

## **CLIENTS' PROTECTION FUND**

*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 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, 2005, forty-one claims were pending from the previous fiscal year. A total of forty-two new claims were received during the year, and one closed claim originally filed in fiscal year 2005 was opened for reconsideration. The total amount paid during 2005–2006 was \$143,307, representing forty-one claims. The board denied thirty-four claims. As of June 30, 2006, there were nine pending claims.

The fund began the fiscal year on July 1, 2005, with a cash balance of \$3,346,421. Interest income for the 2005–2006 fiscal year totaled \$135,464. The fund received restitutions from Attorney General's collections, debt set-off and individual restitutions in the amount of \$17,430. As of June 30, 2006, and after payment of \$143,307 in claims, the cash balance in the fund was \$3,336,496. 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 the 2005–2006 fiscal year with two new board members: H. David Natkin of Lexington and Jeffrey R.B. Notz of Prince William.

Although the board's workload was considerably lighter than in the past several years, the Clients' Protection Fund board members should be commended for the many hours they spend investigating claims and tending to the business of the board.

