

National Client Protection Organization

www.ncpo.org

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Client Protection Funds – "The Conscience of the Bar"

Client Protection Funds are sometimes the legal profession's best kept secret, but they shouldn't be. They serve as "The Conscience of the Bar".

There are about 1.35 million lawyers in the United States and, like every profession, there are bound to be a few "bad apples." Lawyers who steal generally account for just one-half of one percent of the Bar. Unlike other professions, however, lawyers in all 50 states and 9 Canadian provinces joined together to right the wrongs committed by errant attorneys; they created "Client Protection Funds."

While the exact name used may vary a bit, a Fund's goal is always the same: To protect law clients and maintain the faith the public rightfully has in those who practice law.

Since 1980, funds in the U.S. have paid nearly 75,000 claims, returning over \$770 million to injured clients. That's an average of just over \$400,000 per state every year.* The money comes from lawyers themselves— the 99.5 % of lawyers who see the thefts committed by their former colleagues as debts of honor which must be paid to restore the public's faith and promote confidence in the legal profession. As part of maintaining their license to practice law, attorneys in most states pay an "annual assessment" which creates the "Fund" from which claims are paid. There are no tax dollars involved. Canadian provinces have similar arrangements.

Fund efforts go beyond paying claims to reimburse clients. They also include development and implementation of legislation, court rules and other programs to improve the profession and increase safeguards for the public.

Claimants are helped through the process of submitting a claim by Fund staff who assist in unraveling the story of where a client's money went. Volunteer Fund trustees meet periodically to examine the evidence and determine if there was dishonest conduct warranting an award. Claims can arise from all types of cases, including personal injury and other civil litigation settlements, estates and real estate matters. Whenever a claim is paid, claimants assign their rights in the case to the Fund, which will pursue the respondent attorney as well as any other culpable parties for reimbursement. The money recovered helps to cover losses suffered by future Fund claimants.

Chances are a client will never need their state's client protection Fund, but it's essential for the few clients who need it. For information on how to contact your state or province's Client Protection Fund visit Map of USA Client Protection Funds (2021) (nylawfund.org), or contact the National Client Protection Organization at info@ncpo.org.

^{*}American Bar Association Standing Committee on Public Protection in the Provision of Legal Services, Triennial Survey, 2019.