



## *Clients' Security Fund*

***"To Protect the Client"***

**Clients' Security Fund Committee**  
*Office of the General Counsel*

Oklahoma Bar Association  
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### ***What is the Clients' Security Fund?***

The Clients' Security Fund is a fund established by the Oklahoma Supreme Court to reimburse clients who suffer loss of money or other property from the dishonest conduct of their attorney. The Fund is a remedy of last resort for clients who cannot be repaid or recover money from other sources, such as insurance, a bonding company or from the attorney involved. Claimants are expected to make reasonable efforts to collect from these other sources first before submitting a claim to the Fund.

### ***Why was the Clients' Security Fund established?***

The legal profession depends upon the trust of clients. When a lawyer betrays that trust by taking client funds, it is important that the victims be fairly reimbursed. Each day, Oklahoma attorneys fairly and honestly handle tens of thousands of transactions for their clients. The Clients' Security Fund is an effort by the Oklahoma Bar Association to prevent the dishonest conduct of a few lawyers from reflecting adversely on the majority of Oklahoma attorneys.

### ***How is the Fund financed?***

All active Oklahoma attorneys pay for the Clients' Security fund through a portion of their annual Bar dues. None of the money in the Fund comes from clients' fees. No tax dollars are used.

### ***Who administers the Clients' Security Fund?***

The Fund is administered by a fifteen member committee known as the Clients' Security Fund Committee. The Committee is appointed by the President of the OBA with the approval of the

OBA Board of Governors. The Committee has at least three non-lawyers members. All committee members serve without compensation or expenses and as a public service. The Office of the General Counsel of the OBA provides staff services for the Committee.

### ***How does the Clients' Security Fund Committee operate and make decisions?***

The Oklahoma Supreme Court has adopted written Court Rules for the Clients' Security Fund Committee. The Committee follows these rules in its procedures and decisions. The Committee's deliberations are confidential and secret. Under the Rules, the Committee is allowed some discretion in deciding what claims to pay or deny and the amount of payment. The Committee can review any number of factors in considering claims including conduct of the claimant which may have contributed to the loss, the comparative hardship the client has suffered for the loss and the total amount claims by different claimants from any one attorney. The Committee's recommendations are then submitted to the Board of Governors of the OBA which has the final approval of reimbursement. The Committee makes its final recommendations each year during the month of December. The Board of Governors then considers the Committee's recommendations in December. Claims may be held over from year to year for further consideration. A copy of the Court Rules is available upon request.

### ***What kinds of losses are covered?***

The Clients' Security Fund covers most situations in which lawyers have taken clients' money, property or other things of value entrusted to them by theft, embezzlement or a wrongful taking or conversion. The attorney in question must be an Oklahoma attorney, must have served the client as an attorney, as a trustee or escrow agent arising from an attorney-client relationship or other fiduciary capacity (for example, as an administrator, executor, trustee of an express trust, guardian, or conservator). A claim cannot be considered unless the attorney has died, been adjudged mentally ill, appropriate disciplinary action has been completed against the attorney or the attorney has resigned or allowed his or her license to practice to lapse after discipline has been completed. The Committee has no obligation to approve any claim or a specific amount. No one has a right to receive any payment from the Clients' Security Fund nor does the Bar Association have any legal obligation to make or approve a reimbursement. Payment from the Fund is a matter of grace, not of right.

***If I have a valid claim, how much can I receive?***

The Committee considers each approved claim to determine a reimbursable amount. This can include money or property of value belonging to the client which is wrongfully taken or retained. It can also include fees paid by the client to the attorney for which the attorney has performed no services or such an insignificant portion of the services that the refusal to refund the unearned fee constitutes a wrongful taking or conversion of money. Reimbursement, if any, shall not include interest, incidental, consequential or out of pocket expenses. Each year, the Board of Governors appropriates a total of \$100,000 to the Clients' Security Fund. For every valid claim, the Clients' Security Fund Committee, in its discretion, considers and approves an amount to be paid. If the total amount of all claims is less than \$100,000, you will be reimbursed in full for the amount approved by the Committee. If the total amount of all claims approved is greater is \$100,000, the amount approved for each claimant will be reduced in proportion on a prorata basis until the total amount paid for all claims in that year is \$100,000. Because the Fund is a limited appropriation, claimants may not be reimbursed the full amount of their loss.

***What kinds of losses are not covered?***

The Fund does not cover losses resulting from the malpractice or negligence of lawyers. The Committee does also does not have the authority to discipline attorneys for misconduct, to resolve fee disputes or to determine legal malpractice claims. Such matters may be reported to the Office of the General Counsel or can be the subject of a civil lawsuit. Some local county bar associations also operate special committees to mediate fee or other disputes between clients and their attorneys and you may wish to contact one of them. In addition, the Fund does not cover losses of spouses or other close relatives, partners, servants or employees of the attorney, nor losses which are dependent upon inventory computation or calculation of profit. The Fund also does not reimburse losses which are covered by any bond, surety agreement or insurance contract, or losses for which the client has received reimbursement from any other source.

***What are my responsibilities and obligations to the Committee?***

You are required to fully complete the claim form and to adequately disclose the circumstances of your claim. You should make an attempt to provide all necessary documentation that proves your claim to the Committee. Many delays that occur in consideration of a claim are caused by the

failure to completely provide adequate details of the basis for the claim. Sometimes the Committee requests additional information to determine your eligibility for approval or the amount to be approved. You should make every effort to collect the requested information. Any claim not completed before the final meeting of the Committee each year and not rejected will be held over for further consideration the next year. If your claim is approved and you receive a payment, you are expected to sign an agreement with the Bar Association that you will refund the money you received if you receive compensation for the loss from any other source, such as restitution or insurance.

***When and how can I file a claim?***

You must file a claim within five years of the loss caused by the dishonest conduct of the attorney. Contact the Office of the General Counsel at the address shown on the front of this brochure to request a claim form. They cannot give you legal advice regarding your claim, but they will attempt to assist you in filing your claim. Some attorneys will assist you in the filing of your claim and they are encouraged to do so by the Oklahoma Supreme Court. When an attorney agrees to help with the preparation of the claim, under the Rules, they are expected to do so for no fee unless the claim takes an unusual amount of time and effort, in which case, the attorney may be awarded a modest fee out of the award which must be approved by the Committee and the Board of Governors.