

SBM State Bar of Michigan

2010-2011 COMMITTEE ANNUAL REPORT

Article VI §6, Bylaws of the State Bar of Michigan

No later than May 1 of each year, the chair of each committee and sub-entity of the Bar, with the assistance of the staff liaison, shall report to the Executive Director on a form provided by the State Bar on the activities and accomplishments of the committee or sub-entity.

Committee Name: Standing Committee on the Client Protection Fund

Jurisdiction: The Standing Committee on the Client Protection Fund (“CPF Committee”) is responsible for reviewing comprehensive reports prepared by State Bar staff after investigation and analysis of CPF claims involving the dishonest conduct of lawyers, which includes theft and embezzlement of client funds and failure to return unearned fees, to make recommendations to the Board of Commissioners’ Professional Standards Committee regarding the approval and denial of claims. The CPF claim report includes a factual summary of the claim, an analysis applying the CPF Rules, a recommendation regarding approval or denial of a claim and the amount to be paid on claims recommended for approval, the applicable CPF Rules, and the disciplinary history of the respondent. The CPF Committee is also responsible for the distribution of payments on claims authorized for payment by the Board of Commissioners and the initiation and prosecution of all subrogation actions on behalf of the Fund. In addition, the CPF Committee recommends to the Board of Commissioners’ Professional Standards Committee loss prevention programs that may help reduce occurrences that result in CPF claims.

Chair(s) and Committee Members:

Officer	Name	Address	Telephone	Email
Chair	John M. Nader (P41610)	City of Detroit Law Dept 660 Woodward Ave Ste 1650 Detroit, MI 48226-3519	(313) 237-3034	nadej@detroitmi.gov
Staff Liaison	Danon D. Goodrum-Garland (P53603)	State Bar of Michigan Michael Franck Building 306 Townsend Street Lansing, MI 48933-2012	(517) 346-6333	dgarland@mail.michbar.org
Staff Liaison	Robin Lawnichak	State Bar of Michigan Michael Franck Building 306 Townsend Street Lansing, MI 48933-2012	(517) 346-6379	rlawnichak@mail.michbar.org
Commissioner Liaison	Lambro Niforos (P31909)	689 Hidden Ln. Grosse Pointe Woods, MI 48236	(313) 885-1456	lniforos@hotmail.com

Members	Members
Laura A. Brodeur-McGeorge (P44552)	Nicholas A. Reyna (P68328)
Jennifer M. Harvey (P65140)	Alecia M. Ruswinckel (P62825)
Albert L. Holtz (P15088)	Mark L. Teicher (P34301)
Starr M. Hewitt Kincaid (P57430)	Rock A. Wood (P41181)
Rico D. Neal (P69744)	Dionnie Suzzette Wynter (P72633)

Committee Meeting Schedule:

Please attach any additional information needed regarding Committee meetings as an addendum.

Meeting Type	Date	Location
Regularly scheduled Standing Committee meeting.	May 6, 2010	State Bar of Michigan Michael Franck Building 306 Townsend Street Lansing, MI 48933
Regularly scheduled Standing Committee meeting.	September 16, 2010	State Bar of Michigan Michael Franck Building 306 Townsend Street Lansing, MI 48933
Regularly scheduled Standing Committee meeting.	December 14, 2010	State Bar of Michigan Michael Franck Building 306 Townsend Street Lansing, MI 48933
Regularly scheduled Standing Committee meeting.	February 24, 2011	Erman, Teicher, Miller, Zucker & Freedman, P.C. 400 Galleria Officentre, Suite 444 Southfield, MI 48034

Resources Provided by the State Bar of Michigan in Support of Committee Work:

The State Bar provides a full-time paralegal with primary responsibility for claims administration, a full-time legal secretary who provides administrative support, and staff counsel who provides legal services and manages the State Bar’s CPF Department. The State Bar also provides meeting facilities, food and beverages for meetings, teleconference services, meeting materials, document production services, and financial management of the Fund. In addition, State Bar staff routinely provides informational pamphlets to court administrators as requested to educate the public on how to find a lawyer and general information about the Fund.

Committee Activities:

During its regularly scheduled meetings, the CPF Committee reviewed claim reports prepared by staff, determined whether claims should be recommended for approval or denial, and made recommendations to the Board of Commissioners’ Professional Standards Committee regarding the approval and denial of claims and the amount to be paid on claims recommended for payment.

The CPF Committee considered and developed one policy position concerning circumstances when a claimant has filed for bankruptcy and the bankruptcy trustee would require reimbursement on a claim be made payable to the trustee or bankruptcy estate, and the claimant would receive no benefit from the reimbursement. Under those circumstances, the CPF Committee would deny the claim.

Complete Claims Activity: For the period April 1, 2010, through March 31, 2011, 141 new claims were filed and 138 claims were pending at the beginning of this period for an overall total of 279

claims. As a result of overall claims processing during this period, 209 claims remain pending at the end of this period.

The CPF Committee reviewed 70 claims during this time period of which 15 claims were denied by the CPF Committee, 12 claims totaling \$111,824.41 approved by the Board of Commissioner were paid, 1 claim totaling \$1,059.00 approved by the Board of Commissioners and awaiting executed subrogation agreements has not been paid, 0 claims approved by the CPF Committee involving the dishonesty of a single lawyer and expected to exceed the aggregate limit are being held until expiration of the two year period, 41 claims totaling \$177,052.82 recommended for approval by the CPF Committee are pending review by the Board of Commissioners, and there is 1 appeal of a claim denied by the CPF Committee pending review by the Board of Commissioners.

Since the inception of the Fund, 961 claims have been paid totaling \$5,758,908.10, while 1,616 have been closed administratively, denied or withdrawn.

Future Goals and Activities:

Loss Prevention - The CPF Committee will continue reviewing potential loss prevention measures for possible recommendations to the Professional Standards Board of Commissioner Committee.

Scheduled Meetings - CPF Committee meetings have been scheduled for May 19, 2011, and August 18, 2010, to review claims and conduct other business as needed.

Other Information:

Financial Activity - The Fund received \$593,513.00 from the 2010/11 membership dues assessment and \$4,560.00 in Pro Hac Vice fees thus far for this fiscal year. In addition, the Fund received subrogation payments from respondents totaling \$11,298.60 during the period April 1, 2010, through March 31, 2011. The Fund balance as of March 31, 2011, was \$2,256,974.00;¹ however, there is \$27,515.94 authorized, but unpaid, for claims awaiting receipt of executed subrogation agreements.

¹ Estimated, not finalized or audited.