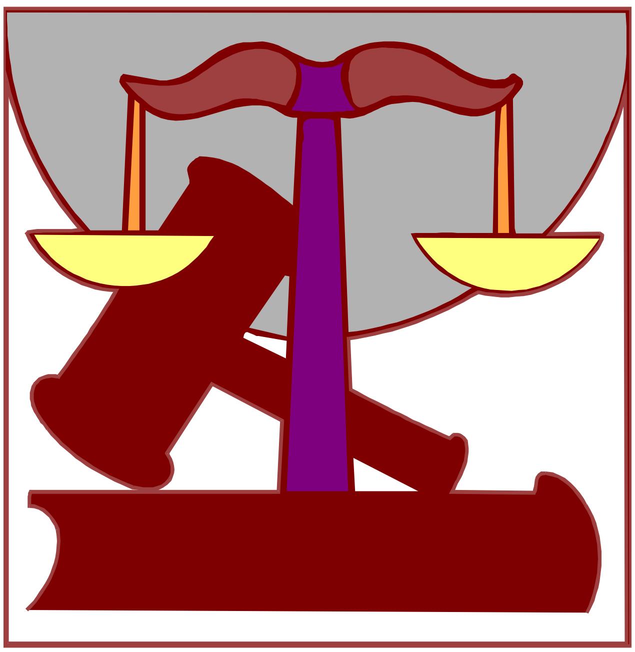
Client Security Fund



Client Security Fund

What is the Client Security Fund?

The Client Security Fund was established in January 1974 by the Nebraska State Bar Association. Its purpose is to reimburse a client who has suffered a financial loss due to the dishonesty of an attorney.

To establish and perpetuate this fund, $20,000 was set aside each year from 1974-1979 and from 1992-present from the annual dues paid by all Nebraska lawyers.

Why was this fund established?

The lawyers of Nebraska believe the public has a right to expect honest behavior from members of the legal profession. In those rare instances when a lawyer does steal money entrusted to him or her by a client, it is important some way be provided for the client to recover this loss, if it cannot be recovered through regular legal channels.

How can a person file a claim?

You may request a claim form from the Client Security Fund Committee of the Nebraska State Bar Association, 635 South 14th Street, P.O. Box 81809, Lincoln, Nebraska 68501-1809.

When you receive the claim form ("The Nebraska State Bar Association Client Security Fund Statement") in the mail, fill it out as completely and accurately as possible. Attach copies of any documents or correspondence that would help to substantiate your claim. Have the claim notarized and return it to the committee, keeping a copy for your records.

If you need assistance filling out the claim form, a member of the Client Security Fund Committee will assist you at no charge.

What conditions must be met before a claim is allowed?

There are a number of conditions which must be met by the person making the claim (the "claimant"), although the committee may waive any of these at its discretion. However, even if the conditions are met, the committee may at its discretion deny the claim in whole or in part since no legal right exists to receive payment.

1. The loss must have occurred after January 1, 1974.

2. The claim must be filed within one year after the loss is discovered, or within six months after disciplinary action against the attorney is completed.

3. The Claimant must have exhausted all legal remedies before a claim against the fund will be paid. There are many ways a person can collect money which is rightfully owed, and all such legal methods must first be pursued. Although claims will not be paid until other legal remedies are exhausted, you should file your claim as soon as the loss is discovered to make sure it meets the filing deadlines.

4. The fund has limits of $25,000 per claim and $50,000 per attorney. Because of these limits, it is important claims be filed promptly so if there are several claims against the came attorney, they can all be considered together.

5. The loss must have resulted from a dishonest act of the attorney. The fund does not cover losses resulting from an attorney's negligence. Losses of this nature may be reported to the Bar Association so disciplinary action may be taken against the attorney, or a civil malpractice suit against the attorney may be filed.

6. The dishonest act must have occurred in the course of the attorney-client relationship. In other words, the attorney must have been in the claimant's employ at the time of the loss was suffered, and the funds or property involved must have been entrusted to the lawyer by the client. The Client Security Fund is not permitted to reimburse a claimant for any dishonest act which occurs while the attorney is acting as a personal representative, trustee, conservator or guardian and is bonded by a court.

7. One of the following must have occurred:

a. the attorney involved must have died, been suspended from the practice of law or disbarred.
b. the attorney involved must have been adjudged mentally incompetent
c. the attorney involved must have had his or her name stricken from the roll of attorneys. This condition is included primarily for the protection of other clients who might suffer from similar misdeeds of he attorney if disciplinary action is not pursued.

8. Persons making claims on the Client Security Fund have no inherent legal right to receive payment. Filing a claim should be considered as a last resort measure for those persons who cannot recover their losses through regular legal processes.

What happens after a claim is filed?

After your claim has been received, the Client Security Fund Committee will review it to determine whether further investigation is warranted. You may be asked to meet with the committee to answer questions or to provide additional information.

(more information on reverse side)

Mail To: Client Security Fund Committee
Nebraska State Bar Association
635 South 14th Street
P.O. Box 81809
Lincoln, NE 68501-1809

Please send a Client Security Fund claim to:

NAME ____________________

ADDRESS ____________________

CITY ____________ STATE ____________ ZIP ____________

If it appears the claim meets all of the requirements, a local attorney will be appointed to investigate. The investigating attorney (who works on the claim without compensation) then makes a recommendation to the committee as to what portion of the claim, if any, should be paid.

In some instances the entire claim will be paid, In other cases, depending on a variety of factors, portions of the claim or all of the claim may be disallowed.

Nothing in this pamphlet may be considered to create a legal right against the fund or the association.

Need more information?

If you have other questions, please write to the
Client Security Fund Committee
635 South 14th Street
P.O. Box 81809
Lincoln, Nebraska 68501-1809.

This pamphlet, which is issued to inform, not to advise, has been prepared and published by the Nebraska State Bar Association. It is distributed by those who want to help you obtain your rights under the law.

Nebraska State Bar Association
635 South 14th Street/ P.O. Box 81809
Lincoln, NE 68501-1809
(402) 475-7091
www.nebar.com

Revised and Reprinted 2001