Clients' Security Fund

cle at GetOutOfDe

The Florida Bar has an active ethics and discipline program designed to maintain high ethical standards for lawyers who practice law in our state.

Despite the stringent standards of admission to the Bar enforced by the Supreme Court of Florida, there may be a few lawyers who are not worthy of the trust their clients place in them.

WHAT IS THE CLIENTS' SECURITY FUND?

The Clients' Security Fund was created to help reimburse you for money you may have lost because of misappropriation or embezzlement by your attorney.

The Clients' Security Fund began operations in 1967. Florida lawyers developed the program, which is funded solely by a portion of the annual membership fees of each member of The Florida Bar.

The Fund is discretionary. This means that the Fund does not have to pay your claim. Your claim can be denied, even if it is one of the types of losses covered.

HOW MUCH CAN I RECOVER?

If you paid your attorney fees and your attorney did not provide any useful services, you may be reimbursed the amount of the fees you paid up to $5,000.

If your attorney misappropriated or embezzled your money held in trust, you may recover the amount of misappropriated or embezzled funds up to a total of $250,000. All claim payments are held until the end of each fiscal year (June 30) and if the funds exist to pay all approved claims in full those payments are made. If there are not enough funds available to pay all approved claims in full, payments are made on a pro rata (partial) basis.

Approved payments are made once per year after the Bar fiscal year closes on June 30th. Checks are generally mailed in August for claims that were approved by the Board before June 30th.

WHAT LOSSES ARE COVERED?

The loss must have occurred during an attorney and client relationship or while the attorney was providing services customary to the practice of law. Fees paid to an attorney for legal services are reimbursed only after it is determined that no useful services were provided.

WHAT LOSSES ARE NOT COVERED?

The Clients' Security Fund does not reimburse for losses as a result of negligence or malpractice on the part of the attorney. Business or investment relationships between you and the attorney are also not covered. The reimbursable loss is limited to the actual amount taken by the attorney and does not include damages, expenses incurred, lost interest, etc. caused by the attorney taking or mishandling of your funds or property.

Losses as a result of family relationships, partnerships or other associations may be grounds to deny your claim. Normally, claims by governmental agencies, publicly owned corporations, institutional lenders, insurance companies and subrogees are not considered.

WHO SHOULD APPLY TO THE FUND?

If you have paid fees to your attorney and no useful services were provided or if the attorney misappropriated or embezzled your money or property, you may file a claim with the Fund.

If the claim is made on behalf of an estate, the proper party to file is the personal representative of the estate.

HOW LONG DO I HAVE TO FILE A CLAIM?

You must file a claim with the Bar within two years after you know, or should have known, about the loss. Any claim filed after 4 years of the date of the incident giving rise to the loss is time barred.

HOW IS A CLAIM PROCESSED?

An application to the Clients' Security Fund is reviewed by the staff of The Florida Bar. If your claim is missing information, you will be contacted and asked for the information. If all required information is included in the claim, your attorney will be sent a letter and given an opportunity to respond. The claim will then be assigned for investigation. You may be contacted for more information. Responding promptly will help move your claim through the process. Once the investigation is complete, your claim is reported to the Clients' Security Fund Committee. The recommendation from the committee to pay a claim or to deny a claim then goes to a member of the Board of Governors of The

Florida Bar called a Designated Reviewer (DR). The DR's recommendation then goes to the full Board who makes the final decision on whether or not a claim will be approved.

AND HOW LONG DOES IT TAKE?

It can take anywhere from 6 to 18 months to process your claim. Your claim may take longer. There are several steps to the process and the Bar wants to make sure that all claims are treated fairly and thoroughly investigated.

The meeting schedules of the Clients' Security Fund Committee and the Board of Governors also are part of the time consideration. Be assured that your claim is being processed.

WHAT WILL I BE REQUIRED TO DO?

You must file a Clients' Security Fund claim with The Florida Bar. You can access and print the Statement of Claim form online or call (850) 561-5812 to request a form. Make sure that you answer all of the questions and provide all of the documents that show payment to your attorney. You need to sign the original and send the original to The Florida Bar, Clients' Security Fund, 651 E. Jefferson Street, Tallahassee, FL 32399-2300. Your cooperation in providing needed information and documentation is necessary; however, you will not be asked to appear before the Clients' Security Fund Committee or the Board of Governors.

If you have not already done so, you must file a grievance complaint against your attorney. Call The Florida Bar's ACAP department at 866-352-0707 for information on filing a complaint and for the proper form. You may also be required to file a criminal complaint against the attorney. You should contact your local law enforcement agency for information on how to do this.

If it is apparent there may be another way to recover your money or property, you could be required to pursue the alternate source before the Clients' Security Fund considers your claim. Such sources might be bonding or insurance companies, banks or other entities that have honored a forged check or draft, and the accused attorney or the attorney's partners.

The Clients' Security Fund Committee will let you

know whether you need to exhaust other remedies for your claim to be approved.

IF MY CLAIM IS APPROVED, WHEN CAN I EXPECT PAYMENT?

Approved payments are made once per year after the Bar fiscal year closes on June 30th. Checks are generally mailed in August for claims that were approved by the Board before June 30th.

The material in this pamphlet represents general information. Because the law is continually changing, some provisions in this pamphlet may be out of date. It is always best to consult an attorney about your legal rights and responsibilities regarding your particular case.

cle Out Of Out Of De

cle at GetOutOfDe

This pamphlet is published by The Florida Bar Public Information and Bar Services Department as a service for consumers. Single copies of this pamphlet and others are free upon request by sending a self-addressed, legal size stamped envelope for each pamphlet requested to Consumer Pamphlets, The Florida Bar, 651 E. Jefferson St., Tallahassee, Florida 32399-2300. To view a list of the entire consumer pamphlet series, visit The Florida Bar's Web site www.FloridaBar.org. Ordering information and the full text of each pamphlet is available in the Public Information section of the Web site.

Rev. 7/11
9- Clients' Security Fund (Eng).indd

This pamphlet published as a public service
for consumers by The Florida Bar

cle at GetOutOfDe