

Fourteenth Annual Report

of the Board of Trustees for the Calendar Year 1996

Submitted to the Judges of the Court of Appeals

the Governor, the State Legislature and the State Comptroller



The conduct of attorneys is not measured by how close to the edge of thin ice they skate. The conduct is not how much clarity can be squeezed out of the strict letter of the law, but how much honor can be poured into the generous spirit of lawyer-client relationships.

Matter of Cooperman, 83 N.Y.2d 465
(1994) (Bellacosa, J.)

April 1997

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This is the Trustees' annual accounting of the activities of the New York Lawyers' Fund for Client Protection. This is the fourteenth such accounting, and its focus is on the operations of the fund during the calendar year 1996.

Business was brisk:

- 730 new claims seeking reimbursement.
- \$30 million in new losses reported.
- 381 awards of reimbursement approved.
- \$10 million in reimbursement paid.
- 820 final determinations approving or rejecting claims.

All claims processed to final disposition last year involved asserted losses of \$13 million.

The fund closed its books on December 31 with 579 claims pending. They allege losses of \$47 million.

The fund's potential liability on those 579 claims is \$25 million. The fund had a cash reserve at year's end of \$2.5 million.

Over the past 14 years, the lawyers of New York State have contributed nearly \$60 million to this unique program of law client protection. No profession does anything comparable.

There are 165,000 lawyers who have licenses to practice law in the Empire State. The fund's awards since 1982 involve dishonest conduct by 510 former members of the bar; not even one percent of its total membership.

Notwithstanding a renewed torrent of claims in 1996, the Trustees persisted in reimbursing client losses dollar-for-dollar, subject to a maximum award of \$100,000 per loss.

This maximum ranks among the highest in the nation. In practical terms, it

Considering that I was on the verge of physical, emotional and financial bankruptcy, what words can I offer to express my thanks? You have given me, a widow and senior citizen, a new lease on life.

Note from a claimant, 1996

means that 94 percent of all victims received full reimbursement for their losses.

Few funds do better.

But there's more to a proper accounting than a recital of numbers. We therefore include in this annual report several proposals to protect legal consumers from dishonest conduct involving client and escrow money.

Widespread cynicism about the bar's integrity is wrong and hurtful, especially to honest and hardworking lawyers. But it's also a fact that in a state as large and diverse as New York, the individual lawyer has little power, much less say, in the shaping of laws and rules that regulate the practice of law.

That's a unique power and obligation—sometimes a noisome task—shared by the judicial, legislative and bar leaders of New York State. It's a complicated sharing arrangement, but it's not a herculean job, protecting clients from fiduciary abuses. Stable work perhaps, but doable.

The adoption and implementation of the recommendations in this report, beginning at page 23, will go far, in our view, toward refreshing public confidence in the bar's basic integrity, and that the justice system in the Empire State is indeed evenhanded and responsive to the people it serves.



Law Client Protection in the Empire State

That lawyers, collectively as members of a profession, have obligations to victims of dishonest colleagues is a recent concept of legal ethics and professional responsibility.

Disciplining a dishonest lawyer, whether by censure, suspension from practice or disbarment, was long considered an adequate response to professional misconduct: as a punishment, a deterrent to others, and to safeguard the public.

But what of law clients left destitute by a dishonest lawyer's theft or fraud? Disbarment provides scant comfort indeed.

The legal profession has responded by creating client protection programs, beginning with a special fund in New Zealand in 1929. All states but Maine and Colorado currently maintain client protection funds. They also exist throughout Canada and Western Europe.

The Empire State is no newcomer. The New York State Bar Association established a special Clients' Security Fund Committee in 1962. The State Bar Association's effort complemented local programs of the New York County Lawyers' and the Suffolk County Bar Associations.

The State Bar Association funded its program with annual appropriations from membership dues. Annual appropriations ranged between \$10,000 and \$15,000. Client awards were capped at \$5,000. In the committee's 20-year history, 75 clients received reimbursement. Those awards totalled \$230,000.

Now more than ever I think very highly of your profession. We never thought we were going to be reimbursed, but you proved us wrong.

In the late 1970's, claims to the State Bar Association's fund mounted as public knowledge about it spread. By 1981, claims alleged losses of nearly \$3 million, far beyond the committee's reserves of \$250,000.

To secure a revenue base broader than the membership of the State Bar Association, its leaders proposed, first to the Court of Appeals and then to the State Legislature, that all members of the bar be assessed a fee to finance a client reimbursement program.

What emerged from the process was a statutory fund similar in design to the client protection fund in Maryland: a judicial-branch agency organized under the aegis of the Court of Appeals, administered *pro bono publico* by a Board of Trustees appointed by the Court, and financed by an assessment on each active member of the bar.

The Clients' Security Fund, as the fund was originally named, was organized on December 1, 1981 with the appointment of a seven-member Board of Trustees by the Judges of the Court of Appeals. The early months of 1982 were spent formulating regulations and claim procedures and assembling a staff and office facilities. The fund opened for business on April 1, 1982.

The Mission of the Lawyers' Fund

The State Legislature has defined the fund's mission in bold strokes: to protect legal consumers from dishonest conduct in the practice of law, to preserve the integrity of the bar, to safeguard the good name of lawyers for their honesty in handling client money, and to promote public confidence in the administration of justice in the Empire State.

The Trustees attempt to secure these goals by reimbursing client money that's been misused in the practice of law. But there are other efforts as well, including the development of proposals to eliminate practices that provide opportunities for dishonest lawyers to exploit the trust of clients.

Other recent efforts focus on helping practitioners to comply with their fiduciary and escrow obligations. The Trustees are also producing consumer education programs with the hope that informed clients will avoid situations and transactions that frequently result in losses.

In these efforts, the fund serves as a helpmate to the courts of New York State in shielding the integrity of the justice system, and the honor and reputation of the legal profession.

Typical losses reimbursed by the fund include the theft of estate and trust assets, escrow deposits in real property transactions, settlements in personal injury litigation, debt collection receipts, money embezzled in investment transactions with law clients, and unearned fees paid in advance to lawyers who falsely promise legal services.



The Board of Trustees

Section 468-b of the Judiciary Law provides for the fund's administration, and section 97-t of the State Finance Law governs the management of its assets as a special trust account in the State Treasury. Both statutes vest full management authority in the Board of Trustees.

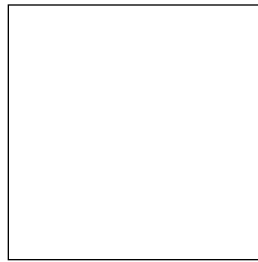
The Trustees serve renewable terms of three years, and without compensation for their services. Since the fund's organization in 1981, the Court of Appeals has maintained a panel with a mix of five practicing lawyers, and two community and business leaders who are not members of the bar.

The Board's officers are a Chairman, Vice-chairman, and Treasurer. The fund's Executive Director serves as the Board's Secretary and its Counsel.

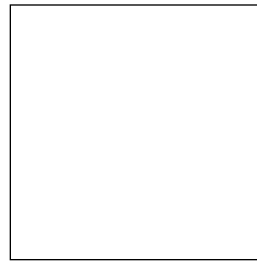
Eleanor Breitel Alter of Manhattan has served as Chairman of the Board since 1985. She is a partner in the Manhattan law firm of Rosenman & Colin. Mrs. Alter is a graduate of the University of Michigan and the Columbia University Law School (1964). She was first appointed to the Board of Trustees in 1983. The Chairman's current term expires on November 30, 1998.

Theodore D. Hoffmann of Hicksville, Nassau County, is Vice-Chairman of the Board. Mr. Hoffmann is Of Counsel to the Garden City law firm of Albanese, Albanese & Fiore. He is a graduate of St. John's University and its School of Law (1948). Mr. Hoffmann's current term expires on November 19, 1999.

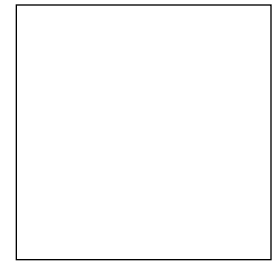
Ray W. Manuszewski of Cheektowaga, Erie County, is the fund's Treasurer. A graduate of Canisius College (1951), Mr. Manuszewski is a former Regional President of Manufacturers Hanover Trust Company N.A. in Buffalo. Mr. Manuszewski was first appointed to the Board of Trustees in 1981. His current term expires on November 19, 1999.



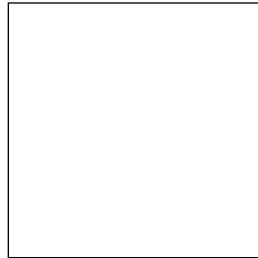
Eleanor Breitel Alter



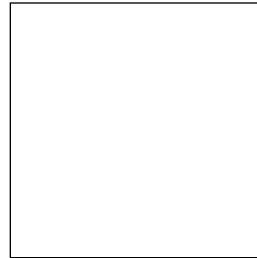
Bernard F. Ashe



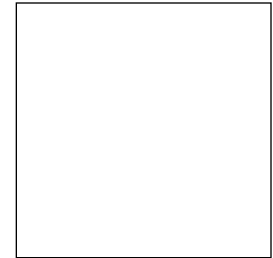
Theodore D. Hoffmann



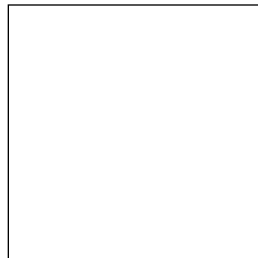
Charles Joseph Hynes



Ray W. Manuszewski



Eric A. Seiff



Shirley B. Waters

Bernard F. Ashe of Delmar, Albany County, is a former General Counsel to New York State United Teachers. He is a graduate of Howard University and the Howard University School of Law (1961). Mr. Ashe has served as a Trustee since 1981. His current term expires on November 19, 1999.

Charles Joseph Hynes of Brooklyn is the District Attorney of Kings County. He is a graduate of St. John's University and its School of Law (1961). Mr. Hynes was first appointed to the Board of Trustees in 1982. His present term expires on November 30, 1997.

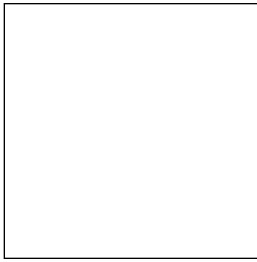
Eric A. Seiff lives in the Bronx and is a partner in the Manhattan law firm of Seiff & Kretz. Mr. Seiff is a graduate of Yale University and the Columbia University Law School (1958). Mr. Seiff has served on the Board since 1981. His present term expires on November 30, 1997.

Shirley B. Waters of Rome, Oneida County, is Vice-President of the Rome Sentinel Company, which publishes the *Daily Sentinel* newspaper. She is a graduate of Syracuse University (1943). Mrs. Waters was first appointed to the Board in 1992, and her current term expires on November 30, 1998.

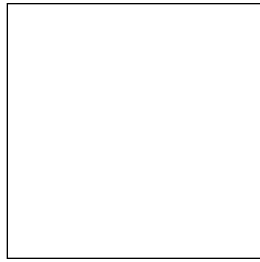
Former Trustees include Chief Judge Judith S. Kaye (1981- 1983); Joseph Kelner, Esq. of Manhattan (1981-1982); Anthony R. Palermo, Esq. of Rochester (1981-1990); and John F. X. Mannion of Syracuse (1981-1992).



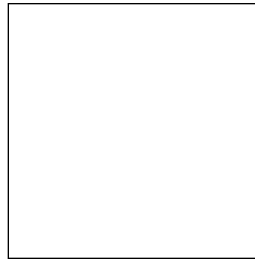
The Fund's Staff



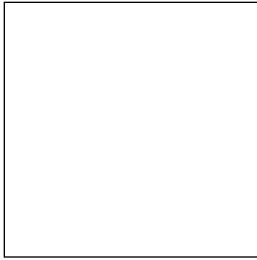
Frederick Miller



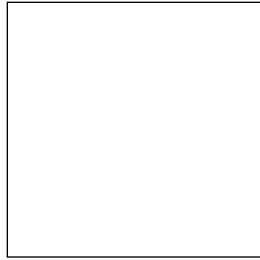
Sue Gartley



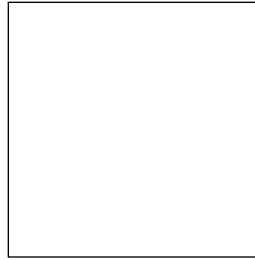
Michael J. Knight



Timothy J. O'Sullivan



Polly Sims

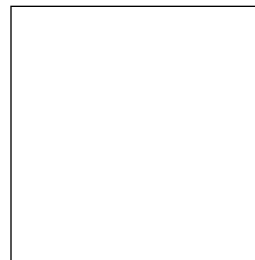


Inge Wood

The Board of Trustees is the appointing authority for its staff. Serving in 1995 were Frederick Miller, Executive Director and Counsel; Timothy J. O'Sullivan, Deputy Counsel; Michael J. Knight, Assistant Counsel; and Ray Wood, Investigator.

The fund's secretariat consists of Sue Gartley, Administrative Secretary; Polly Sims, Administrative Clerk; and Inge Wood, Secretary.

Law students from the Albany Law School provide helpful support to the fund in the investigation of claims and legal research projects. Interns from the classes of 1996 and 1997: Tina Marie Chericoni and Dann Hoeffner. Tina and Dann were joined in the summer of 1996 by Gabriel M. Jones, a pre-law student at Whitworth College in Spokane, Washington.



Ray Wood

The Trustees' Regulations

Section 468-b of the Judiciary Law requires the Board of Trustees to enact regulations for the fund's administration, and procedures for the presentation, consideration and payment of claims.

The Trustees' regulations are reproduced in the Appendix. They are published in Title 22 of the Official Compilation of Codes, Rules and Regulations of the State of New York (22 NYCRR Part 7200).

Liaison with the Appellate Divisions

Section 90 of the Judiciary Law vests in the four Appellate Divisions of the Supreme Court broad authority to regulate the practice of law in New York State, and to discipline members of the bar for professional misconduct.

Because the misuse of law client money and property generally results in a lawyer's disbarment, the Trustees usually defer final determinations in claims until appropriate disciplinary proceedings have been concluded. Additionally, fund investigations are coordinated with the investigative efforts of Attorney Disciplinary Committees. This avoids expense and duplication of effort.

The Trustees' regulations provide that all shared information involving complaints against lawyers is to be sealed and maintained as a confidential record in accordance with section 90 of the Judiciary Law.

As a complement to this coordination process, each Appellate Division has designated a member of the Court to serve as its liaison with the fund. Liaison justices in 1996 were Justices Milton L. Williams of the First Department; Vincent R. Balletta, Jr., now deceased, of the Second Department; James N. White of the Third Department; and John J. Callahan of the Fourth Department.



The Fund's Revenues

The fund's principal source of revenue is a portion of the \$300 biennial registration fee required of each active member of the bar by section 468-a of the Judiciary Law. The fund receives no revenues from the State's General Fund, the Interest on Lawyer Account (IOLA) program, or other tax revenues.

Section 468-a allocates 20 percent (\$60) of each \$300 fee to the Lawyers' Fund for Client Protection. For the fiscal years 1993-94, 1994-95 and 1995-96, the State Legislature has supplemented this 20 percent share with appropriations from the Attorney Licensing Fund (ALF). In effect, these annual appropriations since April 1, 1993 have provided the fund with the equivalent of a \$100 share of each biennial registration fee.

Revenues belonging to the fund are deposited in a special trust account in the State Treasury created by section 97-t of the State Finance Law, the sole purpose of which is to finance the fund and its activities. All awards and administration costs are disbursed from this special revenue account.

Registration fee revenues are supplemented by interest from investments in the State Comptroller's Short-Term Investment Pool (STIP), gifts, sanctions, and restitution secured from dishonest lawyers and other liable sources.

The attorney registration program is administered by the Office of Court Administration. Through the close of 1996, registration fees have produced \$57.3 million for the fund.

Interest income since 1982 totals \$2.9 million. The fund has recouped an additional \$2.7 million from dishonest lawyers and collateral sources. Contributions by way of gifts total \$210,000.

Registration of Lawyers

Section 468-a of the Judiciary Law requires all lawyers licensed to practice law in New York State to register biennially with the Chief Administrator of the Courts through the Office of Court Administration.

Non-compliance with the registration law "constitutes conduct prejudicial to the administration of justice," and subjects a lawyer to disciplinary action under section 90 of the Judiciary Law.

Once again I wish to thank you all for all your help and understanding in this very alarming situation. It really hurts when you trust someone and they take total advantage of you.

At the close of 1996, there were 165,000 lawyers registered with the Office of Court Administration. That number includes 16,000 retired lawyers and full-time judges who are exempt from the registration fee.

Sanction Revenues

Financial sanctions in litigation provide a unique source of revenue for the fund, approximately \$32,000 monthly in 1996.

Most sanctions are imposed by Supreme Court trial justices in the management of court and trial calendars. Judicial sanction orders frequently cite sections 2004, 3126 and 5015 of the Civil Practice Law and Rules.

Another variety emanates from the Rules of the Chief Judge and the Chief Administrator of the Courts. Those rules designate the Lawyers' Fund as the depository for sanctions imposed on lawyers for frivolous conduct in civil actions and proceedings, and counsel's unjustified failure to attend a scheduled court appearance in a criminal or family court proceeding.

The rules are published in 22 NYCRR Parts 37, 130 and 130-a. They were first applied by the Court of Appeals against a party in *Matter of the Minister v. 198 Broadway, Inc.*, 76 N.Y.2d 411 (1990); upon a lawyer in *Maroulis v. Berg*, 77 N.Y.2d 831 (1991); and upon both party and lawyer in *Intercontinental Credit Corp. v. Roth*, 78 N.Y.2d 306 (1991).

At the close of 1996, all sanction revenues totalled \$1.1 million. Sanctions have ranged in amount from \$10 to \$100,000.

Payouts and Disbursements

All awards of reimbursement through 1996 total \$59.2 million. The cost of administering the fund as a state agency last year was \$506,000. At year's end, the reserve in the fund's special revenue account in the State Treasury totalled \$2.5 million.

The fund's revenues are appropriated to the Board of Trustees by the State Legislature annually in the Judiciary Budget. For the fiscal year commencing April 1, 1997, the Trustees have requested appropriations of \$8 million for awards of reimbursement, and \$713,000 for the fund's administrative costs.

Restitution and Subrogation Revenues

Restitution and subrogation revenues totalled \$2.7 million at the close of 1996. These revenues were secured from dishonest lawyers, their estates, and from the settlement of claims against collateral sources that were economically liable for the underlying losses that the fund reimbursed.

While restitution revenues pale in comparison to reimbursement paid, there's a ready reason: few disbarred lawyers have the wherewithal to reimburse their victims, much less the Lawyers' Fund. That's why client protection funds nationwide are frequently considered remedies of last resort for victims of lawyer theft.

The fund endeavors to recoup restitution whenever possible: by direct action against dishonest lawyers and other collateral sources, by negotiated confessions of judgment, and by orders of criminal courts entered pursuant to the restitution provisions of the Penal and Criminal Procedure Laws.

Civil claims are pursued against banks and insurance companies that have paid checks bearing the forged indorsements of law clients. Other actions include the enforcement of creditor claims against the estates of dead lawyers, and the prosecution of creditor claims in bankruptcy court.

Section 468-b of the Judiciary Law authorizes the fund to seek restitution in its own right, and by subrogation and assignment agreements with law clients who have received awards.

The fund's legal standing to pursue subrogation claims was recognized by the Court of Appeals in *Clients' Security Fund v. Grandeau, et al.*, 72 N.Y.2d 62 (1988). *Grandeau* sustained the fund's right, as subrogee of reimbursed law clients, to pursue the law partner of a dishonest lawyer for negligence in supervising the management of the law partnership.

I congratulate those who set up this fund and the many honest lawyers who have kept the fund available.

Following the *Grandeau* decision, the Legislature amended the Judiciary Law to codify the fund's subrogation procedures. (Chapter 624, Laws of 1988; Judiciary Law, § 468-b (9). The statute also grants the fund a statutory lien that attaches to a dishonest lawyer's restitution obligations.

Litigation enforcing the fund's subrogation rights is frequently complex and protracted, particularly in causes of action asserted under the Uniform Commercial Code. Restitution claims are prosecuted by joint effort of the fund's staff and the Department of Law. Assistant Attorneys General who ably represented the fund in 1996 include Jennifer A. Whalen, Troy J. Oeschner, Richard Cross and Carolyn Cairns Olson.

These efforts have established important precedents in the area of client protection and creditor rights:

In *Clients' Security Fund v. Goldome*, 148 Misc. 2d 157 (Sup. Ct., Monroe Co. 1990), Justice Boehm granted summary judgment to the fund for the face amount of a law client's forged check. The defendant bank was denied standing to challenge the Trustees' exercise of discretion in favor of the subrogor law client.

In *Lawyers' Fund for Client Protection v. Manufacturers Hanover*, 153 Misc. 2d 360 (Sup. Ct., Albany Co., 1991), Justice Keegan clarified issues of common law by holding that an attorney in a debt collection engagement has no apparent authority to endorse the client's signature on the check that pays the debt. The defendant bank was held strictly liable to the fund as the client's subrogee.



Restitution as a Disciplinary Sanction

Matter of Estate of Sheridan, 149 Misc. 2d 519 (Surr. Ct., Yates Co. 1991) involved a novel feature of common law. In *Sheridan*, the court recognized the fund's capacity to assert the "sovereign's prerogative right" to priority as a creditor.

Surrogate Falvey ruled that the Lawyers' Fund, in its capacity as an instrumentality of New York State, was entitled to priority over all other nonsecured creditors of a dishonest lawyer's estate. The holding in *Sheridan* was subsequently asserted successfully in the fund's subrogation claims in *Matter of Estate of Zimmerman* (Surr. Ct., Nassau Co. #272547), and *Rowley v. Besse*, #836-93 (Sup. Ct. Albany Co.).

Lawyers' Fund for Client Protection v. Gateway State Bank, ___ Misc. 2d ___ (Sup. Ct., Albany Co., 1996) extended the fund's creditor rights in a forged indorsement case. In a decision by Justice Keegan which denied the defendant bank's motion to dismiss the fund's complaint, the court approved Albany County as a proper county of venue in subrogation actions by the fund. It also afforded the fund, as subrogee of an infant client, the benefit of a tolling of the statute of limitations. The defendant has taken an appeal to the Appellate Division, Third Department.



At the Trustees' behest, the State Legislature in 1989 amended section 90 of the Judiciary Law to grant the Appellate Divisions of the Supreme Court authority to order a lawyer to make restitution for the theft of client property.

New subdivision (6-a) permits an Appellate Division to order restitution in resignation as well as contested disciplinary proceedings. The statute also provides that restitution orders are enforceable as civil money judgments.

The Appellate Division, Third Department, was the first court to invoke the new statute. In *Matter of Cooper*, 168 A.D.2d 695 (3rd Dept. 1990), it ordered Cooper to make restitution of \$1.03 million in thefts from three estates and a conservatorship. The Court also ordered that restitution be paid to Cooper's victims, or the Lawyers' Fund to the extent it reimburses those losses.

Since *Cooper*, all of the Appellate Divisions have used their restitution authority. Representative cases include *Matter of Hirsch*, 226 A.D. 2d 41 (1st Dept. 1996); *Matter of O'Sullivan*, 214 A.D.2d 30 (2nd Dept. 1995); *Matter of Bishop*, 204 A.D.2d 851 (3rd Dept. 1994); and *Matter of Burgess*, 201 A.D.2d 55 (4th Dept. 1994).

The restitution statute has proven to be workable and helpful to the victims of dishonest lawyers. It's also a flexible complement to an Appellate Division's broad authority over the practice of law.

Matter of Natale, 211 A.D.2d 36 (2nd Dept. 1995) is an apt example. In that disbarment proceeding, the Appellate Division, Second Department, approved a unique restitution arrangement to be administered by the fund's Executive Director.

*Please accept our heartfelt thanks.
You made the whole procedure a
very simple task for us.*

The arrangement in *Natale* sanctions a reimbursement pool to be funded by legal fees owed to the disbarred lawyer. One of the beneficiaries of the pool is a young woman whose lawyer stole \$388,000 from her medical malpractice recovery. It's hoped that the reimbursement pool will provide her with full restitution, above the \$100,000 already provided by the Lawyers' Fund.

Another innovative application of the restitution statute can be found in *Matter of Dussault*, 215 A.D.2d 843 (3rd Dept. 1995). In that disbarment proceeding, the Appellate Division, Third Department, provided judgments of restitution to 100 escrow beneficiaries who were creditors of the dishonest lawyer's clients. Those judgments were converted into awards of reimbursement totalling \$168,690.

Public Information and Consumer Education

Unlike client protection programs in many states, the New York fund encourages public information about its efforts to protect consumers from dishonest conduct in the practice of law.

The Trustees' experience confirms that responsible public efforts will promote, and certainly not erode, public confidence in the bar's basic integrity, and its concern for the well-being of clients.

Nowhere in the United States has there been a public information effort more extensive or varied. Early on the Trustees were fortunate to retain The Paige-Smith Group of Utica for expert help in this area. It's been a rewarding collaborative experience, with the Paige-Smith Group providing the fund with creative counsel in all its outreach efforts.

These efforts began, simply enough, with a plain-English brochure explaining the fund's organization, its jurisdiction and its procedures. That brochure, in revised form, is widely distributed to bar associations, government offices likely to encounter complaints of lawyer dishonesty, lawyer discipline agencies, and law schools.

Related projects have included radio, television, and newspaper interviews about the fund, and two commercially produced public service announcements, one featuring former Governor Cuomo.

To help lawyers, law office staffs, and law students to better understand the Appellate Divisions' banking and recordkeeping rules, the fund has produced *A Practical Guide to Attorney Trust Accounts and Recordkeeping*, now in its third edition.

In 1995, the Trustees published a plain-English guide to the law of escrow called, *Know Your Escrow Rights*. That consumer pamphlet was prompted by the fact that 30 percent of all client losses since 1982 have involved the misuse of escrow funds by lawyers.

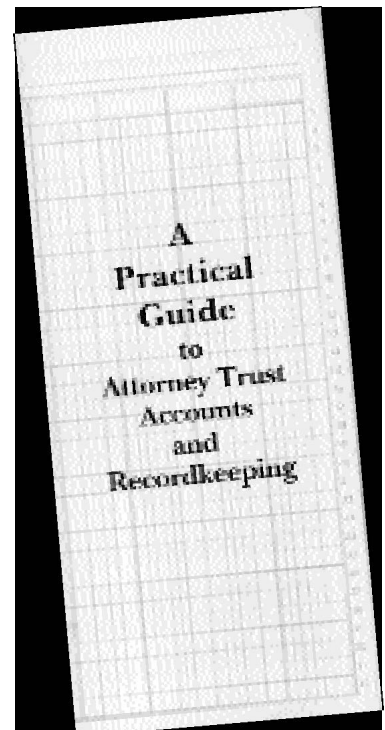
Know Your Escrow Rights has been distributed widely in downstate counties where escrow losses occur most frequently. As a help to the bar, the Trustees published a companion article called, *Know Your Escrow Rights: The Lawyers' Edition*, with citations to relevant cases, statutes and administrative

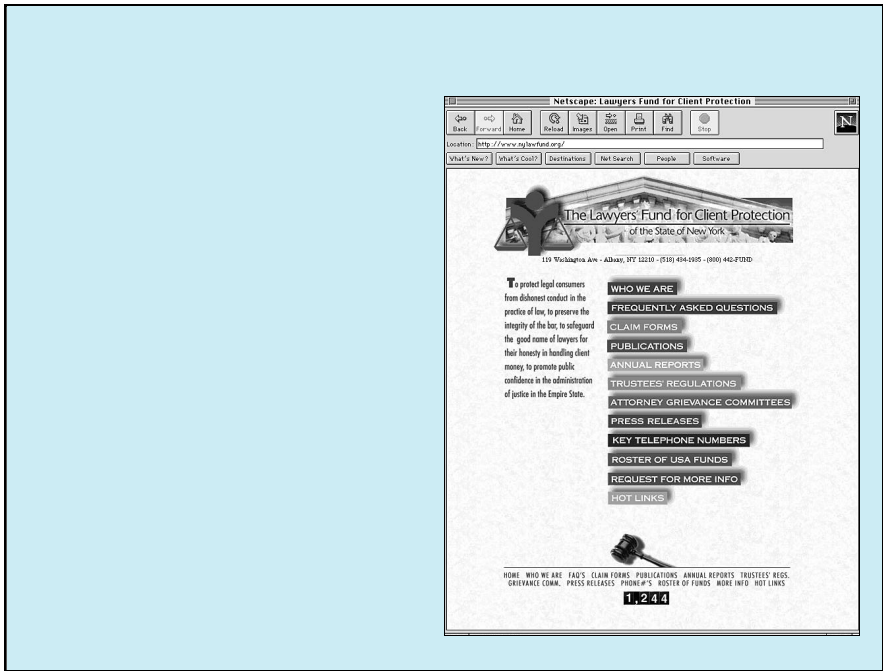
regulations. Complimentary copies are provided, in bulk, to all bar associations and law schools in New York.

The fund has supplemented these practical guides with the publication of a series of eye-catching public service announcements about the Lawyers' Fund for legal and law school publications.

Trustees and staff address professional and civic service organizations, and participate in state and national disciplinary conferences. The fund's Executive Director served, from 1987-1990, as a member of the American Bar Association's Standing Committee on Lawyers' Responsibility for Client Protection; and as Chair of the ABA's Advisory Commission on Client Protection Funds from 1991 to 1993.

Bar associations are provided articles about the fund's activities for publication in their journals and newsletters. All awards of reimbursement are announced publicly by press releases that are distributed to the media statewide.





Attorney Trust Accounts: The Video

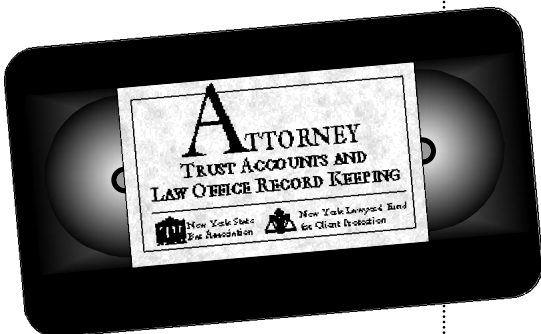
In 1996, the fund joined with the New York State Bar Association in producing *Attorney Trust Accounts and Law Office Record Keeping*, a 15-minute video that focuses on court rules and accounting standards that govern the fiduciary obligations of lawyers to maintain escrow and client trust accounts, IOLA bank accounts, and law office record systems.

The video also covers new court rules regarding the reporting of bounced checks on attorney trust accounts, missing clients, and signatories for attorney bank accounts. The video was designed for a broad audience, including law office staffs, law students, accounting firms, banks, and other businesses that have escrow transactions with New York lawyers and law firms.

As a public service, complimentary copies of the video were distributed to county and city bar associations statewide, deans of law schools, law school teachers of legal ethics, and Attorney Disciplinary Committees.

In 1997, this video will be supplemented by a manual for practitioners on the subject of client trust accounting.

The Lawyers' Fund is working with the New York State Bar Association, the Association of the Bar of the City of New York, and the Suffolk County Bar Association to produce a practical handbook for sole practitioners, small law firms and law school students. The *Handbook on Client Trust Accounting for New York Lawyers* will include accounting and recordkeeping models, and ethics opinions from leading bar associations on related topics.

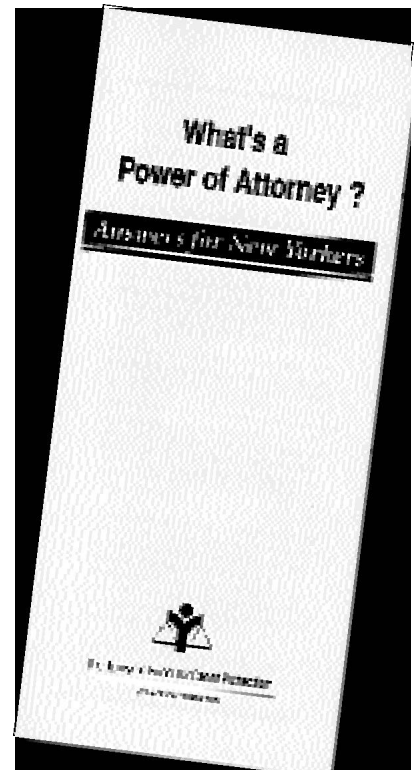


What's A Power of Attorney?

With the help of the Government Law Center of the Albany Law School of Union University, the Lawyers' Fund in 1996 published a consumer pamphlet guide on the subject of powers of attorney.

What's A Power of Attorney? Answers for New Yorkers is a 12-page guide, in plain English and question and answer format, that addresses basic principles of law, fiduciary conduct, and important changes in New York statutes that took effect on January 1, 1997.

Attorney General Dennis C. Vacco generously volunteered to help in this consumer protection effort by arranging for the Department of Law to underwrite the cost of printing 100,000 copies of *What's a Power of Attorney?* to be widely distributed to consumers and senior citizen groups statewide.



Evaluating Reimbursement Claims

A claimant seeking reimbursement is provided a two-page application form, together with necessary instructions and a copy of the Trustees' procedural regulations.

Upon receipt of the claim, it's assigned an identifying number, acknowledged, and assigned to a member of the staff for investigation. Claims are promptly screened to establish *prima facie* eligibility. An alleged loss that's not eligible for reimbursement is dismissed by the Executive Director with a written explanation to the claimant why it does not qualify for reimbursement.

Clients who allege a misappropriation of money or property in the practice of law are instructed to report their losses to the appropriate Attorney Disciplinary Committee and District Attorney, and to cooperate with these agencies in their investigations.

Unless a claim is clearly unfounded or ineligible, the lawyer cited by the claimant is provided a copy of the client's application and supporting papers, and invited to respond to the client's allegations.

Claims are readied for the Trustees promptly following an Appellate Division's disciplinary decision involving the lawyer complained about — typically a disbarment — or, in appropriate cases, following the lawyer's criminal conviction for larceny or similar conduct.

Thank you. It's difficult to adequately express my appreciation and incredible relief to have finally recovered this money and to be able to pay my bills and get out of debt.

Section 468-b of the Judiciary Law gives the Trustees sole discretion to determine the merits of claims, the amount of reimbursement to be awarded, and to fix terms and conditions for its awards. All claims presented to the Trustees are accompanied by a written report which summarizes the facts relating to the client's alleged loss, and a recommendation for action by the Trustees.

The Trustees evaluate these claims at their quarterly meetings — upwards of 100 claims per meeting. Meetings of the Board have been held in all twelve judicial districts in New York State. Venues in 1996 included Manhattan, Rome and Buffalo.

As a convenience to clients and the lawyers who assist them, most claims are processed on the client's papers and supporting documents and evidence. Rarely does an attorney who is charged with dishonest conduct contest or oppose an award. Hearings with the Trustees, or a panel thereof, are held when they deem necessary, or when requested by a party to the claim.

Awards are paid by the State Comptroller, usually in lump sums, upon vouchers certified jointly by the Chairman, Treasurer and the Executive Director.

Judicial Review of Rejected Claims

The Trustees, since 1982, have reached final determinations in 6894 applications for reimbursement, approving 3675 and rejecting 3219 (47 percent of all filed claims) as not meriting reimbursement from the fund.

There has been only one instance where a claimant who was denied an award challenged the Trustees' determination in a judicial review proceeding under Article 78 of the Civil Practice Law and Rules.

In the Claim of Tabak, the Trustees declined to make an award where it appeared that the transaction with Tabak's attorney involved a personal loan of money, not the theft of law client money in the practice of law.

Justice James B. Canfield sustained the Trustees' decision in *Matter of Tabak v. The Lawyers' Fund*, 166 Misc. 2d 502, 634 N.Y.S.2d 351 (Sup. Ct., Albany Co. 1995). The court reviewed the Trustees' broad grant of discretion from the Legislature, their procedural regulations, and their determination that the claimant had not provided satisfactory evidence of a reimbursable loss. The court held that the fund's procedures provided adequate due process, that the Trustees' determination was supported by the record, and that it was neither arbitrary nor capricious.



Representation by Counsel

Claimants seeking reimbursement are not obliged to be represented by counsel. Fund procedures are straightforward and uncomplicated, and staff provides help in documenting client losses.

The Trustees nonetheless encourage the participation of private counsel. The theft of money or property confronts law clients with legal problems. The theft of a buyer's down payment in the purchase of a residence, for example, typically precipitates financial, legal and practical problems for the buyer, the seller, lending institutions, title insurers and the like.

Members of the bar have come forward enthusiastically to accept this opportunity of public service. Indeed, nearly half of all claimants filing with the fund have counsel helping them with their applications.

Thank you for awarding \$7,000 to my client. Now if the state would put all of the money in the fund and stop tapping it for the General Fund, life would be a lot better for victims of attorney misdeeds.

Court rules of the Appellate Divisions do not allow counsel to charge or accept legal fees for this professional service, except with the approval of the Board of Trustees. See 22 NYCRR 603.24, 691.24, 806.16, 1022.35.

This statewide policy has been implemented in section 7200.14 (b) of the Trustees' regulations: no fee applications by lawyers, including public officers and court-appointed fiduciaries, will be approved by the Trustees "absent a showing of extraordinary cir-

cumstances." Since 1982, only two law firms have requested the Trustees' approval of fee applications. Neither request was approved.

Schettino v. Alter, 140 A.D.2d 600 (2d Dept. 1988) is an encouragement for the bar to participate in work the of the Lawyers' Fund. In *Schettino*, the Appellate Division, Second Department, held that the fund is a quasi-judicial agency, and that all participants in its proceedings are absolutely immune from defamation. This immunity extends to claimants and to lawyers who assist them in the processing of their claims. Counsel are also provided certificates of appreciation from the Board as a token of its appreciation for this contribution of public service.



Unearned Legal Fees

Disciplinary Rule 2-110 of the Lawyer's Code of Professional Responsibility requires a lawyer to refund unearned legal fees to a law client upon the close of a legal representation.

About a third of all claims presented to the Lawyers' Fund involve so-called "unearned retainers": 2242 of 7413 claims since 1982. In most cases, the claimants were clients at the time of their lawyers' disbarment or suspension from practice. Not infrequently, they paid legal fees in advance, oblivious that a disbarment or suspension was imminent.

Because of the disciplinary system's confidentiality standards, these clients could not know of their lawyers' serious disciplinary troubles, or that they would not be able to provide the legal services they promised (and were paid for).

In many other claims, claimants misperceive the fund as a forum to resolve fee disputes. For busy government agencies and bar associations, it's understandable that clients complaining of fees get referred to the Lawyers' Fund, notwithstanding that many of these claims are rejected.

The typical "unearned retainer" loss that gets reimbursed is relatively small in the scale of all losses — about \$2500. Notwithstanding, unearned retainer claims are difficult to evaluate, as the process requires a search for "dishonest conduct" in a lawyer's refusal or inability to refund the claimant's legal fee.

I also want to take this opportunity to thank you and your committee for the way you have treated our claim and the kind consideration you showed us in our conversations with you.

That requires a difficult sorting of evidence of legal work actually provided from issues of malpractice, neglect and breach of contract. These difficulties are compounded by the usual absence of written retainer agreements, time sheets, law client files, and the accused lawyer's refusal to cooperate.

After several years' experience in wrestling with these difficulties, the Trustees amended their regulations in 1990 to codify the criminal-law concept of "larceny by false promise" as a species of "dishonest conduct" that can result in an award of reimbursement from the fund.

That codification is contained in section 7200.8 (Eligible Claims), subdivision (e), of the Trustees' regulations:

In a loss resulting from an attorney's refusal or failure to refund an unearned legal fee as required by the Lawyer's Code of Professional Responsibility, "dishonest conduct" shall include an attorney's misrepresentation, or false promise, to provide legal services to a law client in exchange for the advance payment of a legal fee.

An attorney's failure to perform or complete a legal engagement shall not constitute, in itself, evidence of misrepresentation, false promise or dishonest conduct.

Reimbursement of a legal fee may be allowed only if: (i) the attorney provided no legal services to the client in the engagement; or (ii) the legal services that the attorney actually provided were, in the Trustees' judgement, minimal or insignificant; or (iii) the claim is supported by a determination of a court, a fee conciliation bureau, or an accounting acceptable to the trustees that establishes that the client is owed a refund of a legal fee. No award reimbursing a legal fee shall exceed the actual fee that the client paid the attorney.

In the event that a client is provided equivalent legal services by another attorney without cost to the client, the legal fee paid to the predecessor attorney will not be eligible for reimbursement, except in extraordinary circumstances.

This standard is consistent with the fund's mission to provide reimbursement for the misuse of law client money resulting from a lawyer's dishonest conduct. The fund's experience with this standard proves that it's workable, and acceptable to law clients as a reasonable test of "dishonest conduct" in the practice of law.



Theft of Personal Injury Settlements



A common device of lawyer theft nationwide is the forgery of law clients' indorsements on settlement checks in personal injury litigation. The forgery typically follows the unauthorized settlement of the client's litigation with an insurance carrier, accompanied by the forgery of the client's signature on a general release and a discontinuance of the lawsuit.

This species of theft is facilitated by a long-standing industry practice to make the insurance carrier's settlement check jointly payable to law client and attorney. The insurance carrier mails the settlement check to the attorney without any notice to the law client.

With the cooperation of the New York State Insurance Department, the Trustees in 1988 fashioned a regulatory device that has proven to be highly effective in deterring and detecting losses in this area of legal practice.

Thank you for your decision in my favor. It has truly restored my faith in the legal system in New York State, a profession which I hope to one day be a part of.

The device is called the "Regulation 64 Notice" which, since September 1988, requires liability insurers and their agents to provide law clients with written notice of payment (11 NYCRR 216.9):

Upon payment of \$5,000 or more in settlement of any third party liability claim, where the claimant is a natural person, the insurer shall cause written notice to be mailed to the claimant at the same time payment is made, by the insurer or its representative (including the insurer's attorney), to the claimant's attorney or other representative of the claimant by draft, check or otherwise. . . .

This Regulation 64 Notice has substantially reduced losses in this area of legal practice, and claims to the Lawyers' Fund. The notice has also been responsible for the criminal prosecution of several lawyers for substantial grand larcenies of law client settlements.

Another helpful result of the Regulation 64 Notice is that check forgeries are discovered promptly. This means that losses can be recovered from banks that improperly honored forged indorsements under the Uniform Commercial Code and, in some cases, from the insurance carrier that settled the claim. Before the Regulation 64 Notice, a dishonest lawyer's concealment of the forged indorsements frequently barred these recoveries because of applicable statutes of limitations.

Based on the experience in New York State, the American Bar Association has approved the Regulation 64 Notice as a Model Rule for attorney disciplinary systems nationwide. Versions of Regulation 64 have been adopted in California, Georgia, Maryland, New Jersey, Pennsylvania and Rhode Island.



Losses in Investment Transactions



Among the most difficult claims are those which involve the loss of money in investment transactions with lawyers.

By the close of 1996, there were 942 claims filed that alleged losses in investment deals with lawyers. Reported losses total \$76 million. Since 1982, the Trustees have approved awards in 262 claims, for total reimbursement of \$9.1 million.

Filings for investment losses set new records in 1996: 80 new claims alleged losses of \$9.5 million. At year's end, 218 of 579 pending claims involved investment losses of \$25.1 million. The fund's potential liability, adjusted for its \$100,000 maximum on individual losses, approaches \$14 million. Three lawyers account for 161 pending investment claims. Their victims allege total losses of \$14.7 million.

A large percentage of "investment" claims do not qualify for reimbursement. That's because the fund's enabling statute requires that eligible losses occur in "the practice of law." In addition, the legislative history of the statute is clear that losses resulting from a lawyer's activities as a "fiduciary" alone do not qualify.

Consistent with the statute and legislative history, the Trustees require that a claimant's loss be caused by a lawyer's dishonest conduct in the practice of law and be traceable to an attorney-client relationship.

Having been so ruthlessly and cruelly taken advantage of by a trusted advisor, neighbor and friend, words cannot express my gratitude to your organization.

To assist claimants and their counsel understand this major limitation on the fund's jurisdiction, the Trustees have adopted the following policy statement, which is provided to every claimant who seeks reimbursement for a loss in an investment setting:

The Trustees will consider for payment only those claims arising out of an attorney-client relationship. Investment advice given by the claimant's attorney, although such advice may result in the loss of claimant's money, is not, in and of itself, a ground for seeking reimbursement from the fund.

Claims arising out of investments may be considered for payment, however, when the attorney is in the possession of the claimant's money, which the attorney has obtained by virtue of an attorney-client relationship with the claimant, when the attorney advises the claimant to invest the money in a business or other venture, and the attorney then misappropriates the claimant's money.

Ordinarily, interest on investments will not be reimbursed. Unless a claimant establishes otherwise, all payments received on the investment will be considered to be return of principal and will be deducted from the claimant's initial investment with the attorney in order to determine for fund purposes, the claimant's reimbursable loss.

Thefts in Real Property Transactions



Nearly a third of all losses reimbursed by the Lawyers' Fund involve the theft of money in real property transactions: \$18.9 million in 1026 awards since 1982.

The typical loss consists of the theft of a down payment in the purchase and sale of residential real estate: one- and two- family residences, cooperatives and condominiums. In downstate New York, it has been the usual practice for sellers to require a down payment equal to 10 percent of the purchase price, and for the seller's lawyer to hold the down payment in escrow until title passes.

The theft of a down payment presents unique and immediate problems for everyone: buyers and sellers, their lawyers, title insurers, etc. These problems are magnified when the loss is discovered on the eve of a closing.

It's fortunate that most thefts of down payments by lawyers qualify for full reimbursement from the Lawyers' Fund. Further, in appropriate cases the fund will expedite procedures to enable the parties to close on schedule.

In an effort to sensitize clients, lawyers and real estate agents to the importance of escrowed down payments, the Trustees proposed that the Legislature codify the fiduciary obligations of fiduciaries to segregate and safeguard contract deposits in special bank accounts.

Chapter 506 of the Laws of 1990 added a new Article 36-c to the General Business Law, effective January 1, 1991, which applies to the sale of existing residential realty, including condominium units and cooperative apartments. The statute requires that each contract of purchase and sale identify the escrow agent and the bank where the down payment is to be deposited pending the closing. While progress was initially slow, contract forms published by legal stationers and real estate agencies now incorporate the provisions of Chapter 506.



The Bounced Check Rule



bounced check on a lawyer's trust or escrow account is an obvious signal that a client's funds

may be in jeopardy. Additionally, a bank's advice to a client/customer that a lawyer's check has been dishonored for insufficient funds is one of the few early-warning signals that's available to a client. Time after time, however, the anxious client excuses the incident when offered a plausible explanation.

In fact, however, a law client's forbearance often enables a dishonest lawyer to manipulate and conceal the misuse of other clients' funds, sometimes for years. The scheming and kiting of checks invariably fails, but not without damage to innocent clients and trust beneficiaries.

One practical solution is for banks to report bounced checks on lawyer trust and escrow accounts to attorney disciplinary agencies, in a manner proposed by the American Bar Association's Model Overdraft Rule.

In 1989, the Trustees adapted the ABA's model overdraft rule for use in New York State, and proposed it to the Administrative Board of the Courts as a rule of court. Discussions with representatives of the New York State Bankers Association and the New York State Bar Association were successful, and the Appellate Divisions promulgated necessary rule changes effective January 1, 1993.

The new rules (22 NYCRR 1200.46(b)(1), (2); Part 1300) require New York practitioners to designate their client fiduciary accounts as either "Attorney Trust Account", "Attorney Special Account" or "Attorney Escrow Account." And lawyers may only use banks which have agreed to report dishonored checks on these accounts.

Unlike the overdraft rules in most other states, New York has opted to require reports only where a bank actually dishonors a lawyer's check because of insufficient funds in the client trust account. This policy was adopted at the request of the banking industry and the organized bar. One consequence of the policy is that the program has been implemented in a very large jurisdiction smoothly and with minimal cost.

Bounced Check Reports Sent to Disciplinary Committees

	1993	1994	1995	1996	Totals
First Department					
First Judicial District	79	79	119	181	458
Twelfth Judicial District	22	16	11	16	65
Totals:	101	95	130	197	523
Second Department					
Second Judicial District	48	163*	38	50	249
Ninth Judicial District	42	19	17	36	114
Tenth Judicial District	51	44	55	94	244
Eleventh Judicial District	24	13	17	23	77
Totals:	165	239	127	203	743
Third Department					
Third Judicial District	8	6	3	11	28
Fourth Judicial District	2	2	1	3	8
Sixth Judicial District	0	0	1	2	3
Totals:	10	8	5	16	39
Fourth Department					
Fifth Judicial District	4	2	4	9	19
Seventh Judicial District	9	17	10	27	63
Eighth Judicial District	10	20	50	14	94
Totals:	23	39	39	50	176

* 120 bounced check reports involve one lawyer.

The Lawyers' Fund serves as a clearing-house for these notices, which are mailed to the fund's offices in Albany. They are held for 10 days to allow banks to withdraw notices filed in error. If not withdrawn within this 10-day period, the notices are forwarded to the appropriate Attorney Disciplinary Committee for investigation.

Participating in this program, on a voluntary basis, are 251 banking institutions. That's virtually every bank in New York State that offers checking account type services to lawyers and law firms.

Through the close of 1996, the Lawyers' Fund has processed approximately 1500 reports of dishonored checks on client trust accounts. The cumulative face amount of those checks totals \$13.5 million.

A lawyer/law firm who is named in a bounced check report is required to furnish the Attorney Disciplinary Committee with a written explanation for the transaction, and bank statements on the attorney trust account for the prior six months.

As anticipated, most bounced check reports result from deficiencies in law office banking practices, not dishonest conduct. In these cases, the bounced check rule serves the function of identifying those deficiencies, and alerting practitioners to the accounting, banking and recordkeeping requirements in Disciplinary Rule 9-102 of the Lawyer's Code of Professional Responsibility.

Nonetheless, the Bounced Check Rule has uncovered significant thefts. The fund's most recent evaluation of the bounced check program indicates that the rule has detected upwards of 30 lawyers who have misused client funds since 1993. Pending claims involve an additional 29 lawyers who have been cited in bounced check reports.

Many of the offending lawyers have been suspended from practice by the courts to protect the public pending their prosecution for conversion and commingling. And in cases involving less serious breaches of DR 9-102, numerous lawyers have been privately cautioned or admonished to correct deficiencies in their procedures.



Dead Lawyers and Missing Clients

Disciplinary Rule 9-102 (e) of the Lawyer's Code of Professional Responsibility requires that a signatory on a lawyer's trust, escrow or special account be a member of the New York bar. That restriction is designed to protect law clients from the misuse of their funds.

In sole proprietorships, numerous practical problems can occur upon the death of the practitioner. Frequently they involve access to the lawyer's client trust account.

With an amendment to Disciplinary Rule 9-102 (f-2) effective December 13, 1994, the Appellate Divisions have cured that omission. The new procedure provides:

Designation of Successor Signatories.

(1) Upon the death of a lawyer who was the sole signatory on an attorney trust, escrow or special account, an application may be made to the Supreme Court for an order designating a successor signatory for such trust, escrow or special account who shall be a member of the bar in good standing and admitted to the practice of law in New York State.

I agree with you completely that the overwhelming majority of lawyers are honest, caring and deserve their clients' trust. Their contribution towards this fund, making the rewards possible for good cause is a blessing for us victims.

(2) An application to designate a successor signatory shall be made to the Supreme Court in the judicial district in which the deceased lawyer maintained an office for the practice of law. The application may be made by the legal representative of the deceased lawyer's estate; a lawyer who was affiliated with the deceased lawyer in the practice of law; any person who has a beneficial interest in such trust, escrow or special account; an officer of a city or county bar association; or counsel for an attorney disciplinary committee. No lawyer may charge a legal fee for assisting with an application to designate a successor signatory pursuant to this rule.

(3) The Supreme Court may designate a successor signatory and may direct the safeguarding of funds from such trust, escrow or special account, and the disbursement of such funds to persons who are entitled thereto, and may order that funds in such account be deposited with the Lawyers' Fund for Client Protection for safeguarding and disbursement to persons who are entitled thereto.

The fund employed this new rule to recover \$147,000 from the stagnant client trust accounts of two deceased lawyers (*Matter of Marine Midland Account No. 008-81544-5, #022732-95* (Sup. Ct., Queens Co.) and *Lawyers' Fund v. Chase Manhattan Bank, #9275-96* (Sup. Ct., Queens Co.)).

The joint order of the Appellate Divisions also amended subdivision (f) of DR 9-102 to authorize a similar judicial remedy in situations where lawyers cannot locate clients who have money on deposit in an attorney trust account. New subdivision (f-1) reads:

Missing Clients. Whenever any sum of money is payable to a client and the lawyer is unable to locate the client, the lawyer shall apply to the court in which the action was brought if in the unified court system, or, if no action was commenced in the unified court system, to the Supreme Court in the county in which the lawyer maintains an office for the practice of law, for an order directing payment to the lawyer of any fees and disbursements that are owed by the client and the balance, if any, to the Lawyers' Fund for Client Protection for safeguarding and disbursement to persons who are entitled thereto.

Through December 31, 1996, the fund received 14 deposits of escrow funds involving missing escrow beneficiaries. Deposits total \$278,000.

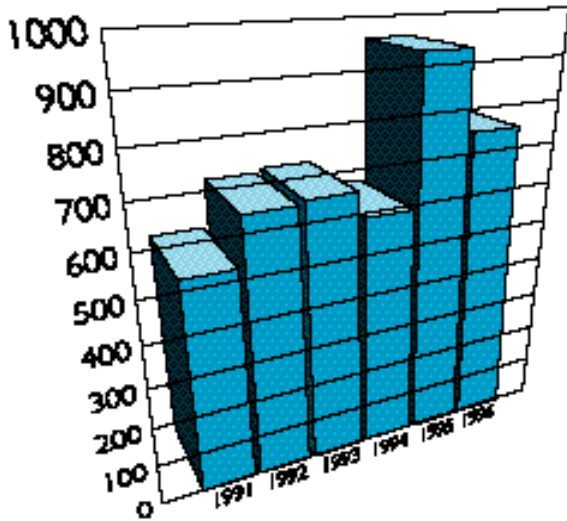


Reimbursement Claims Processed

Filed Claims Since 1982

All claims filed by the close of 1996 totalled 7413. Annual filings have ranged from a low of 230 in 1984, to a record high of 909 claims in 1995. Filings have increased 42 percent since 1991.

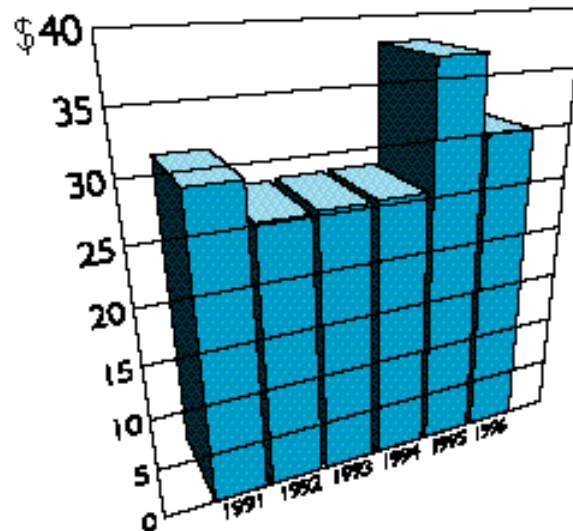
Claim Filings Since 1991



Reported Losses Since 1982

Losses in all filed claims total \$243 million, up from \$214 million at the close of 1996. Reported losses have increased an average of three percent a year since 1991: from \$28 million in 1991 to \$30 million in 1996.

Reported Losses Since 1991: (In Millions)



Filings by Category of Loss Since 1982

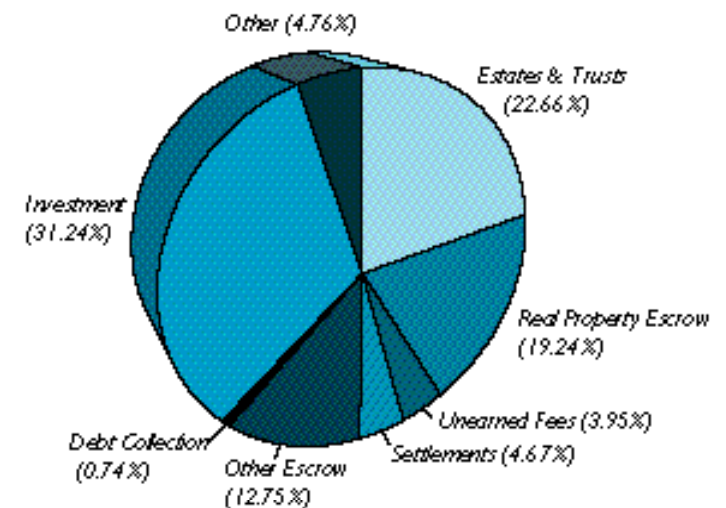
Losses reported by clients are assigned to the following categories of loss involving client money and property:

- estate and trust assets
- real property proceeds
- debt collection proceeds
- settlements in litigation
- other escrow transactions
- a lawyer's refusal to refund unearned legal fees
- embezzlements in investment transactions with clients
- "other" for all other claims.

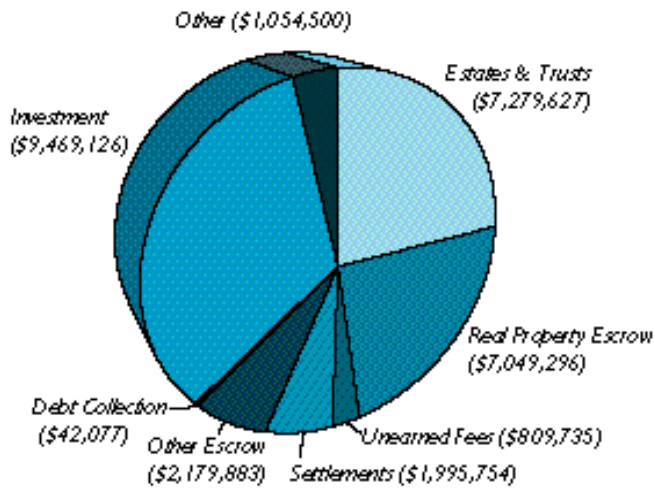
The largest number of claims seek reimbursement for unearned legal fees (2242), followed by thefts in real property transactions (1551).

The largest dollar damages involve reported losses in investment transactions with lawyers (\$76.1 million); thefts from estates and trusts (\$55.2 million); and the thefts in real property transactions (\$46.9 million).

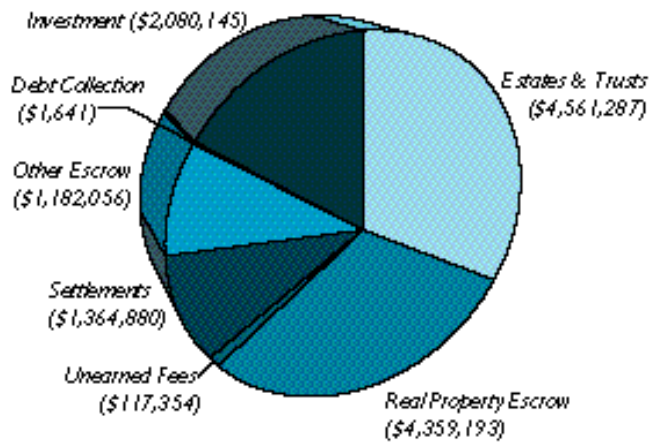
Reported Losses Since 1982: \$243 Million



Reported Losses In 1996 Claims: \$29.9 Million



Losses in 1996 Awards: \$13.7 Million



Claims Filed in 1996

There were 730 claims filed during 1996, down from 909 filings in 1995. Claims filed in 1996 alleged losses of \$29.9 million.

The largest number of claims (232) sought reimbursement of legal fees. They alleged losses of \$809,000.

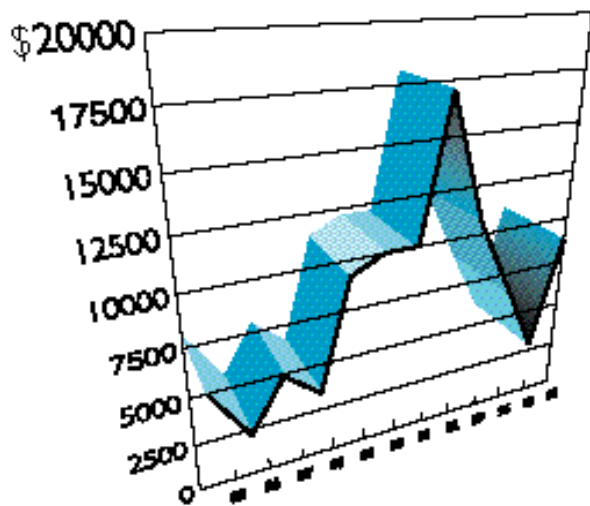
The largest reported losses (\$9.5 million) occurred in investment transactions with lawyers, followed by \$7.3 million in reported losses in estates and trusts.

Reimbursement Awards in 1996

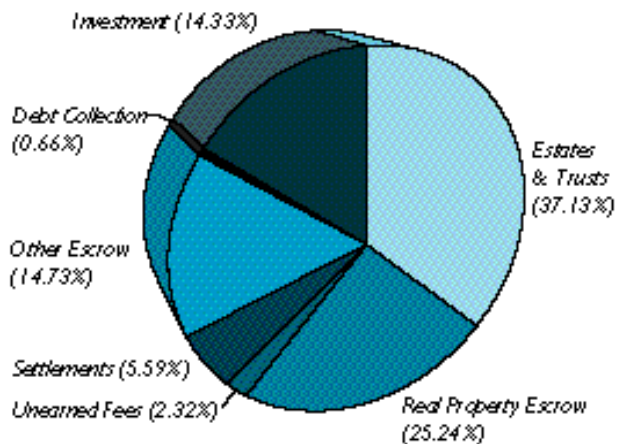
The Trustees approved 381 awards in 1996, down from 383 awards in 1995. The 1996 awards involved actual client losses of \$13.7 million.

Awards totalled \$9.9 million. They ranged between \$75 and \$100,000. The median client loss (and award) in 1996 was \$8,790.

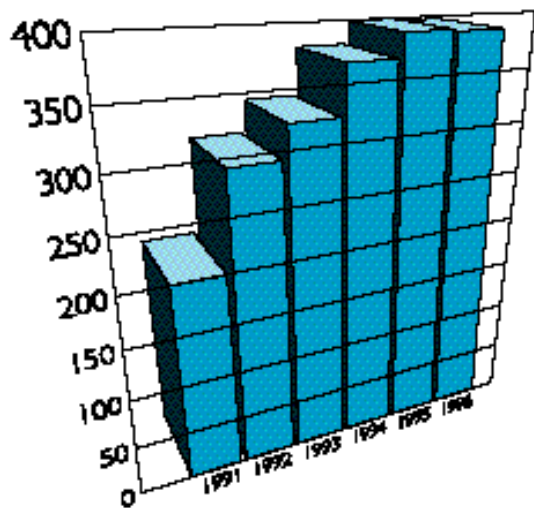
Median Client Losses in Awards Since 1985



Losses in All Awards Since 1982: \$88.7 Million



Awards of Reimbursement Since 1991



Ineligible Claims

Between 1982 and 1996, the Trustees entered final determinations in 6894 claims seeking reimbursement from the Lawyers' Fund. During that same period, 3219 claims (47 percent) were determined not to be eligible for reimbursement.

Alleged losses rejected for awards of reimbursement since 1982 exceed \$100 million.



Lawyers Involved in Awards

Awards since 1982 involve dishonest conduct by 510 former members of the bar, up from 472 at the close of 1995. Those lawyers are identified in the Appendix, with the judicial districts where they maintained their practices, and the reimbursement provided their clients by the fund.

The experience in New York State is consistent with the picture nationwide. That is, most thefts involve sole practitioners. Most are middle-aged. Very few losses in New York have involved female practitioners.

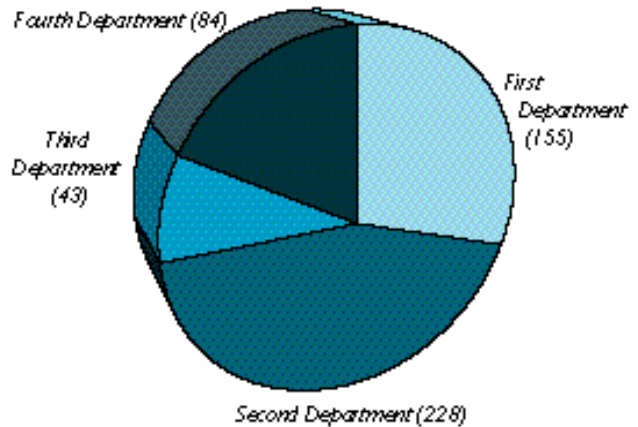
There is generally evidence of lawyers beset with marital, professional and medical problems. Gambling and alcoholism are frequently encountered, as are economic pressures associated with a lawyer's outside commercial activities. And drug abuse is not uncommon when the misuse of client funds involves younger members of the bar.

Lawyers whose dishonest conduct resulted in awards from the fund ("Respondent Lawyers"), and the total awards to their clients, were distributed by geographic judicial district as follows:

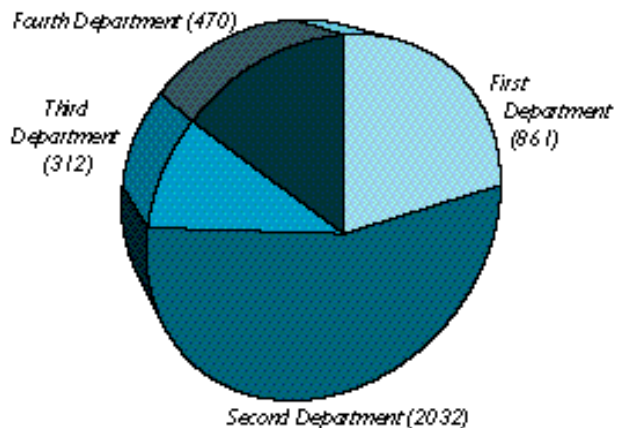
Lawyers Involved in Awards Since 1982

	Number of Lawyers	Number of Awards	Lawyer Population
First Department			
First Judicial District	147	847	55,079
Twelfth Judicial District	8	14	1,738
Totals:	155 (30%)	861 (23%)	56,817 (54%)
Second Department			
Second Judicial District	48	262	6,154
Ninth Judicial District	61	761	8,171
Tenth Judicial District	87	678	13,210
Eleventh Judicial District	32	331	3,505
Totals:	228 (45%)	2032 (55%)	31,040 (30%)
Third Department			
Third Judicial District	19	179	4,261
Fourth Judicial District	13	64	1,384
Sixth Judicial District	11	69	1,343
Totals:	43 (9%)	312 (9%)	6,988 (7%)
Fourth Department			
Fifth Judicial District	12	36	2,717
Seventh Judicial District	30	215	3,054
Eighth Judicial District	42	219	4,375
Totals:	84 (16%)	470 (3%)	10,146 (8%)

Lawyers Involved in All Awards Since 1982 By Judicial Department



All Awards of Reimbursement Since 1982 By Judicial Department



Claims Pending, December 31, 1996

There were 579 claims pending at year's end, down from 609 pending claims on December 31, 1995.

Pending claims allege losses of \$46.9 million. The fund's potential liability, adjusted for its \$100,000 maximum limit on awards, is \$25.1 million, up from \$24.4 million at the close of 1995.



Recommendations

We again recommend changes in New York law, policy and legal practice to protect consumers from dishonest conduct in the practice of law.

The bar of New York State is fortunate that the profession engages in a near-constant program of self-evaluation, encouraged by the state's judicial leaders. In 1993, Chief Judge Kaye and the Appellate Divisions enacted landmark protections for legal consumers in matrimonial litigation. Late in 1995, the bar was presented with additional recommendations in the Final Report of the Chief Judge's Committee on the Profession and the Courts.

That report addresses several concerns that have been discussed in our prior annual reports: the arbitration of fee disputes, enhanced ethics and skills training for law students, and greater public access to lawyer discipline proceedings.

We have conveyed to Chief Judge Kaye our support for related proposals in the committee's final report: court rules to require an engagement letter where the legal fee to be charged a client is expected to be \$1,000 or more, the broadening of the existing lawyer discipline process to authorize mediation in matters not involving serious professional misconduct, the recasting of available disciplinary sanctions to include remedial training and mentoring to prevent future ethical lapses, and the establishment of a legal ethics institute to provide the profession with a continuing program of ethics, research and education.

Disbarment for Stealing Client Escrow Money

We have consistently urged a firm disciplinary policy that disbarment from the practice of law should be the usual sanction when a lawyer injures a client by stealing money or property. A tough policy, perhaps, but one that bar leaders nationwide endorse.

Until recently, disbarment for theft appeared to be the standard sanction in all four judicial departments in New

York State. Recent court decisions suggest that disbarment is not being imposed uniformly in similar cases of lawyer theft.

That would be a regrettable development in disciplinary enforcement. Penalties for violating the essential standards of professional responsibility should not vary among the four judicial departments. A theft of client property in an upstate county deserves no special leniency simply because of the accident of geography.

We are similarly concerned that not all Attorney Grievance Committees are reporting evidence of lawyer theft to District Attorneys for appropriate action. To withhold evidence of criminal activity by a lawyer poses unacceptable risks to law clients and to the public. It could also threaten public confidence that justice is evenly administered in the Empire State.

Confidentiality in Lawyer Discipline Proceedings

Section 90 of the Judiciary Law provides that lawyer discipline proceedings shall be "deemed private and confidential", and that all "papers, records and documents" be sealed unless an Appellate Division of the Supreme Court sustains the charges of misconduct lodged against the respondent lawyer.

We have proposed for several years changes in policy and statute, particularly in cases involving the theft of client money and property. Confidentiality should not attach to discipline proceedings when a court has probable cause to believe that a lawyer has misused law client and escrow funds.

The fund's experience since 1982 proves that dishonest lawyers can manipulate confidentiality into a shield; not for self protection, but to conceal dishonest and criminal activity.

It's time to lift the veil of secrecy in these proceedings.



Thefts by Lawyer-Fiduciaries

Approximately 30 percent of all thefts reimbursed since 1982 have involved money embezzled from estates, trusts, conservatorships and the like: \$32.9 million. These losses can devour a lifetime's savings, far beyond the fund's capacity to reimburse fully.

Surety insurance is one obvious way of protecting beneficiaries from a fiduciary's breach of trust. Other remedies could involve better screening of fiduciary appointments by the courts, and tighter supervision of their financial accounts. Another route would have the State of New York provide the Lawyers' Fund with the financial resources to fully reimburse every law client's loss, regardless of amount. That is the paradigm created by the bar of British Columbia in Canada.

The problem of the dishonest fiduciary deserves greater attention by our judicial and bar leaders, particularly in cases where the fiduciary is appointed to that post by a court. When a court appoints a lawyer to a fiduciary post, it gives one of its officers immense authority over the life and affairs of someone in need of protection. Theft by a lawyer-fiduciary can be no ordinary larceny; it's an assault on the integrity of the justice system itself. The issues may be difficult and controversial, but the untreated problem of the dishonest fiduciary will continue to erode the foundations of our institutions of justice.

Fiduciary Bank Accounts

The theft of estate assets is readily facilitated, and concealed, when someone other than the fiduciary controls the bank account. If that person is also the signatory on the bank account, it's unlikely that the actual fiduciary receives the monthly bank statements.

The laws of New York should require that the named fiduciary for an estate or trust be provided with a copy of the monthly bank statement. This protection would be similar, in effect, to the notice that insurance carriers are

required to send to clients when litigation settlements are mailed to their lawyers.

Existing law requires every bank in New York State to have written proof of a fiduciary's appointment before it can open an estate or similar trust account. Requiring the bank to mail a copy of the monthly bank statement to the fiduciary's residence would create no new burden on banks. But most important, it would discourage thefts and alert fiduciaries to irregularities in their bank accounts.

Escrow Thefts in Real Property Transactions

About 28 percent of all awards since 1982 have involved thefts in real property purchases and sales: \$18.9 million.

These losses usually occur in residential transactions, and they typically involve the buyer's down payment which was entrusted with the seller's lawyer pending the closing.

As with thefts involving estates, regulatory measures could readily protect home buyers and sellers from the theft of escrow money in real property transactions, particularly down payments.

These losses can be unusually harsh, particularly downstate where the usual down payment is 10 percent of the purchase price. If the theft involves the proceeds from the sale of a residence, a person can be left literally homeless.

By statute, the Department of Law, protects escrow accounts in condominium and cooperative conversions. Escrow deposits in the purchase and sale of residences is deserving of comparable protection.

No person, whether lawyer or realtor, is obligated to serve as an escrow agent. An obvious protective device in this area of commerce and practice

would be to require that escrow agents in this area of commerce be bonded to prevent losses by theft.

Interest on Down-Payment Escrows

Section 778-a of the General Business Law requires that down payments in the purchase and sale of residential real property be safeguarded in special bank accounts, and that the contract identify the escrow agent and the bank where the down payment is to be deposited.

The statute is flawed insofar as it permits escrow agents to use non-interest bearing accounts. We suggest that the statute be amended to require interest-bearing accounts. Also, that the interest be paid or credited to the buyer, unless the contract provides otherwise.

Given the state of modern banking and electronic technology, there's no sound reason for using non-interest bearing bank accounts. Indeed, current law encourages, albeit inadvertently, conflicts of interests in violation of fiduciary law.

Moreover, there's the practical reality that home buyers would be more careful in these escrow transactions if the law provided them with an economic interest in the form of bank interest.

Arbitration of Fee Disputes

Fee disputes constitute a large part of the work of lawyer discipline systems nationwide. The same is true with client protection funds. In New York State, for example, claims seeking the refund of unearned fees constitute 30 percent of all filings. While fee disputes seldom result in discipline or awards of reimbursement, they involve issues that are important to law clients. They are also the most visible of all lawyer-client disagreements. It's therefore important that they be resolved in an atmosphere of fairness and efficiency.

The Appellate Divisions in 1993 promulgated rules for fee arbitration in matrimonial actions prosecuted in the Supreme or Family Courts. We endorsed that program, and expressed the hope that it proved adaptable to all fee disagreements. We support the Craco Committee's proposal to extend arbitration to all areas of legal practice.

Bar Examinations

For several years we have proposed that the New York bar examination test on the subject of a lawyer's fiduciary obligations to safeguard and account properly for law clients' money and property.

Implicit in this recommendation is that our system of legal education should prepare students for this important aspect of lawyering.

The fiduciary obligations of a lawyer are a complex mix of ethics, procedural and substantive law, accounting principles, and statutory construction. Failure to avoid subtle pitfalls can lead not only to terminal discipline, but to civil liability through the application of tort, agency and partnership laws.

It's widely acknowledged that the typical law school curriculum does not equip new lawyers with the skills necessary to administer client trust funds either as fiduciaries or as escrow agents. Those skills have to be picked up elsewhere. Law clients deserve better.

The courts of New York have promulgated one of the nation's best fiduciary, banking and recordkeeping rules: Disciplinary Rule 9-102 of the Lawyers' Code of Professional Responsibility. It's not too much to expect that persons who would be lawyers should master the provisions of that rule. Persons who seek licensing as lawyers (and fiduciaries and escrow agents) should be subject to testing on the essay portion of the bar examination.



Afterword

Public service on behalf of law client protection continues to be a rewarding experience, both personally and professionally.

The support that's been extended to the Lawyers' Fund by the governmental institutions of New York State — executive, legislative and judicial — is a continuing source of encouragement for Trustees and staff alike.

While the incidence of theft in the practice of law persists and disappoints, there's comfort in the fact that the overall number of dishonest lawyers represented in the fund's statistics represents only a tiny percentage of the bar's total membership.

I strongly believe that the legal profession is a noble profession and I will continue to trust in lawyers.

We therefore believe that the overwhelming majority of lawyers observe high standards of integrity when entrusted with law client money and property.

As a small government agency, the Lawyers' Fund depends mightily upon the kindness of colleagues in public service. We readily acknowledge our special appreciation for this generosity to, among many:

The Clerk of the Court of Appeals and his associates for their wise counsel as the fund's liaison to the Judges of the Court;

The staffs of the attorney disciplinary committees statewide for their help in investigating claims, and the support they provide to victims of dishonest lawyers;

Assistant District Attorneys for their efforts to secure restitution for victims of dishonest conduct in the criminal justice process;

The Office of Court Administration for the efficient collection of our revenue, technical help in budgeting and the sundry tasks of management;

The Attorney General and his assistants for their skilled legal counsel; and

The Office of the State Comptroller for the prudent investment of the fund's assets, and the prompt processing and payment of awards and other expenses from the fund's special revenue account.



Statistical Tables

All Losses Reported Since 1982

Category of Client Loss	Number of Claims	Percent of all Claims	Amount of Loss Alleged	Percent of all Losses
Estates & Trusts	668	9.0%	55,167,697	22.7%
Real Property Escrow	1551	20.9%	46,846,947	19.2%
Unearned Fees	2242	30.2%	9,618,497	4.0%
Settlements	501	6.8%	11,360,970	4.7%
Other Escrow	623	8.4%	31,034,308	12.7%
Debt Collection	588	7.9%	1,805,650	0.7%
Investment	942	12.7%	76,046,785	31.2%
Other	298	4.0%	11,584,260	4.8%
Totals:	7413	100%	243,465,114	100%

Losses Reported in 1996 Claims

Category of Client Loss	Number of Claims	Percent of all Claims	Amount of Loss Alleged	Percent of all Losses
Estates & Trusts	75	10.3%	7,279,627	24.4%
Real Property Escrow	187	25.6%	7,049,296	23.6%
Unearned Fees	232	31.8%	809,735	2.7%
Settlements	74	10.1%	1,995,754	6.7%
Other Escrow	65	8.9%	2,179,883	7.3%
Debt Collection	1	0.1%	42,077	0.1%
Investment	80	11.0%	9,469,126	31.7%
Other	16	2.2%	1,054,500	3.5%
Totals:	730	100%	29,879,998	100%

Client Losses in 1996 Awards

Category of Client Loss	Number of Awards	Percent of All Awards	Amount of All Awards	Client Losses Involved	Percent of all Losses	Percent all Losses Reimbursed
Estates & Trusts	45	11.8%	2,650,618	4,561,287	33.4%	58.1%
Real Property Escrow	149	39.1%	3,961,026	4,359,193	31.9%	90.9%
Unearned Fees	62	16.3%	117,354	117,354	0.9%	100.0%
Settlements	56	14.7%	1,002,133	1,364,880	10.0%	73.4%
Other Escrow	44	11.5%	940,056	1,182,056	8.6%	79.5%
Debt Collection	1	0.3%	1,641	1,641	0.0%	100.0%
Investment	24	6.3%	1,318,275	2,080,145	15.2%	63.4%
Totals:	381	100%	9,991,103	13,666,556	100%	73.1%

Client Losses in All Awards Since 1982

Category of Client Loss	Number of Awards	Percent of All Awards	Amount of All Awards	Client Losses Involved	Percent of all Losses	Percent all Losses Reimbursed
Estates & Trusts	449	12.2%	17,181,074	32,953,325	37.1%	52.1%
Real Property Escrow	1026	27.9%	18,877,514	22,397,189	25.2%	84.3%
Unearned Fees	822	22.4%	2,031,392	2,056,492	2.3%	98.8%
Settlements	298	8.1%	4,432,919	4,964,616	5.6%	89.3%
Other Escrow	376	10.2%	7,169,074	13,069,163	14.7%	54.9%
Debt Collection	442	12.0%	531,166	586,166	0.7%	90.6%
Investment	262	7.1%	9,095,492	12,721,013	14.3%	71.5%
Totals:	3675	100%	59,318,631	88,747,964	100%	66.8%



Claims Activity Since 1982

	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	Totals
Claims Filed	534	375	230	332	341	311	351	486	438	515	627	636	598	909	730	7413
Losses Alleged (Millions \$)	\$3.2	\$5.4	\$6.1	\$5.3	\$5.1	\$5.7	\$10.8	\$14.1	\$15.8	\$28.3	\$25.2	\$25.4	\$25.5	\$36.8	\$29.9	\$242.6
Claims Approved	1	494	130	183	178	159	202	177	219	200	288	318	362	383	381	3675
Actual Losses (Millions \$)	\$0.1	\$1.5	\$1.9	\$2.5	\$1.3	\$2.0	\$3.8	\$6.3	\$4.8	\$5.8	\$13.5	\$12.4	\$10.4	\$8.9	\$13.7	\$75.2
Awards (Millions \$)	\$0.03	\$0.69	\$0.87	\$1.3	\$1.1	\$1.9	\$2.8	\$3.8	\$4.6	\$4.1	\$7.3	\$7.5	\$7.6	\$5.7	\$9.9	\$59.2
Lawyers Involved	1	13	26	43	26	24	36	26	38	44	38	52	45	60	38	510
% Losses Reimbursed	50%	46%	46%	52%	85%	95%	74%	60%	96%	71%	54%	60%	73%	64%	72%	
% Clients Fully Reimbursed	0	73.5	65.4	38.8	91	98.7	99.5	97.7	96.3	93.5	95	94.3	94.2	97.6	93.7	
Claims Disallowed	33	201	105	73	164	120	119	169	186	360	253	384	247	366	439	3219
Total Dispositions	34	695	235	256	342	279	321	346	405	560	540	702	610	749	820	6894
Claims Pending Dec. 31	500	180	175	251	250	282	312	452	485	440	526	460	449	609	579	
Losses Alleged In Pending Claims (Millions \$)	\$2.9	\$4.6	\$7.4	\$8.5	\$9.5	\$10.2	\$15.3	\$18.0	\$23.9	\$32.0	\$30.1	\$24.2	\$27.3	\$43.5	\$46.9	
Exposure on Pending Claims (Millions \$)	\$1.7	\$1.6	\$2.3	\$2.7	\$3.5	\$5.2	\$6.3	\$9.8	\$15.1	\$14.9	\$16.0	\$13.9	\$15.2	\$24.4	\$25.1	
Fund Balance (Millions \$)	\$1.8	\$1.4	\$2.1	\$1.3	\$4.4	\$3.3	\$5.1	\$4.2	\$3.6	\$2.8	\$3.4	\$1.8	\$2.4	\$3.4	\$2.5	

Trustees' Regulations

7200.1 Purpose of fund. The purpose of the Lawyers' Fund for Client Protection is to promote public confidence in the administration of justice and the integrity of the legal profession by reimbursing losses caused by the dishonest conduct of attorneys admitted and licensed to practice law in the courts of New York State.

7200.2 Organization. (a) The fund shall be administered by the board of trustees appointed by the Court of Appeals of the State of New York.

(b) The board of trustees shall consist of seven members. Of the trustees first appointed, three shall be appointed for terms of three years, two for a term of two years, and two for a term of one year. As each term expires, each new appointment shall be for a term of three years.

(c) The trustees shall serve without compensation, but shall be entitled to receive their actual and necessary expenses incurred in the discharge of their duties.

(d) The trustees shall from time to time elect from their membership a chairman, vice-chairman, treasurer and such additional officers as they deem necessary or appropriate.

(e) The trustees shall retain an executive director to serve as the chief administrative officer of the fund.

7200.3 Meetings. (a) The trustees shall meet at least four times each year at such locations, or in such manner, as the chairman shall designate. Special meetings may be called by the chairman, and shall be called by the chairman upon the request of a least two trustees. Meetings may be conducted by telephone conference. The chairman shall provide reasonable notice of all meetings.

(b) Four trustees shall constitute a quorum. A majority of the trustees present at any meeting of the board may exercise any power held by the trustees, except as otherwise provided in this Part.

7200.4 Powers of trustees. In the exercise of the authority granted the trustees, the trustees have the power to:

(a) receive, hold, manage and distribute 50 per centum of the monies collected pursuant to the provisions of section 468-a of the Judiciary Law and such other monies as may be credited or otherwise transferred from any other fund or source, pursuant to law, including voluntary contributions together with any interest accrued thereon. All deposits of such revenues not otherwise required for the payment of claims shall be secured and invested as required by the provisions of section 97-t of the State Finance Law;

(b) adopt regulations for the administration of the fund and procedures for the presentation, determination and payment of claims, including the establishment of a maximum limitation for awards to claimants;

(c) investigate claims for reimbursement of losses as the trustees deem



appropriate using staff and other available resources;

(d) coordinate and cooperate with the Appellate Divisions of the Supreme Court in the investigation of claims;

(e) examine witnesses and, in accordance with the Provisions of the Civil Practice Law and Rules and the regulations of the trustees, administer oaths or affirmations and issue subpoenas;

(f) hold such hearings as the trustees deem appropriate;

(g) determine, in the trustees' sole discretion, the merits of claims presented for reimbursement, the amount of reimbursement to be awarded, the terms under which reimbursement shall be made and the order of payment;

(h) prosecute claims for restitution to which the fund may be entitled;

(i) engage in studies and programs for client protection and prevention of dishonest conduct in the practice of law;

(j) employ and at pleasure remove employees, legal counsel, agents and consultants, and fix their compensation within the amounts made available therefor;

(k) furnish the Court of Appeals with such reports and audits as the court may require; and

(l) perform all other acts necessary or proper for the fulfillment of the purposes of the fund and its effective administration.

7200.5 Duties of officers. (a) The chairman shall preside at all meetings of the trustees, generally supervise the administration of the fund, and exercise such other functions and duties that the trustees may assign or delegate, or that are customary to the office of chairman.

(b) The vice-chairman shall assume the duties of chairman in the absence or disability of the chairman.

(c) The treasurer shall maintain the financial records of the fund and, jointly with the chairman, certify vouchers of the fund that authorize the State Comptroller to make payments to claimants.

(d) The executive director shall assist the trustees, supervise the implementation of regulations and policies of the trustees, coordinate the investigation of claims and prepare reports thereon, supervise staff, serve as secretary at meetings, and fulfill such other duties as may be assigned or delegated by the chairman or the trustees.

7200.6 Conflict of interest. A trustee with a past or present relationship with a claimant or the attorney whose alleged conduct is the subject of the claim shall disclose such a relationship to the trustees and, if the trustees deem appropriate, that the trustee shall not participate in any proceeding relating to such claim.

7200.7 Reports (a) On or before the First day of April each year, the trustees shall prepare an annual report of the activities and operations of the fund during the preceding year. The report shall be transmitted to the Court of Appeals, the Governor, the Legislature and the State Comptroller.

(b) The trustees may also issue periodic reports to the public concerning the activities and procedures of the fund.

7200.8 Eligible claims. (a) The trustees shall consider claims for reimbursement of losses caused by the dishonest conduct of attorneys admitted to practice in New York State, provided that:

(1) the dishonest conduct alleged in claims constituted the wrongful taking of money, securities, or other property belonging to a law client or other person who entrusted it with an attorney admitted to the practice of law in New York State; and

(2) the dishonest conduct occurred in the practice of law by an attorney admitted to practice law in New York State; and

(3) the claim is made directly by the client or other person, or their representative; and

(4) the loss occurred or was discovered on or after June 1, 1981; and

(5) unless the trustees decide otherwise, the attorney has been suspended or removed from practice, is dead, or the attorney's whereabouts cannot be determined.

(b) The claimant shall have the responsibility to provide satisfactory evidence of an eligible loss.

(c) For the purposes of this section, "dishonest conduct" shall include the misappropriation or wilful misapplication of money, securities or property in the practice of law, and unlawful acts in the nature of theft, larceny, embezzlement, fraud or conversion.

(d) Losses not eligible for reimbursement include damages resulting from an attorney's negligence, malpractice or neglect; losses incurred by government agencies; and losses arising from financial transactions with attorneys that do not occur within an attorney-client relationship and the practice of law.

(e) (1) In a loss resulting from an attorney's refusal or failure to refund an unearned legal fee as required by the Lawyer's Code of Professional Responsibility, "dishonest conduct" shall include an attorney's misrepresentation, or false promise, to provide legal services to a law client in exchange for the advance payment of a legal fee.

(2) An attorney's failure to perform or complete a legal engagement shall not constitute, in itself, evidence of misrepresentation, false promise or dishonest conduct.

(3) Reimbursement of a legal fee may be allowed only if: (i) the attorney provided no legal services to the client in the engagement; or (ii) the legal services that the attorney actually provided were, in the trustees' judgment, minimal or insignificant; or (iii) the claim is supported by a determination of a court, a fee conciliation bureau, or an account-



ing acceptable to the trustees that establishes that the client is owed a refund of a legal fee. No award reimbursing a legal fee shall exceed the actual fee that the client paid the attorney.

(4) In the event that a client is provided equivalent legal services by another attorney without cost to the client, the legal fee paid to the predecessor attorney will not be eligible for reimbursement, except in extraordinary circumstances.

7200.9 Filing claims. (a) Claims for reimbursement from the fund shall be written and verified. The fund shall provide an official claim form which shall require the following information: the name and address of the claimant; the name and last-known address of the attorney who is alleged to have committed a dishonest act; the terms of the attorney's professional engagement for the claimant; the amount of the loss incurred; the date of the loss or the period of time when the loss occurred; the place and manner in which the loss occurred; the date and manner in which the claimant discovered the loss; a description of what steps the claimant has taken to recover the loss from the attorney or any other source; and whether there are other sources, such as insurance, fidelity bonds or surety agreements, to reimburse the claimant's loss. The trustees may require a claimant to submit additional information that may be necessary to determine a claim.

(b) The fund shall promptly acknowledge receipt of the claim, which shall be assigned a claim number.

(c) A claim shall be filed with the fund within two years after the following dates, whichever is latest:

- (1) the date when the alleged dishonest conduct occurred; or
- (2) the date when such dishonest conduct was discovered.

(d) The trustees, in their discretion, may permit the late filing of claims upon a showing that compliance with time limitations of this section may cause undue hardship or result in an injustice.

(e) In the discretion of the trustees, a claim shall be deemed filed when any writing specifying the claim is received by the fund, a bar association, an attorney grievance committee, or a police or other government agency.

7200.10 Processing claims. (a) Whenever it appears that a claim is not eligible for reimbursement pursuant to these regulations, the claimant shall be advised of the reasons why the claim is not eligible for reimbursement, and that unless additional facts to support eligibility are submitted to the fund within 30 days, the claim shall be dismissed.

(b) All claims that are eligible for reimbursement from the fund shall be investigated in such manner as the trustees deem appropriate. The trustees shall be furnished a written report of each investigation.

(c) The appropriate Appellate Division of the Supreme Court shall be requested to assist the trustees, to the extent the Court deems appropriate, in the investigation of claims for reimbursement from the fund.

(d) A certified copy of an order disciplining an attorney for the same act of conduct alleged in a claim, or a final judgment imposing civil or criminal liability therefor, shall, for the purpose of these regulations, be evidence that the attorney committed such act.

(e) Upon receipt of the investigation report, the trustees shall determine whether to conduct additional investigation. If the attorney whose alleged conduct gave rise to the claim has not been previously notified of the claim, a copy shall be provided the attorney. The attorney shall be invited to respond to the claim within 20 days.

(f) The trustees may request that testimony be presented to complete the record. Upon request, the claimant and the attorney, or their respective representatives, shall be given an opportunity to be heard.

(g) The trustees shall determine, in their sole discretion, whether a claim merits reimbursement from the fund and the amount, time, manner of its payment and the conditions upon which payment shall be made. The award of a claim shall require the affirmative vote of at least four trustees.

(h) Unless the trustees direct otherwise, no claim shall be awarded during the pendency of a disciplinary proceeding involving the same act of conduct that is alleged in the claim.

(i) In the exercise of their discretion in determining claims, the trustees shall consider, together with such other factors as they deem appropriate:

(1) the amount of money available and likely to become available to the fund for the payment of claims, and the size and number of claims that have been or are likely to be presented; and

(2) the amount of the claimant's loss as compared with the amount of losses sustained by other claimants who may merit reimbursement from the fund; and

(3) the degree of hardship suffered by the claimant as a result of the loss; and

(4) any conduct of the claimant that contributed to the loss; and

(5) the existence of other sources to reimburse the claimant's loss, such as insurance, fidelity bonds or surety agreements.

(j) Written notice of the trustees' determination shall be provided the claimant and the attorney whose alleged conduct gave rise to the claim, or their representatives.

7200.11 Reconsideration of claims. A claimant who is denied reimbursement in whole or in part may request that the trustees reconsider the claim by filing an application with the fund no later than 30 days following receipt of the trustees' determination. If a claimant fails to request reconsideration, or the original determination of the trustees is confirmed, the trustees' determination shall be final.



7200.12 Legal right to payment from fund. No person or organization shall have any legal right to payment from the fund as a claimant, third-party beneficiary or otherwise.

7200.13 Payment of awards. (a) Claimants shall be reimbursed for losses in amounts to be determined by the trustees. No award shall exceed \$100,000; provided, however, that in a claim by a trust or a decedent's estate which has two or more beneficiaries, no award of reimbursement shall exceed \$200,000, and no single beneficiary of such estate or trust shall be eligible to receive more than \$100,000 from such award to reimburse the beneficiary's loss.

(b) Awards shall not include interest. Attorney's fees and other incidental and out-of-pocket expenses shall not be reimbursed by the fund. Additional taxes, interest, late charges and similar penalties finally incurred by a claimant as the direct result of an attorney's misappropriation may be eligible for reimbursement in the discretion of the trustees. The investigation report in a claim which involves such an element of loss shall contain an estimate of the amount of such loss and a recommendation whether the loss merits reimbursement from the fund. Unless the trustees determine otherwise, payment thereof may be processed as a supplemental award of reimbursement without further action by the trustees, provided the claimant provides proof of loss within six months following the trustees' approval of the underlying claim. The executive director shall report quarterly to the trustees on the payment of all supplemental awards during the preceding quarter.

(c) No claim for reimbursement shall be paid until the claimant transfers to the fund, in such form as the trustees shall authorize, the claimant's rights against the attorney whose dishonest conduct caused the claimant's loss and any other person or entity who may be liable for the claimant's loss.

(d) Payment of claims shall be made in such amounts and at such times as the trustees deem appropriate and may be paid in lump-sum or installment amounts.

(e) If a claimant is a minor or an incompetent, the award may be paid to a parent, guardian, committee or attorney of the claimant, on the behalf of and for the benefit of the claimant.

(f) All payments of awards of reimbursement from the fund shall be made by the State Comptroller upon vouchers certified by the chairman and the treasurer.

7200.14 Representation by counsel.

(a) A claimant and the attorney whose alleged conduct resulted in the claim shall have the right to be represented by an attorney.

(b) In accordance with the rules of the Appellate Divisions of the Supreme Court, no attorney who assists a claimant process a claim with the fund shall charge or accept compensation for those services, without the prior written approval of the trustees. No fee applications by attorneys, including public officers and court-appointed fiduciaries, shall be approved by the trustees absent a showing of extraordinary circumstances.

7200.15 Confidentiality. (a) Except as otherwise provided, all claims and proceedings and the records relating thereto shall be sealed and confidential.

(b) All information provided by an Appellate Division of the Supreme Court shall remain sealed and confidential to the extent required by section 90 of the Judiciary Law.

(c) The trustees' final determination awarding reimbursement of a claim, and the facts relating to the claimant's loss, shall be a public record.

(d) An attorney whose alleged conduct gave rise to the claim may waive confidentiality.

(e) This section shall not be construed to deny access to information by the Court of Appeals, and Appellate Division of the Supreme Court, or to any court of competent jurisdiction in a judicial review proceeding.

7200.16 Amendment of regulations. New regulations may be adopted, and any regulation may be amended or repealed, by the trustees at any regular or special meeting, provided that notice of the proposed adoption, amendment or repeal has been given all trustees at least seven days before the meeting. New regulations, amendments and repeals shall be published in the State Register. Copies of all regulations shall be made available to the public at all offices of the fund.

7200.17 Construction of regulations. These regulations shall be liberally construed to accomplish the objectives of the fund and the policies of the trustees.



Lawyers Involved in Awards Since 1982

Name	Judicial District	Number of Awards	Amount	Name	Judicial District	Number of Awards	Amount
Edward P. Abbott	1	1	10,624	Vincent J. Catalfo	1	1	45,000
James E. Adel	8	3	18,656	Katherine R. Catanzarite	4	19	61,293
Cornelius M. Ahearn	1	1	65,712	Harvey Chaly	10	4	42,944
George E. Albright	7	1	2,150	John R. Chaney, Jr.	1	3	2,276
David B. Alford	3	4	8,150	Michael M. Chasen	12	6	38,708
Donald A. Alleva, Jr.	9	3	4,938	John M. Cholakis	3	1	52,383
Nicholas P. Altomerianos	1	1	13,425	Frank A. Cissi	5	1	4,000
David W. Alvey	2	9	390,852	Robert J. Clark	2	5	121,990
Robert B. Anderson	1	1	100,000	A. Roger Clarke	7	5	193,183
Alvin Ashley	1	1	71,445	James F. Clarke	10	18	1,045,491
Lewis G.P. Ashton	11	2	9,000	W. Andrew Clawson	7	11	188,345
David A. Baker	5	10	61,627	Casey A. Clines	4	1	350
William F. Baker	5	2	28,556	Joseph A. Cofino	12	2	3,500
Richard L. Baltimore, Jr.	1	5	42,096	Daniel I. Cohen	1	4	81,720
Norwood K. Banks	7	1	573	James Harrison Cohen	1	5	57,055
Paul L. Beck	1	7	105,700	Kenneth H. Cohn	6	9	4,010
Irving Becker	1	10	16,330	Kenneth W. Cohn	10	1	16,077
Herbert H. Bell	1	1	40	Theresa N. Coletti	11	25	53,317
William F. Benca	8	2	57,950	Joseph L. Colp	1	3	12,300
Michael D. Benjamin	2	1	900	Frank Coniglio	10	12	240,110
Bradley C. Bennett	7	2	7,554	Kevin A. Conine	6	2	40,861
Robert J. Bennison	5	1	15,815	Joseph A. Contino	8	2	200,000
Richard H. Berg	9	2	2,000	Stephen E. Cooper	4	2	268,455
Adam H. Bernstein	7	3	40,339	Edward M. Cooperman	10	3	12,700
Harry J. Bernstein	11	15	197,992	Kevin P. Corcoran	9	2	16,965
Peter N. Bertucci	1	1	25,000	Gerald M. Cotter	10	28	990,471
Burton H. Besen	1	9	146,616	Catherine N. Coughlin	8	3	7,002
Jeffrey L. Besse	3	21	1,094,833	Coxeter & Coxeter	3	1	50,000
Lassale Best, Jr.	2	1	1,000	Ronald P. Crean	1	2	22,750
James Bing	1	3	4,085	Gene Crescenzi	1	2	6,880
Charles Birnbaum	2	1	594	John T. Crone	7	13	450,427
Warren J. Black	1	1	20,576	Dennis D. Crowley	9	6	261,804
Walter H. Blaich, Jr.	9	7	385,835	Thomas P. Cullen, Jr.	11	4	93,513
Blaich & Dries	9	7	236,162	John L. Curtis	8	3	152,344
Allen J. Bodner	1	1	100,000	R. Scott Daly	2	2	11,600
Howard J. Bodner	10	19	868,658	Kenneth P. Daumen, Sr.	8	1	3,211
Murray Bogatin	1	2	9,400	Mehran W. Davidian	10	1	5,000
Phillip L. Boneta	2	2	14,333	James J. Davitt	2	1	100,000
Anthony J. Bonfiglio	1	2	89,000	Lawrence DeMayo	2	14	166,927
Martin Borakove	1	2	16,101	Bertram S. Devorsetz	9	2	1,100
Lee H. Bostic	11	2	5,583	James G. deWindt	10	2	1,000
Darrell L. Bowen	4	1	300	Steven H. Dickman	10	7	59,339
Martin J. E. Bowers	10	1	12,750	Edward W. Dietrich	5	1	36,598
Jonathan N. Boxer	10	12	61,364	Salvatore DiMisa	10	2	55,533
Raymond D. Bradford	9	2	20,779	Vincent R. DiPasquale	8	3	151,935
Karen E. Bragg	10	1	250	Robert E. Dizak	1	19	170,293
E. Lawrence Brass	10	13	289,657	Birol John Dogan	1	6	43,673
Leo Bresler	10	2	100,000	Jerrold A. Domingo	1	3	19,000
John D. Bridge	8	1	1,000	Myron Domskey	10	3	3,500
Harold Brotman	10	1	6,667	Paul B. Donohue	9	1	750
Bradford J. Brown	1	1	36,000	Walter M. Donovan	8	23	75,050
Kenneth E. Bruce	9	1	800	George E. Dougherty, Jr.	3	5	69,637
Alan I. Brutten	11	1	500	William J. Dougherty	10	3	95,737
Joseph T. Burchill	6	1	25,000	Frank J. Doupona	9	10	602,595
John R. Burgess	8	6	30,868	James L. Dowsey, III	10	1	8,500
Timothy K. Burgess	7	2	9,118	Peter J. Dunne	10	13	68,950
W. Michael Burke	3	2	700	Thomas A. Dussault	3	102	188,420
William M. Burke	3	2	101,035	Paul W. Eckelman	9	2	1,900
Jeffrey S. Burns	10	3	12,370	Eugene P. Edwinn	1	3	107,770
Nicholas Capobianco	7	2	2,005	Louis A. Egnasko	2	24	836,162
John M. Cassel	3	1	65,000	Ehman & Marino	10	22	752,085
Stuart B. Cassell	11	27	287,252	Howard Eisenberg	1	1	5,000
Richard H. Cataldi	8	3	71,810	Robert A. Eisenberg	2	1	7,058



Name	Judicial District	Number of Awards	Amount	Name	Judicial District	Number of Awards	Amount
Mitchell Eisenstat	1	1	450	John N. Griggs, Jr.	1	2	350
Dennis P. Elkin	11	1	250	Robert S. Groban, Sr.	1	2	8,500
W. Joseph Embser	8	1	100,000	Joshua Gross	4	1	400
Charles E. Ennis	7	3	52,427	Murray S. Gross	2	1	8,000
Michael L. Entes	2	2	10,000	Harold W. Grubart	1	3	184,335
Michael F. Erdheim	1	18	933,071	James R. Gunderman	8	7	169,978
Steven M. Erdheim	9	22	12,524	Sidney J. Guran	2	1	12,159
Jonathan Erickson	7	6	111,173	John A. Gussow	2	29	616,573
Jerome J. Erlin	1	4	42,595	John A. Guzzetta	1	1	6,395
John R. Esposito	12	1	5,700	Richard A. Gwynn, Jr.	5	7	7,464
Gene Ira Esser	2	12	23,877	Robert E. Haley	1	7	100,800
Arnold H. Fassler	11	12	111,658	Clifton E. Hall	11	3	16,465
James H. Fay	2	1	400	Fred J. Halsey, Jr.	1	3	69,803
Charles L. Feely	1	2	176,986	Herbert I. Handman	1	1	16,500
Milton Feinman	1	6	394,353	John Hargrave	8	3	44,051
Harvey Felton	9	1	40,426	Alan David Harris	10	1	100,000
Willie R. Felton	7	29	134,491	Alan Jay Harris	1	1	14,081
Steven B. Fidelman	11	9	78,532	H. Hawthorne Harris	9	1	5,093
Carl M. Field	10	21	155,504	Herbert Harris, Jr.	1	2	48,833
Timothy A. Fischer	8	1	155	Leon Sol Harris	1	3	30,060
Fischer & Quaintance	8	2	110,897	Peter Andrew Harris	7	8	224,475
Michael G. Flanagan	1	13	884,137	Morton H. Hartmann	1	3	54,576
Florien Carl Flierl	8	8	65,695	Robert T. Hartmann	9	3	42,149
Seymour Forman	1	1	500	John J. Hayden	9	5	25,800
Henry A. Foster	1	3	40,092	Eric E. Heron, Jr.	11	3	28,485
Robert L. Fraser	7	4	16,846	Alfred L. Hetzelt, Jr.	8	1	100,000
Paul I. Freedman	1	44	107,205	Ralph Hochstein	1	1	1,000
Andrew J. French	10	1	9,619	Robert I. Hodes	1	2	20,605
Mark G. Fresco	1	5	61,961	Walter Hofer	1	8	85,880
Arthur S. Friedman	2	1	12,916	Frank Hoeffy	1	1	4,500
Martin Fries	11	17	81,713	William J. Holden	9	12	436,677
Alfred L. Fritz, III	8	21	86,766	Harold Holtman	10	24	313,162
Jerome H. Funk	9	22	12,049	Robert Kent Holtsberry	5	1	2,178
Henry G. Fury	9	9	150,341	Charles S. Horgan	1	1	2,500
Dumas Gabbriellini	1	1	4,950	Donald G. Houghton	7	3	75,000
Wayne K. Gabel	9	1	100,000	Richard A. Howard	9	3	2,575
Yoram Gafni	1	5	7,550	Ralph F. Howe	8	1	7,313
Arthur J. Gallancy	1	1	21,500	Edward L. Howlette	10	1	3,700
John E. Galligan, Jr.	2	3	4,827	John A. Huber	10	4	30,500
William M. Gallow, Jr.	3	1	49,397	Hesper A. Jackson	2	5	92,384
Hiram S. Gans	9	2	85,000	Saul Jakubowitz	1	5	23,043
Edward M. Gasperi	4	5	8,231	Robert E. Johnson	2	1	38,000
Michael S. Gawel	8	1	1,200	Robert P. Johnson	8	1	4,200
Jack O. Gaylord	8	1	12,332	Wayne A. Johnson	6	4	28,566
James G. Gembarosky	8	7	15,426	Leonard Kabat	10	1	5,000
Frank P. Giaramita	2	2	7,500	Gerald A. Kagan	1	2	1,600
Thomas Eric Gill	10	6	87,500	William H. Kain	10	15	145,722
James Gilmartin	1	2	3,613	Gerald Kaiser	1	34	36,365
Joseph A. Giorgi	7	1	4,685	James D. Kakoullis	1	1	1,000
Jarrett F. Glantz	1	22	1,510,086	John C. Kanaley	5	3	55,000
Harold L. Goerlich	10	4	65,178	Stanton Karnbad	9	3	38,500
Fred Gold	11	3	113,250	Thomas Katsaros	2	1	4,600
Henry S. Goldman	9	9	224,823	Harold W. Katz	4	3	57,000
Barry E. Goldrod	1	1	51,357	Howard C. Katz	9	61	304,445
Charles H. Goldstein	10	1	43,000	Reuben A. Katz	1	1	93,072
Alan R. Golkin	8	1	47,648	Steven C. Kavanaugh	10	3	6,041
Oscar Gonzales-Suarez	1	1	5,000	William S. Kaye	1	1	5,000
Robert M. Gordon	1	6	29,870	Paul E. Keith	2	3	23,843
John P. Gorman	9	2	36,000	Donald E. Kelly	1	2	85,656
Jack Gottlieb	2	8	74,576	Robert E. Kelly	7	20	12,070
Lora C. Graham	9	2	1,655	Bernard Kenny	1	8	138,269
Barry J. Grandeau	9	377	564,211	John P. Kilminster	10	6	17,950
S. Simpson Gray	9	9	8,928	John J. Kim	1	1	19,500
Milan K. Gregory	10	1	4,000	Wayne W. Kim	1	4	24,205



Name	Judicial District	Number of Awards	Amount	Name	Judicial District	Number of Awards	Amount
Paul H. Kirwin	10	1	58,000	Alan M. Miller	10	1	2,319
Rudolph M. Klenosky	2	1	45,000	Bruce J. Miller	10	2	41,858
A. O'Neill Kline	8	3	72,100	Nicholas A. Mina	1	1	19,500
Roger W. Kohn	9	1	255	Stephen A. Mishkin	9	55	1,318,823
Timothy Kozyra	8	2	8,231	John E. Modjeska	3	7	34,356
Harvey H. Krat	1	3	68,525	Richard T. Monahan	10	2	4,500
M. Thomas Kuriakose	9	1	500	Colin A. Moore	1	4	6,500
Irving Kurtz	1	5	154,842	Davison F. Moore	9	2	48,340
Larry J. Kushner	1	2	21,678	Paul A. Moore	9	1	2,000
A. James LaBue	7	6	298,928	Richard M. Moran	3	18	276,037
Michael S. LaBush	9	2	3,250	Lawrence D. Moringiello	2	5	171,249
Jefferson T. Lalik	7	8	3,505	Alan D. Morris	10	14	205,293
LaLoggia & Gorankoff	7	20	738,744	Charles E. Morrison	1	1	4,000
Bernard H. LaLone, Jr.	3	1	22,210	Saul D. Moshenberg	7	5	20,749
Robert A. Lamar	10	20	597,507	James R. Murdock, Jr.	4	18	611,650
John O. LeCain	4	1	25,000	Eugene J. Murphy	8	21	583,870
Thomas P. Leckinger	7	6	62,180	Morrow D. Mushkin	2	2	10,200
Gerald J. Leibowitz	10	8	229,992	Joseph F. Muto	5	1	1,100
Lawrence B. Lennon	4	2	68,360	Willard H. Myers, III	7	2	1,700
Richard L. Levine	5	1	10,000	Eugene V. Natale	10	7	217,508
Murray F. Lewis	6	1	3,589	Nath & Weiss	10	1	100,000
Jay Robert Lichtman	2	2	3,200	Richard F. Nelson	10	10	70,361
Kenneth Linn	1	1	25,850	Pat Frank Nesci	10	10	329,974
Michael S. Linn	9	14	418,858	Kenneth A. Newman	10	6	29,054
Clifford N. Lipscomb	11	8	11,480	Marvin A. Newman	9	1	26,924
William F. Lisnerski	8	1	600	John G. Nicholas	11	2	57,500
David W. Little	4	8	343,892	Michael B. Nitsberg	10	3	34,450
Vincent J. LoCurto	10	1	9,797	William J. Noland	1	1	3,600
Werner Lomker	7	2	38,564	Thomas P. O'Callaghan	9	1	3,200
Samuel Lorenzo	1	92	43,125	Charles O'Donnell, Jr.	9	1	2,000
Ronald B. Losner	2	14	30,710	Mark S. Ogden	7	1	8,869
Harold E. Lovette	1	1	27,500	Frank Oliva	11	5	36,652
Jonathan W. Lubell	1	1	6,700	Sheldon Ostro	1	9	359,000
Thomas J. Lukas	11	1	28,000	Roderick E. Owens	1	2	21,533
Joseph F. Lynch	6	1	3,736	Victor N. Pacor	9	9	164,357
Robert D. MacLachlan, Jr.	10	8	11,250	Rafael M. Pantoja, Jr.	1	15	143,835
Fortune S. Macri	9	1	25,000	Mary Murphy Pardoe	10	15	85,436
John R. Maguire	10	1	1,000	Richard J. Pariser	8	3	7,053
Jenny M. Maiolo	11	24	542,199	George Patsis	10	2	115,798
Michael M. Maloney	1	1	42,040	Edward S. Patterson	9	2	15,286
Frank M. Manfredi	10	5	27,076	George F. Pavarini	9	15	543,165
Lloyd J. Manning	11	1	500	Kenneth S. Pelsinger	1	2	14,349
Richard P. Maracina	1	8	20,205	David Ian Pesner	9	11	136,291
Marvin Margolis	1	1	40,000	Jacob & David Ian Pesner	9	1	25,000
Irving Markowitz	1	7	261,328	Richard T. Petty	1	2	75,441
George T. Martin	6	1	500	John Piastra	11	2	200,000
Nancy A. Maruk	7	3	3,370	Louis N. Picciano	6	2	5,296
C. Vernon Mason	1	4	18,600	Richard Pikna	1	9	101,278
William J. Mastine, Jr.	5	2	17,220	George A. Pins	1	1	11,829
Charles M. Mattingly, Jr.	10	3	132,500	Sam Polur	12	1	500
Martin J. Mayblum	11	2	5,750	Ira Postel	1	3	38,515
Philip A. McBride	8	1	5,958	Postel and Rosenberg	1	11	619,722
Teague W. McCarthy	10	11	398,537	John V. Potter, Jr.	10	1	98,000
Denis J. McClure	9	2	5,155	Mary Powers	1	1	89,857
James J. McEnroe	1	6	3,000	William J. Powers, III	5	6	13,136
Lloyd A. McFarlane	11	1	5,000	Paul D. Powsner	1	3	210,000
Dennis J. McLaughlin	1	5	46,804	Stanley Pressment	1	1	6,960
Richard M. McMahon	9	2	8,973	Wayne J. Price	2	15	339,476
John J. McManus, Jr.	2	2	200,000	Mark S. Probert	10	6	2,900
Dominic M. Mello	2	2	8,167	John J. Raia	11	84	2,833,348
Richard M. Messina	1	3	169,049	William C. Raines	1	3	17,512
William A. Metz	9	3	115,497	John D. Reddan	1	1	2,500
James J. Michalek	8	20	165,238	Steven Paul Reifman	1	1	10,000
Charles O. Milham	3	4	17,541	Gary M. Reing	12	2	23,446



Name	Judicial District	Number of Awards	Amount	Name	Judicial District	Number of Awards	Amount
Erich H. Reisch	2	1	27,692	Alexander B. Stein	1	2	31,450
James R. Rerisi	10	4	57,146	Elliot J. Stein	1	74	762,109
Luis E. Reyes	2	1	1,000	Joel B. Steinberg	1	1	1,400
John Rivera	12	1	1,661	Duane M. Stenstrom, Jr.	8	6	6,674
Jose A. Rivera	2	7	89,166	Jeffrey S. Stern	2	9	218,401
Robert Rivers	10	7	197,000	Stanley R. Stern	1	2	32,000
Stephen R. Roach	9	3	23,400	Joseph Sternschein	11	4	75,715
Edward John Roder	7	15	168,505	Frederick D. Stevens	8	1	4,185
Sy L. Rolnick	2	1	25,500	Wallace Sturm	2	1	1,500
Steven J. Romer	1	14	1,076,657	John J. Sullivan	1	1	29,990
Peter Rose	11	12	160,309	Joseph E. Supples	8	3	9,150
Rose & Karnbad	11	1	17,000	Leonard A. Sussman	1	3	44,438
Steven Rosenbluth	2	26	394,102	Monroe Sussman	10	1	46,667
Richard J. Rosenthal	1	1	4,374	Morton S. Swirsky	1	6	62,610
Selig A. Rosenzweig	10	3	64,569	Israel I. Sylvan	1	3	22,253
Phillip M. Rossbach	10	1	659	Sergio M. Taub	11	49	326,401
Arthur J. Rouse	9	1	11,435	Louis Taubenblatt	2	9	718,854
Leonard H. Rubin	1	1	83,000	Sharon Lynch Taureck	2	5	40,966
James M. Russell	4	1	100,000	Peter P. Tavoracci	9	1	2,400
David Sabghir	2	1	14,000	Timothy Taylor	1	1	19,000
Carol A. Safier	1	4	113,950	Theodore E. Teah	12	1	13,373
Ronald M. Salzer	1	2	38,750	Norman Eric Teitler	11	2	14,414
George Sandberg	10	10	227,146	Ron Telford	6	1	1,100
Ira Jay Sands	1	6	7,917	Milton A. Teplin	1	3	26,000
Richard J. Sanna	10	9	223,285	Michael B. Thomas	9	1	600
Richard D. Savitsky	1	2	47,558	Alan S. Tifford	10	14	291,016
Stanley D. Scharf	10	16	89,719	Robert S. Tobin	1	2	16,320
Nelson K. Scherer	10	1	2,348	Thomas P. Tobin	10	4	184,450
John C. Schettino	10	1	4,000	Joseph A. Tracy	9	4	131,676
Robert L. Schlesinger	3	3	3,068	Joseph R. Turner	1	4	41,572
Peter G. Schmidt	1	3	400,000	Robert E. Twiste	2	13	213,179
Richard C. Schulz	10	1	24,035	James W. Ulaszewski	8	2	1,048
Robert Schutrum	8	1	1,500	Norman Ushkow	2	1	1,575
Steven M. Schwartz	9	2	3,500	William C. Vaughan	8	1	100,000
Schwartz & Gutstein	1	5	243,834	Tom M. Vetrano	2	4	30,056
Joel E. Schweitzer	8	6	46,294	Lillian R. Villanova	9	3	109,636
Joseph F. Scirto, Jr.	8	10	106,962	Louis V. Viscomi	1	3	31,500
Bernard M. Seeman	10	1	50,000	Arnold P. Wagner	10	4	72,900
Arthur J. Selkin	9	11	107,300	H. Robert Wall	6	46	912,929
Bernard L. Seltzer	10	11	94,609	Mortimer Warfman	1	34	16,236
Barry R. Shapiro	1	16	3,065	Martin J. Weinstein	2	1	25,000
Phillip E. Shapiro	1	1	7,000	Myles N. Weintraub	10	7	123,623
Brian A. Sheridan	1	1	785	C. Theodore Wellington	11	5	158,815
John M. Sheridan	7	6	371,500	Leslie M. Westreich	1	1	100,000
Richard M. Sherman	10	25	97,623	Benjamin P. Whitaker	7	15	603,251
Alan J. Shimel	10	2	26,666	D. William White	2	15	171,308
Robert G. Short	9	1	800	Aaron G. Windheim	9	1	11,547
Matthew A. Siegel	9	1	9,375	Steven Winston	1	1	9,500
Oswald B. Silvera	2	7	16,125	Samuel Ulrich Wiseman	1	2	38,280
Mark A. Silverman	10	2	2,169	Walter S. Wojcik	3	1	250
William Sims	8	2	8,037	Marvin Wolinetz	2	1	350
Barry H. Singer	9	9	235,034	George Wolynetz	1	3	244,703
Baljit Singh	1	1	150	William S. Wood	7	1	130
Indar Singh	11	15	139,737	John M. Wourgola	10	11	97,534
Myron W. Siskin	10	1	13,436	Adam Morgan Wright	1	1	500
Allan Sloan	1	6	108,601	Kathryn B. Wunderlich	3	1	600
Peter W. Sluys	9	6	113,856	Henry E. Wyman	8	33	496,811
Kendrick C. Smith	1	1	3,675	Louis B. Youmans	1	1	5,000
Benjamin Sneed	1	4	24,833	Floyd A. Young	8	1	10,000
Jack B. Solerwitz	10	99	3,008,734	Nancy J. Young	1	9	124,809
Jacob Spatz	3	3	3,245	Frederick J. Ziems	10	2	105,368
Jerome L. Spiegelman	1	48	889,719	Jacob S. Zimmerman	10	27	355,991
Jerome Spies	10	2	126,754	Bertram Zweibon	1	14	564,282
Howard R. Staller	1	1	8,000				



Application for Reimbursement here.

Use camera ready art.

