

THE CLIENT SECURITY FUND

— OF THE —

STATE BAR OF TEXAS

*A pledge of trust by the
lawyers of Texas*



WHAT IS THE CLIENT SECURITY FUND?

The Fund was established by the State Bar of Texas to provide financial grants to clients whose lawyers have stolen money or failed to refund an unearned fee. It is administered by the Office of the Chief Disciplinary Counsel.

WHO CAN APPLY TO THE FUND?

Clients who demonstrate that their Texas lawyer stole their money or failed to refund an unearned fee may file an application for relief with the Fund.

WHAT IS INVOLVED IN FILING AN APPLICATION?

Unless the attorney is already deceased, disbarred, or resigned, ***the client must first file a grievance against the attorney.*** If the grievance results in a disciplinary sanction, the client may apply to the Fund. The grievance must be final and all appeals exhausted before consideration.

WHAT IS THE DEADLINE FOR FILING APPLICATIONS?

If the lawyer is already deceased, disbarred, or resigned, an application must be filed within ***four years*** of the time of the loss. Otherwise, the application must be filed within ***18 months*** of the disciplinary judgment.

WHAT EVIDENCE IS REQUIRED?

If the attorney failed to refund an unearned fee, the client must prove that he or she paid the attorney and the attorney did not perform the work. If the lawyer stole settlement funds, the client must prove that the attorney received a settlement check but did not pay the agreed-upon amount to the client.

DO CLIENTS NEED AN ATTORNEY TO ASSIST IN APPLYING?

No. The Office of the Chief Disciplinary Counsel can answer questions about the application process. The Fund Rules say that no attorney shall charge a fee for work involved in filing an application.

HOW MUCH MONEY CAN BE RECOVERED BY A CLIENT?

The Fund is designed to put the client in the position he or she would have been in if the lawyer had not stolen the money or failed to refund the unearned fee. That means any grant will have the attorney's fees deducted.

If a client is eligible for a payment from the Fund, the maximum grant is \$40,000. ***The Client Security Fund Subcommittee has the sole and final discretion to determine whether and to what extent any application shall be approved.***

WHAT AMOUNTS CAN BE REIMBURSED BY THE FUND?

Only money that came into the hands of the attorney can be reimbursed. Amounts related to consequential losses or expenses, such as damages that might have been obtained in a successful lawsuit, malpractice damages, or legal fees paid to other attorneys to finish an abandoned representation are not covered by the Fund. In other words, the Fund is not designed to give clients the money they believe they should have gotten if the attorney had done a better job. The Fund is designed to assist victims of attorney theft.

DO CLIENTS HAVE A LEGAL RIGHT TO REIMBURSEMENT?

No. **THE STATE BAR OF TEXAS HAS NO LEGAL RESPONSIBILITY FOR THE ACTS OF INDIVIDUAL LAWYERS. NO ONE HAS A RIGHT TO PAYMENT FROM THE CLIENT SECURITY FUND.**

HOW DO I BEGIN THE APPLICATION PROCESS?

Write, email or call:

**CLIENT SECURITY FUND
OFFICE OF THE CHIEF
DISCIPLINARY COUNSEL
STATE BAR OF TEXAS
P.O. BOX 12487
AUSTIN, TEXAS 78711-2487
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