, client protection funds have reimbursed more than **\$770 million** to eligible law clients in the United States. This averages to over \$20 million a year. The per-state average reimbursement calculates to just over \$400,000 a year.

Regionally, the Northeastern States have paid out over \$457 million in awards (59%). Western states have paid out \$152 million (20%). Large states are credited with \$612 million in awards, or 80% of all awards paid. 2015 was the largest year for Fund payouts, nearly \$70 million was restored to law clients nationwide.

Amount of Awards Approved					
Total Amount of Awards Approved		\$770,159,954			
Average Annual Amount Approved		\$20,815,134			
Average Approved by States Per Year		\$416,303			
By Region		Total	Percent	Average	Percent
NE (11 States + D.C.)		\$457,159,296	59%	\$12,355,657	56%
SE (10 States)		\$58,237,035	8%	\$1,573,974	7%
SW (9 States)		\$33,658,786	4%	\$909,697	4%
MW (11 States)		\$68,607,162	9%	\$3,267,008	15%
W (9 States)		\$152,497,675	20%	\$4,121,559	19%
		\$770,159,954	100%	\$22,227,895	100%
By Attorney Population		Total	Percent	Average	Percent
Small (22 States)		\$20,624,593	3%	\$23,337	1%
Medium (18 States)		\$137,237,984	18%	\$206,063	12%
Large (10 States + D.C.)		\$612,297,377	80%	\$1,504,416	87%
		\$770,159,954	100%	\$1,733,816	100%

## Amount of Awards Approved, 1980-2016

### Total Amount of Awards: \$770 Million



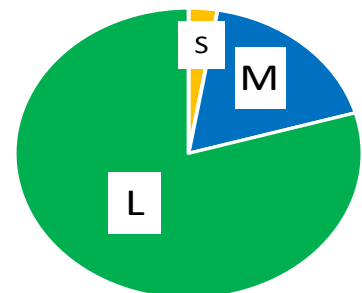
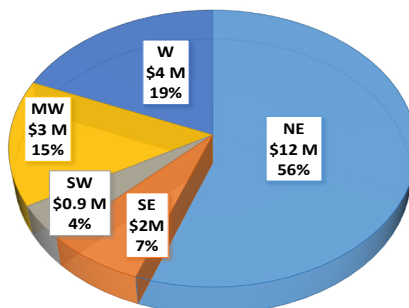
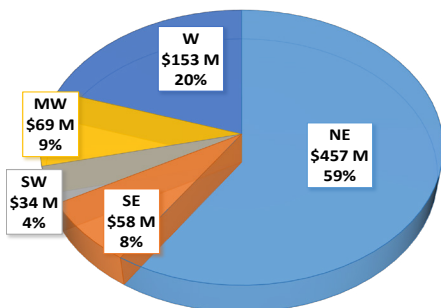
## Amount of Awards Approved, 1980-2016

### Total Amount of Awards: \$770,159,954

Amount of Awards: \$770 M

Average Amount of Awards: \$57 M

By Attorney Population  
Amount Paid



## Conclusion

Instances of attorney dishonesty resulting in a financial loss to a client are extremely rare. However, it's important to recognize the (mostly unsung) and vital contributions made by Client Protection Funds in addressing these 'debts of honor' on behalf of the legal profession. These efforts....YOUR efforts, make a difference.

All client protection programs have room for improvement. These survey results reflect the ongoing commitment of our nations' Lawyers' Funds for Client Protection to address the need and restore faith in the legal profession and the administration of justice. This commitment is shared by the National Client Protection Organization and the ABA Standing Committee on Public Protection in the Provision of Legal Services.

In New York we have a saying that the Lawyers' Fund exists because of good lawyers. You should share the same sense of pride in your Lawyers' Fund.

### State Table - By Region

Regional Key			
NE	Connecticut	MW	Illinois
NE	D.C.	MW	Indiana
NE	Delaware	MW	Iowa
NE	Maine	MW	Michigan
NE	Maryland	MW	Minnesota
NE	Massachusetts	MW	Missouri
NE	New Hampshire	MW	Nebraska
NE	New Jersey	MW	North Dakota
NE	New York	MW	Ohio
NE	Pennsylvania	MW	South Dakota
NE	Rhode Island	MW	Wisconsin
NE	Vermont		
SE	Alabama	W	Alaska
SE	Florida	W	California
SE	Georgia	W	Hawaii
SE	Kentucky	W	Idaho
SE	Mississippi	W	Montana
SE	North Carolina	W	Nevada
SE	South Carolina	W	Oregon
SE	Tennessee	W	Washington
SE	Virginia	W	Wyoming
SE	West Virginia		
SW	Arizona		
SW	Arkansas		
SW	Colorado		
SW	Kansas		
SW	Louisiana		
SW	New Mexico		
SW	Oklahoma		
SW	Texas		
SW	Utah		

### State Table - By Population

Population Key					
<b>Under 15,000 (Small)</b>			<b>Over 40,000 (Large)</b>		
W	Alaska	4,371	W	California	180,000
SW	Arkansas	9,950	NE	D.C.	104,215
NE	Delaware	4,221	SE	Florida	104,198
W	Hawaii	7,881	MW	Illinois	94,600
W	Idaho	6,333	NE	Massachusetts	59,945
MW	Indiana	12,000	MW	Michigan	42,126
MW	Iowa	9,668	NE	New Jersey	75,137
SW	Kansas	11,222	NE	New York	311,316
NE	Maine	5,319	MW	Ohio	44,831
SE	Mississippi	9,115	NE	Pennsylvania	65,455
W	Montana	3,850	SW	Texas	98,671
MW	Nebraska	6,897			
W	Nevada	8,916			
NE	New Hampshire	5,447			
SW	New Mexico	7,191			
MW	North Dakota	2,883			
NE	Rhode Island	6,240			
MW	South Dakota	2,534			
SW	Utah	9,234			
NE	Vermont	2,593			
SE	West Virginia	6,895			
W	Wyoming	2,914			
<b>From 15,000 - 40,000 (Medium)</b>					
SE	Alabama	17,952			
SW	Arizona	18,500			
SW	Colorado	26,360			
NE	Connecticut	36,000			
SE	Georgia	38,213			
SE	Kentucky	18,340			
SW	Louisiana	22,606			
NE	Maryland	40,000			
MW	Minnesota	27,976			
MW	Missouri	30,853			
SE	North Carolina	28,000			
SW	Oklahoma	17,000			
W	Oregon	15,104			
SE	South Carolina	15,000			
SE	Tennessee	22,796			
SE	Virginia	32,442			
W	Washington	33,700			
MW	Wisconsin	25,048			