

**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 review of claims (involving the dishonest conduct of lawyers, which includes theft and embezzlement of client funds and failure to return unearned fees) submitted to it by State Bar staff after investigation and analysis. The CPF Committee makes recommendations to the Board of Commissioners regarding the approval and the amount to be paid on claims, and provides its analysis of why a claim is recommended for payment or denial. The CPF Committee is also responsible for the distribution of payments on claims authorized by the Board of Commissioners and the institution and prosecution of all subrogation actions on behalf of the Fund.

**Chair(s) and Committee Members:**

Officer	Name	Address	Telephone	Email
Chair	Roshunda L. Price	Detroit Medical Center Corporate Legal Affairs 4707 Saint Antoine Street Suite W514 Detroit, MI 48201-1427	(313) 966-2893	<a href="mailto:Rprice2@dmc.org">Rprice2@dmc.org</a>
Staff Liaison	Danon D. Goodrum-Garland	State Bar of Michigan Michael Franck Building 306 Townsend Street Lansing, MI 48933-2012	(517) 346-6333	<a href="mailto:dgarland@mail.michbar.org">dgarland@mail.michbar.org</a>
Staff Liaison	Robin Lawnichak	State Bar of Michigan Michael Franck Building 306 Townsend Street Lansing, MI 48933-2012	(517) 346-6379	<a href="mailto:rlawnichak@mail.michbar.org">rlawnichak@mail.michbar.org</a>
Commissioner Liaison	Richard J. Siriani	Miller Canfield 840 W. Long Lake Road Suite 200 Troy, MI 48098-6358	(248) 879-2000	<a href="mailto:siriani@millercanfield.com">siriani@millercanfield.com</a>

Members
L. Fallasha Erwin
Jennifer M. Harvey
Albert L. Hotz
Donna J. Lehl
Daniel M. Levy
Rico D. Neal
Lynn H. Schecter
Mark L. Teicher

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**Committee Meeting Schedule:**

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

<b>Meeting Type</b>	<b>Date</b>	<b>Location</b>
<b>Description</b>		
Regularly scheduled Standing Committee meeting.	June 10, 2008	State Bar of Michigan Michael Franck Building 306 Townsend Street Lansing, MI 48933
<i>See "Committee Activities" below.</i>		
Regularly scheduled Standing Committee meeting.	September 23, 2008	Schoolmaster Hom Killeen Siefer Arene & Hoehn 40900 Woodward Avenue Suite 200 Bloomfield, MI 48304
<i>See "Committee Activities" below.</i>		
Regularly scheduled Standing Committee meeting.	November 20, 2008	State Bar of Michigan Michael Franck Building 306 Townsend Street Lansing, MI 48933
<i>See "Committee Activities" below.</i>		
Regularly scheduled Standing Committee meeting.	February 26, 2009	State Bar of Michigan Michael Franck Building 306 Townsend Street Lansing, MI 48933
<i>See "Committee Activities" below.</i>		

**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 legal services and department management by staff counsel. The State Bar also provides meeting facilities, meals, conference calls, materials, documentation 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 to approve or deny claims, and made recommendations to the Board of Commissioners regarding the approval and denial of claims and the amount to be paid on approved claims.

Complete Claims Activity -- For the period April 1, 2008, through March 31, 2009, 56 new claims were filed and 134 claims were pending at the beginning of this period for an overall total of 190

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claims. As a result of overall claims processing during this period, 90 claims remain pending at the end of this period.

The CPF Committee reviewed 77 claims during this time period of which 11 claims were denied by the CPF Committee, 34 claims totaling \$282,537.81 approved by the Board of Commissioner were paid, 2 claims totaling \$9,500.00 approved by the Board of Commissioners and awaiting executed subrogation agreements have not been paid, 4 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, 25 claims totaling \$220,516.45 recommended for approval by the CPF Committee are pending review by the Board of Commissioners, and 1 claim denied by the CPF Committee has been appealed and is pending review by the Board of Commissioners.

Since the inception of the Fund, 895 claims have been paid totaling \$5,082,561.38, while 1547 have been closed administratively, denied or withdrawn.

Project -- The CPF collaborated with the Attorney Grievance Commission, the Attorney Discipline Board, and the Michigan State Bar Foundation regarding Michigan's first potential loss prevention program. The proposed Trust Account Overdraft Notification Rule and Agreement were submitted to the Michigan Supreme Court in 2008. The State Bar and the Michigan State Bar Foundation are currently working on a response to the Court's April 2009 request for additional information and explanation regarding the proposed loss prevention program.

**Future Goals and Activities:**

Policy Review and Planning -- The CPF Committee has scheduled a "Policy Review and Planning" meeting on May 7, 2009, to consider revisions to the CPF rules and to develop policies for various issues which arise in reviewing claims including, disgorgement of attorney fees involving theft of settlement proceeds in situations involving contingent fee agreements, the implications of claimant bankruptcy on the claims administration process, and standardizing the procedure for processing claims involving forged checks, among others.

Loss Prevention -- One of the CPF Committee's goals during the upcoming year is to identify and assess other loss prevention measures, in addition to the proposed Trust Account Draft Overdraft Notification Rule, for possible implementation.

Scheduled Meetings -- In addition to the Policy Review and Planning meeting discussed above, CPF Committee meetings have been scheduled for June 4, 2009, and September 3, 2009 to review claims and conduct other business as needed.

**Other Information:**

Financial Activity --The Fund received \$290,517 from the 2008/09 membership dues assessment and \$3,435 in Pro Hac Vice fees thus far for this fiscal year. In addition, the Fund received subrogation payments from respondents totaling \$15,682.64 during the period April 1, 2008, through March 31, 2009. The Fund balance as of March 31, 2008, was \$1,969,422;<sup>1</sup> however, there is \$9,500.00 authorized, but unpaid, for claims awaiting receipt of executed subrogation agreements.

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<sup>1</sup> Estimated, not finalized or audited.