

CLIENTS' PROTECTION FUND BOARD

Stephen K. Gallagher, chair

The Clients' Protection Fund was established in 1976 to make monetary awards to persons who have suffered financial losses due to the dishonest conduct of Virginia lawyers. The fund is operated by a fourteen-member board appointed by the Virginia State Bar Council. The board has lay and lawyer members. Board members investigate all petitions from clients for payments from the fund, and the board discusses and acts on each petition.

As of July 1, 2006, nine claims were pending from the previous fiscal year. A total of thirty-eight new claims were received during the year, and three closed claims originally filed in fiscal 2006 were opened for reconsideration. The total amount paid during fiscal 2007 was \$99,876.89, representing twenty-five claims. The board denied twenty-one claims. As of June 30, 2007, there were four pending claims, which included two previously denied claims opened for reconsideration.

The fund began the fiscal year on July 1, 2006, with a cash balance of \$3,337,291.54. Interest income, net of bank service charges for the fiscal 2007 year totaled \$144,377. The fund received restitutions in the amount of \$15,243 from the attorney general's collections, debt setoff, and individual restitutions. As of June 30, 2007, the cash balance in the fund was \$3,406,588. Pursuant to the rules governing the Clients' Protection Fund, all funds are invested in certificates of deposit, U.S. government securities, and federal agency securities.

The board began fiscal 2007 with one new board member. Linda I. Dodge of Warrenton was appointed by the council to represent the seventh disciplinary district.

The Clients' Protection Fund Board members are to be commended for the many hours they spend investigating and deliberating claims submitted to the board.

