

# **IMPORTANT**

Please read this information carefully so that you may understand the process of filing an application for reimbursement with the Client Security Fund of the Alabama State Bar.

## **CLIENT SECURITY FUND of the Alabama State Bar**

### **WHAT IS THE CLIENT SECURITY FUND?**

The Client Security Fund was established to provide a remedy for clients who have lost money or other property as a result of the dishonest conduct of a lawyer. The Alabama State Bar recognizes that the legal profession depends upon the trust of clients and although very few lawyers breach that trust, it is important that the profession's reputation for honesty and integrity be maintained and protected. The Client Security Fund serves this function by providing some reimbursement to those whose money or property has been wrongfully taken by lawyers licensed to practice law in Alabama.

The Fund is a remedy of last resort for clients who cannot obtain reimbursement from other sources.

### **WHAT LOSSES ARE COVERED?**

The Fund does not cover losses due to malpractice. Losses caused by the dishonest conduct of lawyers licensed to practice law in Alabama may be reimbursed at the discretion of the Client Security Fund Committee.

"Dishonest conduct" means the wrongful taking of a client's money or other property and does not encompass the dissatisfaction of the client with services or results obtained by the lawyer or because the lawyer acted incompetently. The Client Security Fund does not cover a loss where the lawyer becomes a client's debtor.

Unearned fees may be reimbursed only in limited situations. Fees are not reimbursable simply because you are not satisfied with the services and/or results, or because the work was not completed.

You must be able to prove that the money or property was received by the lawyer. The Fund does not pay interest nor does it pay for any damage incurred as a result of losing your money. Generally, you have three years from the date of discovery of the loss to file an application; however, applications arising prior to the creation of the Fund in May of 1987 are not eligible for payment.

The maximum amount that any one applicant may recover from the Fund arising from an instance or course of dishonest conduct is one-hundred thousand dollars (\$100,000).

The aggregate maximum amount that all applicants may recover arising from an instance or course of dishonest conduct is two-hundred seventy thousand dollars (\$270,000).

It is imperative that an applicant report dishonest conduct to the Disciplinary Commission of the Alabama State Bar and cooperate with any resulting investigation. Claims generally will not be settled until the completion of disciplinary or legal action against the lawyer. Please complete and sign the enclosed grievance form.

**In order for your application to be considered, you must fill out and sign the enclosed affidavit of a grievance against the lawyer.**

#### **WHAT ELSE CAN I DO?**

Depending on the circumstances, you may have other remedies available to you through the civil or criminal court system. Because the Alabama State Bar cannot give you legal advice, you may want to consult a lawyer. If you need assistance in finding a lawyer, you may contact the Alabama State Bar's Lawyer Referral Service at 1-800-392-5660 (in AL) or (334) 269-1515.

#### **WHO CAN APPLY?**

If you are the spouse or close relative, partner, employer, or employee of the lawyer in question you are not eligible for reimbursement from the Client Security Fund. Other than these qualifications almost anyone who has lost money due to a lawyer's dishonesty in his or her practice can apply for reimbursement.

#### **MY APPLICATION**

All Client Security Fund Applications and decisions are confidential with the exception of those claims that are reimbursed. You will need the case numbers of any other grievances or suits filed in connection with your application, receipts or other documentation of the funds that were transmitted to the lawyer, and copies of documents in support of your application, to fill out the application. **To be valid, the completed application form must be signed and notarized.**

#### **WHAT HAPPENS AFTER I APPLY?**

Each application will be reviewed to determine eligibility. Ineligible applications will be dismissed. Eligible applications will be investigated and presented to the Client Security Fund Committee. The Client Security Fund Committee members are appointed and serve strictly as a public service, without compensation. The Client Security Fund Committee will determine all the eligibility for applications for reimbursement and will also determine the

amount, time, and manner of reimbursement. Factors that will be considered by the Committee include the amount of money available in the Fund, the number of applicants seeking reimbursement, and the degree of hardship suffered by each applicant.

You will be advised, in writing, of the final determination of your application once it has been reviewed by the Client Security Fund Committee. You will not be notified by telephone due to the confidentiality of claims.

If your application is paid, you must assign any rights of recovery you have against the dishonest lawyer to the Fund by a subrogation agreement that will be provided to you before reimbursement is made.

**Decisions of the Client Security Fund Committee are discretionary. There is no appeal and all decisions are final.**

**WHERE DOES THE MONEY COME FROM?**

No tax dollars are used. The Client Security Fund is financed by assessments of all lawyers licensed to practice law in Alabama.

**"In establishing the Client Security Fund, the Alabama State Bar did not create, nor acknowledge, any legal responsibility for the acts of individual lawyers in their practice of law. All reimbursements of losses by the Client Security Fund shall be a matter of grace in the sole discretion of the committee administering the fund, and not as a matter of right. No client or member of the public shall have any right in the Client Security Fund as a third party beneficiary or otherwise."**

**For further information please contact:**

**Carol Mott**  
*Coordinator*  
**Client Security Fund**  
**334-269-1515 or 1-800-354-6154**

*Alabama State Bar*  
**CLIENT SECURITY FUND**

**CONFIDENTIAL APPLICATION FOR REIMBURSEMENT**

**INSTRUCTIONS:** Answer **ALL** questions in this application or it will be returned to you. If space is inadequate, **attach additional pages.** Please **print** or **type** this application and keep a copy for your records. The application must be legible. You must provide **copies** of documents as proof of your loss. Please do not send originals. Examples of such documents are written fee agreements, cancelled checks (front and back), receipts, letters or other papers showing that the attorney received the money or property. When you have completed the application, have it **notarized** and return it to:

**The Alabama State Bar  
Client Security Fund  
P.O. Box 671  
Montgomery, AL 36101**

**NOTICE TO APPLICANT**

“IN ESTABLISHING THE CLIENT SECURITY FUND, THE ALABAMA STATE BAR DID NOT CREATE, NOR ACKNOWLEDGE, ANY LEGAL RESPONSIBILITY FOR THE ACTS OF INDIVIDUAL LAWYERS IN THEIR PRACTICE OF LAW. ALL REIMBURSEMENTS OF LOSSES BY THE CLIENT SECURITY FUND SHALL BE A MATTER OF GRACE IN THE SOLE DISCRETION OF THE COMMITTEE ADMINISTERING THE FUND AND NOT A MATTER OF RIGHT. NO CLIENT OR MEMBER OF THE PUBLIC SHALL HAVE ANY RIGHT IN THE CLIENT SECURITY FUND AS A THIRD PARTY BENEFICIARY OR OTHERWISE.”

NAME OF APPLICANT \_\_\_\_\_  
(Please print or type)

\_\_\_\_\_  
(Street Address or P.O. Box)

\_\_\_\_\_  
(City State, Zip)

TELEPHONE NO. \_\_\_\_\_ CELL /ALTERNATE NO. \_\_\_\_\_

EMAIL ADDRESS: \_\_\_\_\_

ALTERNATE CONTACT: \_\_\_\_\_

\_\_\_\_\_  
(Name) (Address) (Telephone No.) (Relationship)

The amount of loss suffered was \$ \_\_\_\_\_ (You must submit copies of receipt(s) or other proof of payment.)

What is the name, address and telephone number of the attorney whose conduct caused your loss?

\_\_\_\_\_  
(Attorney's Name)

\_\_\_\_\_  
(Street Address or P.O. Box)

\_\_\_\_\_  
(City) (State) (Zip Code)

TELEPHONE NO. \_\_\_\_\_

My attorney has (check all that apply):

- Died
- Filed bankruptcy
- Cannot be found
- Been convicted of a crime
- Is declared disabled or incompetent
- Is disbarred or suspended from the practice of law
- Has a civil judgment placed against him by me

Was the attorney hired to represent you? Yes  \_\_\_\_\_ No   
(Date Hired)

a. If no, then describe your relationship to the attorney: \_\_\_\_\_

b. Describe the fee arrangement you had with the attorney? \_\_\_\_\_

c. How much have you paid the attorney to date? \_\_\_\_\_

d. Did you have a written agreement with the attorney? Yes  No

If yes, attach a copy of the agreement.

What did you hire the attorney to do?

How would you describe your loss?

- |   |   |
|---|---|
| Probate <input type="checkbox"/>                            | Settlement Funds <input type="checkbox"/>       |
| Traffic/DUI <input type="checkbox"/>                        | Proceeds from probate <input type="checkbox"/>  |
| Bankruptcy <input type="checkbox"/>                         | Trust account funds <input type="checkbox"/>    |
| Worker's Compensation <input type="checkbox"/>              | Advance Fees and costs <input type="checkbox"/> |
| Criminal Matter <input type="checkbox"/>                    | Investment/Loan <input type="checkbox"/>        |
| Business/Real Estate <input type="checkbox"/>               |   |
| Divorce/Custody/Post Divorce, etc. <input type="checkbox"/> |   |
| Personal Injury/Property Damage <input type="checkbox"/>    |   |

Other: \_\_\_\_\_

Date of loss or when loss discovered: \_\_\_\_\_  
(Month) (Day) (Year)

Describe briefly, in your own words, your claim and why you believe you should be reimbursed (attach additional sheets if needed):

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Have you received any reimbursement from the attorney or from any other source for your loss?

Yes  No

If yes, from whom? \_\_\_\_\_

Date reimbursed \_\_\_\_\_

Amount reimbursed \$ \_\_\_\_\_

Have you filed a complaint against the attorney with the Center for Professional Responsibility of the Alabama State Bar? Yes  No

If yes, when? \_\_\_\_\_  
(Approximate Month) (Year)

If no, please contact the Center for Professional Responsibility of the Alabama State Bar for a complaint form at (334-269-1515) or log on to our website at [www.alabar.org](http://www.alabar.org) for additional information.

Have you filed any of the following against the attorney?

a. A civil lawsuit Yes  No

b. A criminal complaint Yes  No

If you said yes to a or b, please provide the present status of the proceeding and complete the following:

If you filed a civil suit against the attorney please complete the following:

Name of Court: \_\_\_\_\_

Name of Case: \_\_\_\_\_

Date suit filed: \_\_\_\_\_ Case No.: \_\_\_\_\_

Name(s) & Address of all attorneys involved:  
\_\_\_\_\_  
\_\_\_\_\_

Results:  
\_\_\_\_\_  
\_\_\_\_\_

If you filed a criminal complaint against the attorney with the appropriate district attorney's office, please complete the following:

County: \_\_\_\_\_

Name of District Attorney: \_\_\_\_\_

Complaint No.: \_\_\_\_\_ Date of Complaint: \_\_\_\_\_

Are you related to the attorney as husband, wife, child, parent, grandparent, grandchild, brother or sister or are or were you a partner, associate or employee of the lawyer?

Yes  No  If yes, what was the relationship? \_\_\_\_\_

Please list witnesses to your loss or the attorney's dishonest conduct (give names, complete addresses and phone numbers).

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Did you hire another attorney to represent you? Yes  No  If yes, please provide the name and address of the attorney \_\_\_\_\_

Did you pay the attorney additional fees? Yes  No  If yes, provide the amount paid to the attorney, \$ \_\_\_\_\_.

**I have read the Client Security Fund Rules of the Alabama State Bar. I understand and agree to be bound by these rules in making this application. I agree to maintain the confidentiality of this application as provided in the Client Security Fund Rules.**

\_\_\_\_\_  
Signature of Applicant

\_\_\_\_\_  
Attorney for Applicant  
Applicant's lawyer, if, any, shall sign the above space which certifies that he will accept no fee or services in connection with this application.

SWORN TO AND SUBSCRIBED before me on this, the \_\_\_\_\_ day of \_\_\_\_\_, 20 \_\_\_\_.

\_\_\_\_\_  
Notary Public

My Commission expires: \_\_\_\_\_