

Sixteenth Annual Report  
of the Board of Trustees  
1998

**The Lawyers' Fund for Client Protection  
of the State of New York**



The Lawyers' Fund for Client Protection  
of the State of New York

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[www.nylawfund.org](http://www.nylawfund.org)



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“The conduct of attorneys is not measured by how close to the edge of thin ice they skate . . . 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.)

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**Adept Impressions**

**T**his is the Board of Trustees' sixteenth annual report of the activities of the New York Lawyers' Fund for Client Protection. The report focuses on the operations of the Lawyers Fund during the calendar year 1998.

Business in 1998 was brisk.

The year opened with 562 pending claims seeking reimbursement. They alleged losses of \$47 million resulting from dishonest conduct in the practice of law. The fund's liability on those claims amounted to \$17 million.

There were 812 new claims filed in 1998. They alleged losses totaling \$24 million. During the course of 1998, the Trustees approved awards to 415 victims of lawyer dishonesty. Another 522 claims were rejected as ineligible for reimbursement. Awards to eligible victims totaled \$6 million.

All claims processed to final disposition in 1998 involved alleged losses of \$42 million. At the close of 1998, there were 337 claims pending. They alleged losses of \$18 million.

The fund's liability on those claims is \$11 million. The Trustees have budgeted \$8 million in registration fee revenues for the payment of reimbursement claims in 1999.

Since the fund's creation in 1981, the legal profession in New York State has contributed \$73 million to reimburse law clients and escrow beneficiaries for losses resulting from a lawyer's breach of trust.

This is a unique protection that the legal profession provides the public. It's also a genuine protection: last year 99 percent of all eligible victims received 100 percent reimbursement of their losses.

There are currently 177,000 licensed lawyers in the Empire State. Reimbursement awards over a 16-year period involve dishonest conduct by only 578 lawyers. That's less than one percent of the bar's total membership.

**H**ow could we possibly show our appreciation for returning our futures to us and reinstating our faith in the system?

—Message from law clients, 1999

The Lawyers' Fund is a trust independently administered by a Board of Trustees appointed by the Judges of the Court of Appeals. The Court's support of a new budgeting structure for the fund, and its approval by the Legislature in 1998, has paved the way for even greater economic protection for New Yorkers.

On March 10, 1999, the Trustees doubled the fund's maximum limit on awards: from \$100,000 to \$200,000, applicable to awards approved after January 1, 1999. Excelsior.

That lawyers have obligations to the victims of dishonest colleagues is a relatively recent notion of professional responsibility. Disciplining a dishonest lawyer — whether by censure, suspension from practice, or disbarment — was long considered to be an adequate response to professional misconduct: as a punishment, as a deterrent to others, and to safeguard the public.

But what of a law client robbed of her life savings by a dishonest lawyer? Scant comfort is provided in a judicial order that disbars her lawyer.

It's for that reason that the legal profession worldwide supports client protection funds, a movement which began in New Zealand in 1929. Today all of the United States have lawyer-financed protection funds.

The Empire State is no newcomer. The New York State Bar Association created a special committee in 1962, which complemented programs sponsored by the New York County

Lawyers' and the Suffolk County Bar Associations.

The state bar association funded its program with annual contributions that ranged between \$10,000 and \$15,000. Reimbursement awards were capped at \$5,000. In its 20-year effort to help victims of lawyer theft, the bar association reimbursed 75 clients a total of \$230,000.

Reimbursement claims skyrocketed in the seventies, and the bar association appealed — first to the Court of Appeals, and then to the State Legislature — that state government assume responsibility for operating a statewide law client reimbursement program.

What emerged was a statutory scheme patterned after the reimbursement program in Maryland: an independent trust organized under the aegis of the state Court of Appeals, administered, *pro bono publico*, by a Board of Trustees, and financed by an assessment on every practicing attorney.

The Clients' Security Fund of the State of New York, as the fund was originally named, was organized on December 1, 1981 with the appointment of a seven-member Board of Trustees by 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 law defines the fund's mission in bold strokes: to protect legal consumers from dishonest conduct in the practice of law; to preserve the bar's integrity; 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.

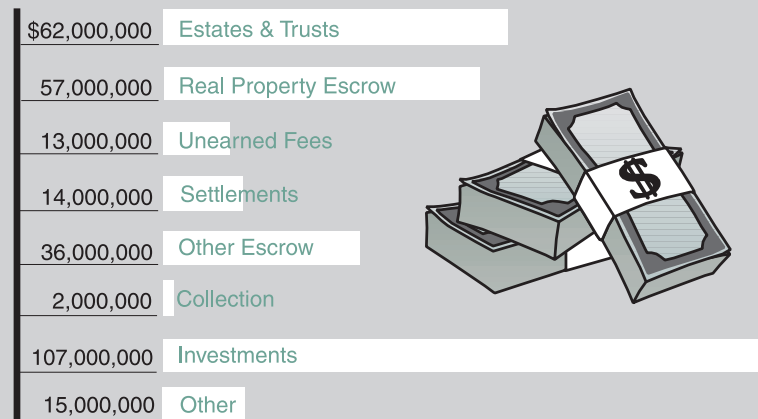
The Trustees secure these goals principally by reimbursing money that's been misused in the practice of law. But there are other efforts, including programs to help lawyers comply with their fiduciary and escrow obligations; the publication of consumer education materials to help clients avoid situations that can result in losses; and the crafting of court rules to eliminate opportunities for dishonest lawyers to exploit the trust of clients.

In all these efforts, the Lawyers' Fund serves as a helpmate of the courts 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 their legal services.

### Reported Losses Since 1982

All reimbursement claims since 1982 total 9353. The claims allege losses of \$306 million.



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

They serve renewable terms of three years, and without compensation for their services. Since 1981, the Court of Appeals has preserved the mix of five members of the bar and two business and community leaders.

The Board's officers are a Chairman, Vice-chairman and a 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 of Trustees since 1985. She is a partner in the Manhattan law firm of Kasowitz, Benson, Torres & Friedman. 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, 2001.

**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.

**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, 2000.

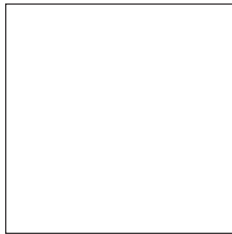
**Eric A. Seiff** lives in the Bronx and is a partner in the Manhattan law firm of Seiff & Kretz. Mr. Seiff is a graduate of Yale University and the Columbia University Law School (1958). Mr. Seiff has served on the Board since 1981. His present term expires on November 30, 2000.

**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. Mrs. Water's current term expires on November 30, 2001.

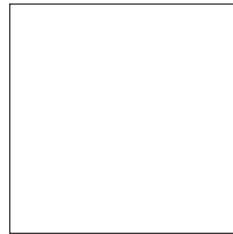
Former members of the Board of Trustees include the Hon. Judith S. Kaye, Chief Judge of the State of New York (1981- 1983); Joseph Kelner, Esq. of Manhattan (1981-1982); Anthony R. Palermo, Esq. of Rochester (1981-1990); and John F. X. Mannion of Syracuse (1981-1992).



Frederick Miller



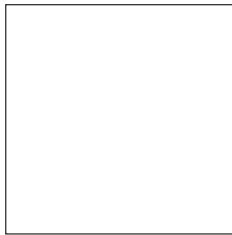
Timothy J. O'Sullivan



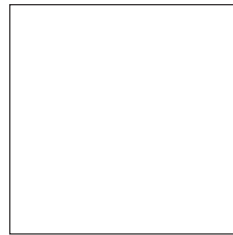
Michael J. Knight



Ray Wood



Sue Gartley

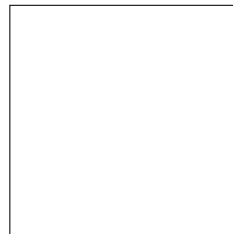


Polly Sims

The Board of Trustees is the appointing authority for its staff. Serving throughout 1998 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 provide helpful support to the Lawyers' Fund in the investigation of claims and legal research projects. Interns from the Albany Law School, classes of 1998 and 1999: John Moore, Daniel Herrera, Louis Chicatelli and Paulette DiTiberiis.



Inge Wood

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 typically results in a lawyer's disbarment, final determinations in claims are not handed down until appropriate disciplinary proceedings in the Appellate Divisions are completed.

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

— Message from a law client, 1997

Additionally, fund investigations are coordinated with the investigative efforts of the Attorney Grievance Committees in the four judicial departments. This avoids unnecessary expense and duplication of investigative 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 1998 were Justices Milton L. Williams of the First Department; David S. Ritter of the Second Department; James N. White of the Third Department; and John J. Callahan of the Fourth Department.

Section 468-b of the Judiciary Law requires that the Board of Trustees 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). There were no amendments to the Regulations in 1998.

The principal source of revenue for the Lawyers' Fund 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. Contrary to widespread belief within the legal profession, the Lawyers' Fund receives no revenues from the Interest on Lawyer Account (IOLA) program.

Section 468-a of the Judiciary Law earmarks 20 percent (\$60) of each \$300 fee to the Lawyers' Fund. Since

We're very grateful for all the work that was done to help bring this matter to a harmonious conclusion.

— Message from a law client, 1998

April 1, 1993, the Legislature has annually supplemented this \$60 portion with additional revenues from the biennial registration fee. The combined revenues are equivalent to a \$100 share of each biennial registration fee.

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

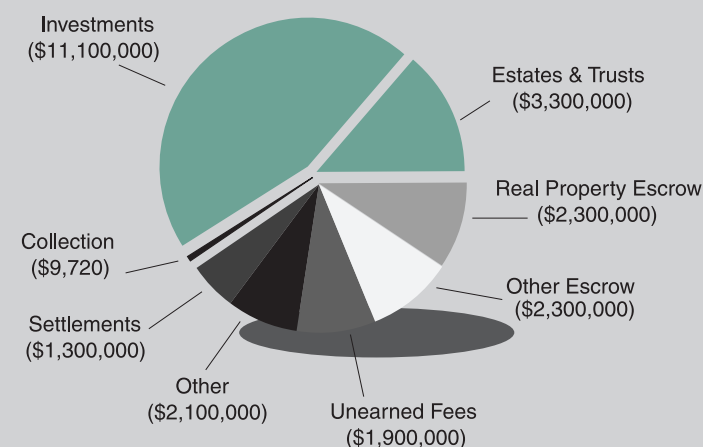
Registration fee revenues are supplemented by interest from investments in the State Comptroller's Short-Term Investment Pool (STIP), gifts, sanctions, and restitution secured from dishonest lawyers and other liable sources.

The attorney registration program is administered by the Office of Court Administration. Through the close of 1998, registration fees have produced \$72.7 million for the fund.

Interest income since 1982 totals \$3.3 million. The fund has recouped an additional \$4.0 million in restitution from dishonest lawyers and collateral sources. Contributions total \$224,000.

### Reported Losses in 1998

There were 812 reimbursement claims filed in 1998. The bulk of reported losses (68%) involve alleged embezzlements in investment transactions, thefts from estates and trusts, and thefts in real property transactions.





**F**inancial sanctions in litigation are an unusual and steady source of revenue for the fund: approximately \$13,000 monthly.

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 1998, all sanction revenues totaled \$1.3 million. Sanctions have ranged in amount from \$5 to \$100,000.

**S**ection 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.

At the close of 1998, there were 177,000 lawyers registered with the Office of Court Administration. That number includes 18,000 retired lawyers and full-time judges who are exempt from the registration fee.

**A**t the end of 1998, all awards of reimbursement totaled \$72.4 million. The cost of administering the fund as a state agency during 1998 totaled \$648,000. At year's end, the fund's reserves stood at \$6.6 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, 1999, the Trustees have requested appropriations of \$8.25 million for awards of reimbursement, and \$759,000 for the fund's administrative costs.

**R**estitution and subrogation receipts since 1982 total \$4.0 million. 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 the fund's restitution revenues pale in comparison to reimbursement paid out to victims, that's an unavoidable aspect of client protection funds. Few disbarred lawyers have the financial wherewithal to reimburse their victims, much less the Lawyers' Fund. That's why protection funds nationwide are considered to be near remedies of last resort for victims of lawyer theft.

The Lawyers' Fund nonetheless endeavors to recoup restitution when feasible: by judicial orders entered pursuant to the restitution provisions of the Penal, Criminal Procedure and Judiciary Laws; by direct action against dishonest lawyers and other collateral sources; and by negotiated confessions of judgment.

Civil claims are pursued against banks and insurance companies that have paid checks bearing the forged endorsements 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.

I want to thank you and your organization on the wonderful job you are doing.

— Message from a lawyer, 1998

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.

Following the *Grandeau* decision, the Legislature amended the Judiciary Law to enlarge the fund's subrogation powers. (Chapter 624, Laws of 1988; Judiciary Law §468-b (9)). The statute also creates 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 represented the Lawyers' Fund in its 1998 litigation deserve special mention for their professionalism and advocacy skills: Kathryn Blake, Laura Etlinger, Denise Hartman, Richard Lombardo, Marcus Mastracco, Robert Molic, Julie Sheridan and Katherine E. Timon.

These efforts have secured revenues that have been re-distributed to other deserving victims. Equally

important, this litigation has spawned important judicial precedents in the areas of consumer protection, the enforcement of the Trustees' creditor rights, and the Uniform Commercial Code.

In *Clients' Security Fund v. Goldome*, 148 Misc. 2d 157 (Sup. Ct., Monroe Co. 1990), Mr. 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 reimbursing a theft which occurred after a lawyer's disbarment.

In *Lawyers' Fund for Client Protection v. Manufacturers Hanover*, 153 Misc. 2d 360 (Sup. Ct., Albany Co. 1991), Mr. 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 Lawyers' Fund as the client's subrogee.

*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 agency of the State of New York, was entitled to priority over all other non-secured creditors of a dishonest lawyer's estate. The holding in *Sheridan* was asserted successfully in

## Actual Losses in all Awards

The Trustees have approved 4715 reimbursement awards since 1982. Actual losses of law clients and escrow beneficiaries total \$105.6 million.

\$39,000,000	Estates & Trusts
27,000,000	Real Property Escrow
3,000,000	Unearned Fees
6,000,000	Settlements
15,000,000	Other Escrow
592,000	Debt Collection
15,000,000	Investments



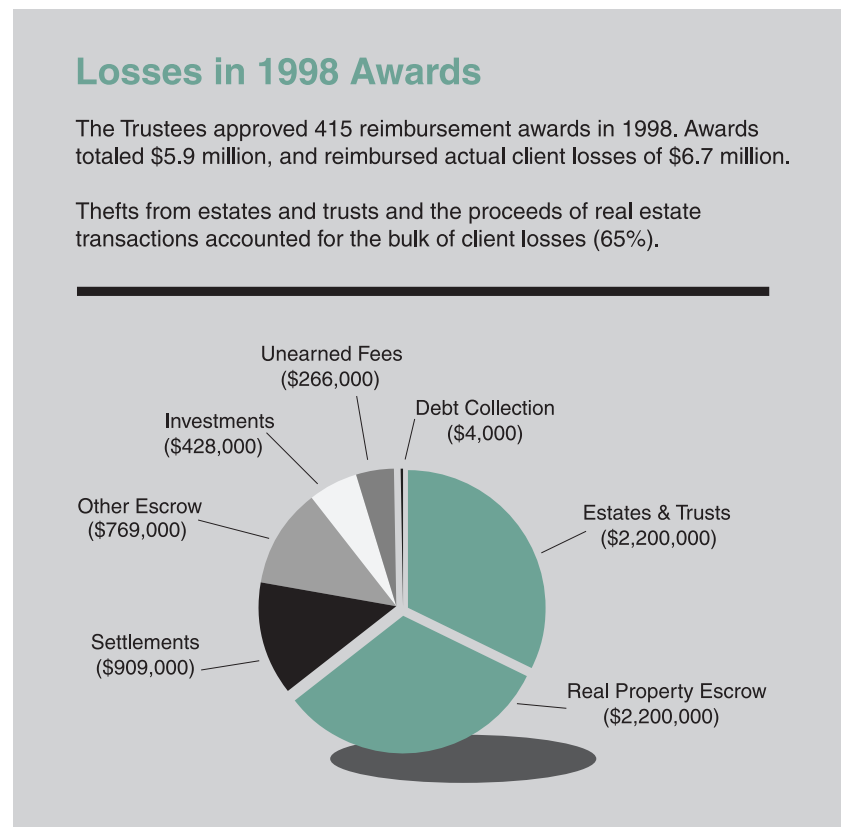
Your award of reimbursement will remove a heavy financial burden from my family.

— Message from a law client, 1998

*Matter of Estate of Zimmerman*, No. 272547 (Surr. Ct., Nassau Co. 1996), and *Rowley v. Besse*, No. 836-93 (Sup. Ct. Albany Co. 1997).

*Lawyers' Fund for Client Protection v. Gateway State Bank*, 239 A.D.2d 826 (3rd Dept. 1997), extended the fund's creditor rights in a forged endorsement case. The Appellate Division, Third Department, applied a six-year statute of limitations, in contract, to the fund's subrogation claim against a disbarred lawyer's depository bank. The court also approved Albany County as a proper county of venue in subrogation actions by the Lawyers' Fund. The Appellate Division and the Court of Appeals subsequently denied the defendant bank leave to appeal to the Court of Appeals.

*Fergang v. Flanagan*, 174 Misc.2d 790 (Sup. Ct., Nassau Co., 1997) clarified the liabilities of payee and depository banks in forged endorsement litigation. This action was prosecuted by the Lawyers' Fund, as subrogee, following a \$100,000 award of reimbursement to the claimant Fergang. The decision of Mr. Justice Phelan holds the claimant's bank (the drawee) is liable for the face amount of the check which bears



the forged endorsement. The drawee bank, in turn, recovers from the dishonest lawyer's depository bank for breach of warranty, plus attorney fees. The defendants have appealed these adverse determinations to the Appellate Division, Second Department.

*Lawyers' Fund v. Chemical Bank*, 246 A.D.2d 403 (1st Dept. 1998). The First Department's decision holds that a law client who loaned a portion of her personal injury settlement to her law firm ratified the forgery of her endorsement on the settlement check. The ratification occurred despite the claimant's ignorance of the forgery and her status as a co-payee.

*Lawyers' Fund v. Bank Leumi Trust Co., et al.*, \_\_\_ A.D.2d \_\_\_, 682 NYS2d 470 (3rd Dept. 1998). Special Term denied summary judgment to the Lawyers' Fund on its subrogation claim against an insurance company that paid a personal injury settlement over the forged endorsement of the client-payee. The settlement check was "payable through" the insurer's bank. The Third Department reversed, and gave judgment to the fund in the amount of its award.

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.

Subdivision (6-a) of section 90 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 a disbarred lawyer 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 exercised their statutory restitution authority. Representative cases include *Matter of Israel*, 230 A.D.2d 293 (1st Dept. 1997); *Matter of Pollack*, 229 A.D.2d 73 (2nd Dept. 1997); *Matter of*

You can never realize the enormous feeling of relief and almost shock that this nightmare is behind us.

— Message from law clients, 1997

*Chestara*, 244 A.D.2d 699 (3rd Dept. 1997); and *Matter of Wedlock*, 230 A.D.2d 422 (4th Dept. 1997).

The restitution statute has proven to be helpful to the victims of dishonest lawyers. It's also a flexible complement to an Appellate Division's broad authority to regulate the practice of law in the interests of protecting the public.

*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 Lawyers' Fund.

The Court authorized a reimbursement pool to be funded by legal fees owed to the disbarred lawyer. Those fees were assigned to the Lawyers' Fund. The principal beneficiary of the restitution pool was a young lady named Christine. Her attorney stole \$388,000 from the settlement of a medical malpractice action.

Together with a \$100,000 award of reimbursement from the Lawyers' Fund, the reimbursement pool provided Christine with an additional \$288,000, which was paid to her court-appointed guardians for her benefit. A similar restitution arrangement was established in 1997 to benefit the clients of another lawyer who misappropriated settlement proceeds in personal injury litigation.

*Matter of Dussault*, 215 A.D.2d 843 (3rd Dept. 1995) involves a different innovative use of the restitution statute. 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 totaling \$168,690.

The civil judgment authorized by the restitution statute proved especially helpful when a disbarred attorney, in May 1997, won \$1 million in the New York State Lottery. The fund had previously awarded \$100,000 to one of his client victims. With the section 90 restitution judgment in hand, the Lawyers' Fund froze payment of his lottery prize, and later recouped the \$100,000 award, plus interest and attorney fees.



The Board of Trustees encourages public information about its efforts and programs to protect consumers from dishonest conduct in the practice of law. Indeed, the Board's experience since 1982 confirms that responsible affirmative efforts in public information promotes 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 Marketing Communications Group, Inc., of Utica for expert help in this area. It's been a rewarding collaborative experience, with Paige Marketing 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.

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.

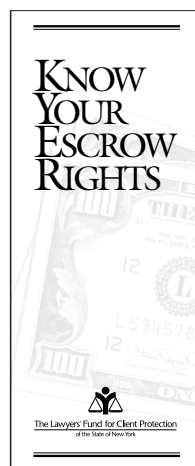
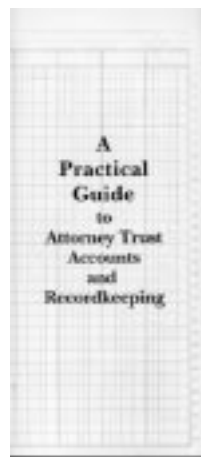
In 1995, the Trustees published a plain-English guide to the law of escrow, *Know Your Escrow Rights*. That consumer pamphlet was prompted by the fact that 30 percent

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 pamphlet, *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.

These practical guides have been supplemented with the publication of a series of eye-catching public service announcements about the Lawyers' Fund for legal and law school publications.

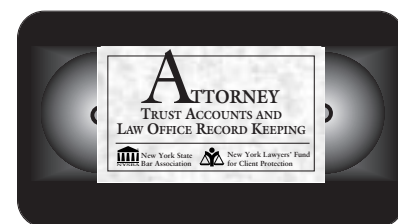
Trustees and staff address professional and civic service organizations, and participate in state and national disciplinary conferences. The fund's Executive Director served, from 1987-1990, as a member of the American Bar Association's Standing Committee on Lawyers' Responsibility for Client Protection;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



Client Protection Funds from 1991 to 1993.

In 1998, Trustee Bernard F. Ashe was appointed to the ABA's Standing Committee for Client Protection.

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 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.

The Lawyers' Fund intends to supplement this video with a manual for practitioners on the subject of client trust accounting. It will be 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? Answers for New Yorkers

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?* 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.

Former Attorney General Dennis C. Vacco volunteered to help in this consumer protection effort by arranging for the Department of Law to underwrite the cost of print-



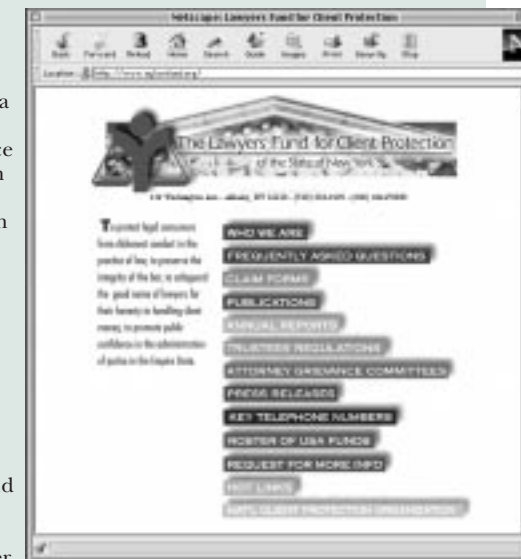
### www.nylawfund.org

In February 1997, the Lawyers' Fund opened a web site on the Internet. The site was financed by a bequest from the Last Will and Testament of John English, a Justice of the Supreme Court in the Tenth Judicial District. It was designed and constructed by Global 2000, an Albany-area Internet Server.

Posted on the fund's web site is a wealth of information about the Lawyers' Fund, including the frequently asked questions about the organization of the fund and its procedures; the Trustees' Regulations; reimbursement claim forms; the text of recent Annual Reports, consumer publications and press releases; addresses and telephone numbers of Attorney Grievance Committees; and a roster of client protection funds nationwide.

The "Hot Links" button on the fund's home page provides visitors with links to numerous court rules and related practice materials; the web sites of law libraries and other legal research resources in the United States; bar associations; and state and federal government web sites.

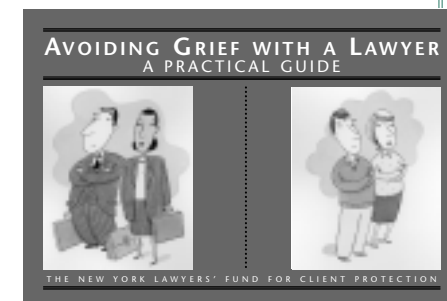
It's the first web site of its kind on the Internet. In its first year of operation, the site was accessed by more than 26,000 visitors. It currently averages nearly 600 "hits" each week.



ing 100,000 copies of *What's a Power of Attorney?* to be widely distributed to consumers and senior citizen groups statewide.

### Avoiding Grief With A Lawyer — A Practical Guide

In the Spring of 1998, the Trustees published another plain-English consumer guide which points out pitfalls to be avoided in attorney-client relationships. *Avoiding Grief With A Lawyer* covers the practical problems that consumers frequently encounter in typical legal engagements, warning signs of troubles and problems, and ways to avoid and deal with them. The pamphlet is being widely distributed to bar associations, consumer protection agencies, legislative offices, and public



libraries throughout New York State.

With the encouragement and cooperation of the state's judicial leaders, a special version of *Avoiding Grief* has been prepared for the New York State Unified Court System. It bears a message from the Chief



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

When the claim is filed, it's assigned an identifying number, acknowledged and assigned to a member of the staff for investigation. Claims are 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 Grievance 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 claim and supporting papers, and is 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 or, in appropriate cases, promptly following the lawyer's criminal conviction for larceny or similar conduct.

I appreciate the Lawyers' Fund, and I feel confident that if I should need a lawyer I will be able to find a caring and honest one.

— Message from a law client, 1998

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 districts in New York State. Venues in 1998 included Albany, New Paltz, Manhattan and Brooklyn.

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.

Since 1982, the Lawyers' Fund has fully processed 9,353 applications for reimbursement. The Trustees determined that 4,715 claims merited reimbursement; another 4,361 claims were rejected with findings that the claimants had not provided satisfactory evidence of reimbursable losses.

Only two claimants have judicially challenged adverse determinations by the Board of Trustees pursuant to Article 78 of the Civil Practice Law and Rules. Both challenges have been rejected in the courts.

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

Mr. Justice Canfield sustained the Trustees' determination in *Matter of Tabak v. Lawyers' Fund*, 166 Misc. 2d 502 (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.

Thank you for turning a dismal experience into a positive one, and returning my faith in the system.

— Message from a law client, 1998

In the **Claim of Bluth**, the Trustees determined that the claimant did not provide satisfactory evidence of an eligible loss in a real estate transaction with a lawyer who was disbarred for unrelated professional misconduct. The claimant's Article 78 proceeding in the Supreme Court, Kings County (Clemente, J.) was dismissed on the merits by motion of the Lawyers' Fund. (*Matter of Bluth v. Lawyers' Fund*, No. 044062/97 (Sup. Ct., Kings Co. 1998).

The Appellate Division, Second Department, affirmed the dismissal on March 8, 1999, writing that: "The Lawyers' Fund . . . properly exercised its discretion in this proceeding."

Claimants are not obliged to be represented by counsel. The fund's procedures are straightforward and uncomplicated, and the fund's staff provides help in documenting client losses.

The Trustees nonetheless encourage the participation of counsel. The theft of money in the practice of law invariably confronts law clients with legal problems. The theft of a buyer's down payment in the purchase of a residence, for example, 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 have counsel helping them with their applications.

Court rules of the Appellate Divisions do not allow lawyers to charge or accept legal fees for this professional service, except with the prior 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 circumstances." Since 1982, only three law firms have requested the Trustees' approval of fee applications. The Trustees declined in each case.

*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 liability. This immunity extends to claimants and to lawyers who assist them in the processing of their claims. Counsel are also provided certificates of appreciation as a token of the Trustees' appreciation for this contribution of public service.

### Distribution of Awards Since 1982

The Trustees' awards since 1982 were paid to law clients and escrow beneficiaries of lawyers who had offices in these judicial departments of New York State.



First Department	939
Second Department	2825
Third Department	430
Fourth Department	521

**D**isciplinary 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": 3,312 of 9,353 claims since 1982. In most cases, the claimants were law 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.

The typical "unearned retainer" loss that gets reimbursed is relatively small in the scale of all losses, about \$2,000. They are nonetheless especially 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.

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 much 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 (e), of the Trustees' Regulations.

**A** common device of lawyer theft nationwide is the forgery of law clients' endorsements on settlement checks in personal injury litigation. The forgery frequently 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. The theft is facilitated by a long-standing, and well-intentioned, industry practice to make the settlement draft jointly payable to law client and attorney. Notice to the law client was not part of that practice.

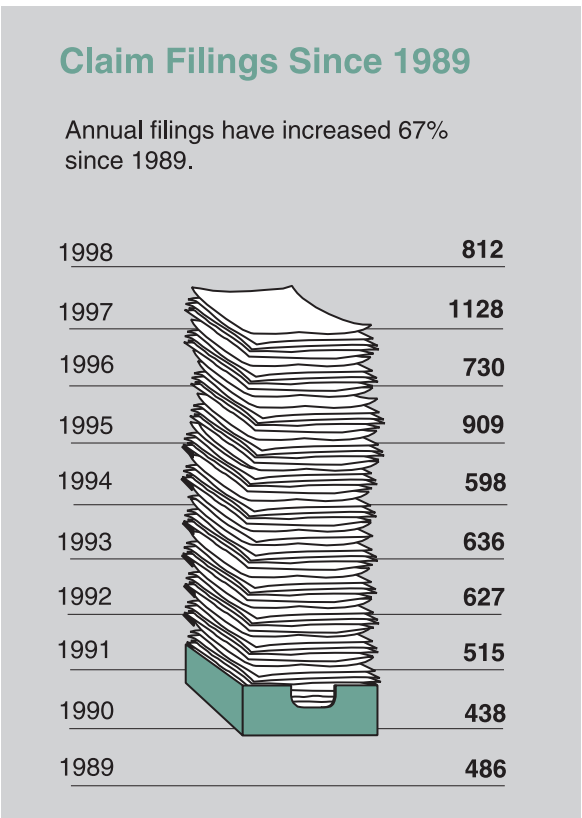
In 1988, the Trustees proposed to the State Insurance Department a regulatory device that has proven to be highly effective in deterring and detecting losses in this area of legal practice. It's called the "Regulation 64 Notice" which, since September 1988, requires liability insurers and their agents to provide law clients with written notice of payment whenever a third-party liability claim is settled for \$5,000 or more. (11 NYCRR 216.9).

The Regulation 64 Notice has substantially reduced losses and claims to the Lawyers' Fund. In 1993, for example, the fund reimbursed 35 thefts involving forged endorsements on settlement checks. That number has substantially declined over the years (to seven in 1998) and has led to the criminal prosecution

of several lawyers for grand larceny of client settlements.

The Regulation 64 Notice also helps in the prompt discovery of thefts, which shifts clients' losses to the banks which improperly honor forged endorsements in the collection chain. Before the Regulation 64 Notice, civil actions to recover losses were frequently barred by the statute of limitations.

Based on the New York experience, 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, Connecticut, Delaware, Georgia, Maryland, New Jersey, Pennsylvania and Rhode Island.



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

At the close of 1998, there were 1,067 claims filed that alleged losses in investment deals with lawyers. Reported losses total \$107 million. Since 1982, the Trustees have approved awards in 288 claims, for total reimbursement of \$11 million.

Many losses in investment deals do not qualify for reimbursement from the Lawyers' Fund. One reason rests with the fund's enabling statute, which requires that eligible losses occur in "the practice of law." Another rests with the Legislature's determination to bar losses which result solely from a lawyer's activities as a "fiduciary."

**S**pecial thanks to the legal profession, which has made it possible to compensate clients of dishonest attorneys.

*Message from a law client, 1999*

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. In the evaluation of claims in this area, the Trustees apply the so-called "but for" tests that is used by protection funds in most states: the loss would not have occurred "but for" breach of trust in an attorney-client relationship.

**N**early a third of all losses reimbursed by the Lawyers' Fund involve the theft of money in real property transactions: \$23 million in 1,216 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's 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 immediate problems for everyone: buyers and sellers, lenders, title insurers, etc. These problems are magnified when the loss is discovered on the eve of a closing.

The Trustees persist in efforts to sensitize clients, lawyers and real estate agents to the importance of escrowed down payments. At the Trustees'

recommendation, the Legislature added a new Article 36-c to the General Business Law, effective January 1, 1991, which codifies their fiduciary obligations to segregate and safeguard contract deposits in special bank accounts. 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.

The Trustees have also produced and printed a consumer guide called *Know Your Escrow Rights*, with an annotated version for lawyers called *Know Your Escrow Rights: The Lawyer's Edition*. And work continues on the development of a model escrow agreement for down payments in residential transactions in New York State.





A 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. That forbearance often enables a dishonest lawyer to manipulate and conceal the misuse of other clients' funds, sometimes for years.

One practical solution to deter and detect losses is the reporting of 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 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 and Bar Associations were successful, and the Appellate Divisions promulgated necessary rule changes effective January 1, 1993.

The rules (22 NYCRR 1200.46(b)(1), (2); Part 1300) require 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.

Virtually every qualified bank in New York State participates in this program. The Lawyers' Fund serves as a clearinghouse for these notices, which are mailed to its offices in Albany. They are held for 10 days to

### Bounced Check Reports sent to Disciplinary Committees

	1993	1994	1995	1996	1997	1998	Totals
<b>First Department</b>							
First Judicial District	79	79	119	181	203	220	881
Twelfth Judicial District	22	16	11	16	17	31	113
Totals:	101	95	130	197	220	251	994
<b>Second Department</b>							
Second Judicial District	48	163*	38	50	41	34	211
Ninth Judicial District	42	19	17	36	71	76	261
Tenth Judicial District	51	44	55	94	79	62	385
Eleventh Judicial District	24	13	17	23	35	39	151
Totals:	165	239	127	203	226	211	1171
<b>Third Department</b>							
Third Judicial District	8	6	3	11	14	18	60
Fourth Judicial District	2	2	1	3	1	3	12
Sixth Judicial District	0	0	1	2	0	1	4
Totals:	10	8	5	16	15	22	76
<b>Fourth Department,</b>							
Fifth Judicial District	4	2	4	9	6	17	42
Seventh Judicial District	9	17	10	27	11	10	84
Eighth Judicial District	10	20	50	14	16	17	127
Totals:	23	39	64	50	33	44	253

\*120 bounced check notices involved a single law firm.

allow banks to withdraw notices that were filed in error. If not withdrawn, each notice is forwarded to the appropriate attorney grievance committee for investigation. A lawyer/law firm named in a bounced check report is required to furnish the committee with a written explanation for the transaction, and bank statements on the attorney trust account for the prior six months.

Over a five-year period, the Lawyers' Fund has processed approximately 2,500 bounced check reports. The face amount of those checks exceed \$44 million.

As anticipated, most reports result from deficiencies in law office banking practices, not dishonest conduct. In these cases, the rule serves the function of identifying those deficiencies, and alerting practitioners to the accounting, banking and

recordkeeping requirements of the Lawyer's Code of Professional Responsibility.

That being said, the effectiveness of the program is reflected in the fact that approximately 35 lawyers have been identified and apprehended for client thefts because of bounced check reports. Most of those lawyers are accused of dishonest conduct in reimbursement claims to the fund by their victims.

The importance of the Bounced Check Rule has been fortified by the recent holding in *Home Savings of America v. Amoros, et al.*, 233 A.D.2d 35, (1st Dept. 1997). In that action, the Appellate Division, First Department, held that a bank's failure to comply with the reporting provisions of the Bounced Check Rule is *prima facie* evidence of its negligence.

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, a limitation that's intended to protect law clients from the misuse of their funds. In sole proprietorships, obvious practical problems can occur upon the death of the practitioner.

With an amendment to Disciplinary Rule 9-102 (f-2), proposed by the Board of Trustees, the Appellate Divisions have addressed that prob-

My faith in the law profession has been restored.

— Message from a law client, 1997

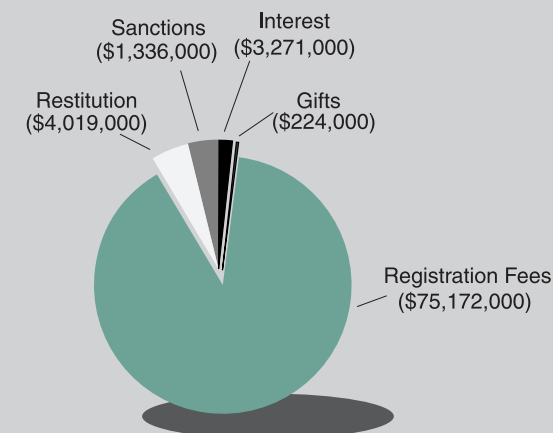
lem by authorizing an application to the Supreme Court in the local judicial district to appoint a signatory for the account, to disburse the funds on deposit, or to deposit the funds with the Lawyers' Fund for safeguarding and payment to the owners or beneficiaries.

The Lawyers' Fund invoked this new procedure to recover \$147,000 from the stagnant 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.)). In both cases, the fund had reimbursed clients of the dead lawyers for the misuse of escrow funds.

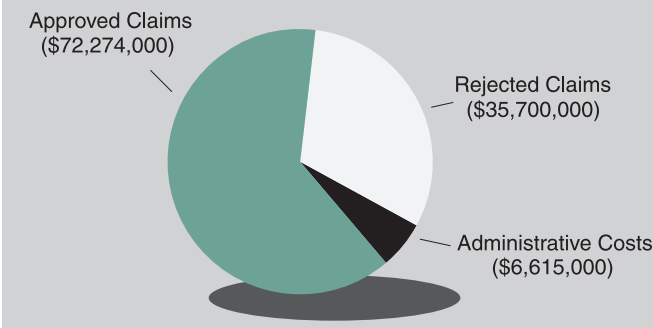
A comparable remedy was established by the Appellate Divisions in situations where lawyers cannot

### The Fund's Finances Since 1982

#### Revenue Sources



#### Claims and Operations



locate clients who have money on deposit in the trust account. Disciplinary Rule 9-102 (f-1) authorizes a court order directing that the funds be deposited with the Lawyers' Fund.

Through the close of 1998, the fund received 124 deposits of escrow funds belonging to missing escrow beneficiaries. The deposits total \$425,447. The fund's staff has located 16 beneficiaries, and restored to them a total of \$66,370.

### Filed Claims Since 1982

All claims filed by the close of 1998 total 9,353. Annual filings have ranged from a low of 230 in 1984, to a record high of 1,128 claims in 1997.

### Reported Losses Since 1982

Losses in all filed claims total \$306 million, up from \$281 million at the close of 1997. Reported losses have increased from \$3.2 million in 1982 to \$24.3 million in 1998, an increase of 750 percent.

### 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 escrow funds
- 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 (3,312), followed by thefts in real property transactions (1,847).

The largest dollar losses involve investment transactions with lawyers (\$107 million); thefts from estates and trusts (\$62 million); and the thefts in real property transactions (\$57 million).

### Lawyers Involved in Awards

Awards since 1982 involve dishonest conduct by 578 former members of the bar, up from 549 at the close of 1997. Those lawyers are identified in the Appendix, together with the judicial districts where they maintained their practices, and the total reimbursement that has been provided to their victims.

The experience in New York State is consistent with the experience nationwide. That is, most thefts involve sole practitioners. Most of those lawyers are male and middle-aged. Very few claims involve female lawyers.

There are patterns to the claims. Losses are generally accompanied by evidence of lawyers beset with marital, professional and medical problems. Gambling and alcoholism are frequently companions, 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 — "Respondent Lawyers" — and the awards to their clients, are allocated among the state's judicial districts and departments as follows:

### Lawyers Involved in All Awards of Reimbursement

	Respondent Lawyers	Number of Awards	Lawyer Population
<b>First Department</b>			
First Judicial District	169	905	60,978
Twelfth Judicial District	11	34	1,943
Totals:	180	939	62,921
<b>Second Department</b>			
Second Judicial District	55	317	6,299
Ninth Judicial District	67	794	9,425
Tenth Judicial District	100	1,318	14,896
Eleventh Judicial District	36	396	4,030
Totals:	258	2,825	34,650
<b>Third Department</b>			
Third Judicial District	22	288	4,737
Fourth Judicial District	15	70	1,552
Sixth Judicial District	12	72	1,488
Totals:	49	430	7,777
<b>Fourth Department</b>			
Fifth Judicial District	13	47	2,977
Seventh Judicial District	32	237	3,374
Eighth Judicial District	46	237	4,846
Totals:	91	521	11,197
Grand Totals	578	4,715	116,545

### Claims Filed in 1998

There were 812 claims filed during 1998, down from 1,128 filings in 1997. Claims filed in 1998 alleged losses of \$24 million.

The largest number of claims (397) sought reimbursement of legal fees. They alleged losses of \$1.9 million.

The largest reported losses (\$11 million) occurred in investment transactions with lawyers, followed by \$3 million in reported losses involving estates and trusts.

### Reimbursement Awards in 1998.

The Trustees approved 415 awards in 1998, down from 625 awards in 1997. The awards involved documented losses of \$9 million.

Awards totaled \$6 million. They ranged between \$9 and \$100,000. The median client loss, and award, in 1998 was \$2,717.

### Ineligible Claims

Between 1982 and 1998, final determinations were reached in 9,353 claims. Of that number, 4,361 claims (47%) were rejected as not meriting reimbursement from the fund. Alleged losses in rejected claims since 1982 exceed \$170 million.

### Claims Pending, December 31, 1998

There were 337 claims pending at year's end, down from 462 pending claims on December 31, 1997.

Pending claims allege losses of \$18 million. The fund's contingent liability, adjusted for its \$100,000 maximum limit on awards, is \$11 million.

**W**e continue to recommend changes in policy and legal practice to protect consumers from dishonest conduct in the practice of law.

The Trustees' experience since 1982 demonstrates that doubts about the bar's basic integrity in handling client money are unfounded. That's not to say that there's no space for improvement.

But it's also a fact that the individual lawyer has little power, much less say, in the shaping of standards and rules that regulate the legal profession in New York State. That's a unique power that's reserved, in the main, to our judges and courts.

It's difficult to find another calling that's scrutinized more frequently than the law. Indeed, it's a profession in a constant state of evaluation and critique. 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 a host of additional recommendations in the Final Report of the Chief

Judge's Committee on the Profession and the Courts — longhand for the Craco Committee.

The Craco Committee's Report addressed several concerns that the Trustees have discussed in 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 conveyed to Chief Judge Kaye our support for other, and complementary, reforms advanced by the Craco Committee: 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.

### Lawyers Involved in all Awards

The Trustees' awards since 1982 involve 578 former lawyers. Their law offices were located in these judicial departments of New York State.

First Department 180

Second Department 258

Third Department 49

Fourth Department 91





### Disbarment for Misusing Client and Escrow Money

We have consistently urged a firm policy applicable to lawyers throughout the State of New York that disbarment will be ordered by a court when a lawyer injures a client by theft, fraud or embezzlement.

The Lawyer's Code of Professional Responsibility should make that clear and remove any doubt that our justice system is serious and evenhanded in all regions of the state in matters involving the fundamental integrity of lawyers.

We are also concerned that there's no statewide policy requiring attorney grievance committees to report evidence of a lawyer's theft to a District Attorney or other criminal justice agency. A lawyer who steals is a threat to the public, and no public official should be required to conceal evidence of that lawyer's criminal activity.

### 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 the court sustains the charges of misconduct lodged against the respondent lawyer.

We persist in our belief that confidentiality should not apply in situations involving the theft of client money and property. It should be lifted when a court has probable cause to believe that a lawyer has stolen law client and escrow funds.

The fund's experience proves that dishonest lawyers can and do exploit the laws of confidentiality to conceal dishonest and criminal activity. It's time, in our view, to lift the veil of secrecy in disciplinary proceedings involving the theft of client money and property.

### Thefts by Suspended, Disbarred and Bogus Lawyers

It's a crime of misdemeanor rank to engage in the "unauthorized" practice of law in New York State. It's also a fact that this species of crime is seldom prosecuted in the state's urban and suburban counties. The problem is compounded by the inability of attorney grievance committees to monitor lawyers who have been suspended or disbarred, and forbidden to engage in the practice of law. These kinks in law enforcement encourage the illegal practice of law, and the exploitation of the public, lawyers, judges and court personnel.

The Office of Court Administration maintains an Official Register of Attorneys, which includes current licensing information. See Judiciary Law §468. The Official Register also assigns to each lawyer a unique identification number. At the urging of the Trustees, the Legislature in 1988 declared the Official Register to be a public record.

To deter fraud in our courts and the practice of law, we propose a rule of court that every lawyer be required to endorse his or her Attorney Registration Number on each pleading or brief that the lawyer files with a court or a court agency. That simple endorsement will provide a cost-free and reliable opportunity to verify the credentials of persons who claim to be licensed to practice law in the Empire State. Clearly it would ferret out imposters who threaten both the public and the integrity of the justice system itself.

### Thefts by Lawyer-Fiduciaries

Approximately 37 percent of all thefts reimbursed since 1982 have involved money embezzled from estates, trusts, guardianships and the like: \$39 million. These losses can devour a lifetime's savings, far beyond the ability of the Lawyers' Fund to reimburse fully.

The anxiety and sleepless nights are finally over, and thanks to the Lawyers' Fund, we have not lost our retirement nest egg.

— Message from law clients, 1997

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 approach would make the Lawyers' Fund a practical surety for the legal profession in State of New York. All that would be needed, as a practical matter, would be an infusion of revenues, or other credit, so that the fund could reimburse losses greater than \$200,000.

The dishonest fiduciary will persist in shaming the legal profession. Ignoring the problem is not much of a solution. The fact remains that when a court appoints a lawyer to a fiduciary post, the court system is giving that lawyer immense authority over the life and affairs of someone in need of special protection.

Theft by a lawyer-fiduciary can be no ordinary larceny. It's an assault on the integrity of the justice system itself.

### 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 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.

The Trustees are considering a proposal for a court rule that would forbid lawyers in the State of New York from depositing fiduciary funds in banking institutions that do not agree to send copies of these monthly bank statements to the legal fiduciaries of these estates and trusts.

### Escrow Thefts in Real Property Transactions

About 25 percent of all awards since 1982 have involved documented thefts in real property purchases and sales: \$26 million.

These losses typically occur in residential transactions, and frequently they involve the theft of the buyer's down payment by the seller's attorney. These losses can be harsh, particularly downstate where the usual down payment is 10 percent of the purchase price. And if the theft involves the proceeds from the sale of a residence, a person can be left literally homeless.

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. By statute, for example, the Department of Law protects escrow

accounts in condominium and cooperative conversions.

Escrow deposits in the purchase and sale of residences are deserving of comparable protection.

### 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 35 percent of all filings. While fee disputes fall outside the jurisdiction of the Lawyers' Fund, 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 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 "Bridge-the-Gap" continuing legal education program mandated by recent rules of court, if properly implemented and administered, will go far in addressing this major deficiency in legal education. The rule requires that the curriculum, developed under the aegis of the Office of Court Administration, include a lawyer's fiduciary responsibilities pursuant to the Lawyer's Code of Professional Responsibility. We applaud this effort in professionalism.

Public service on behalf of law client protection continues to be a rewarding experience, personally as well as professionally. The support that's been extended to the Lawyers' Fund by the legal profession and the governmental representatives of New York State continues to be a source of encouragement for the Board of Trustees, and the fund's staff. 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. 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 fund depends mightily upon the kindness of colleagues in public service. We readily acknowledge our special appreciation to:

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 Attorney Grievance 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 other tasks of management;

## Awards of Reimbursement Since 1989

The annual number of awards approved by the Trustees has more than doubled since 1989.

1998	415
1997	625
1996	381
1995	383
1994	362
1993	318
1992	288
1991	200
1990	219
1989	177

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.

*This Annual Report was prepared by Frederick Miller, the Fund's Executive Director and Counsel. Special thanks to Michael J. Knight and Timothy J. O'Sullivan for their help in the annual effort.*

*Albany New York  
April, 1999*

### 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	767	8.2%	61,776,757	20.2%
Real Property Escrow	1847	19.7%	57,012,809	18.6%
Unearned Fees	3312	35.4%	13,066,798	4.3%
Settlements	602	6.4%	14,455,135	4.7%
Other Escrow	800	8.6%	35,760,171	11.7%
Debt Collection	596	6.4%	2,026,531	0.7%
Investment	1067	11.4%	107,251,863	35.0%
Other	362	3.9%	14,860,719	4.9%
Totals:	9353	100%	306,210,783	100%

### Losses Reported in 1998 Claims

Category of Client Loss	Number of Claims	Percent of all Claims	Amount of Loss Alleged	Percent of all Losses
Estates & Trusts	43	5.3%	3,246,548	13.3%
Real Property Escrow	104	12.8%	2,332,188	9.6%
Unearned Fees	397	48.9%	1,884,280	7.7%
Settlements	44	5.4%	1,335,585	5.5%
Other Escrow	132	16.3%	2,320,456	9.5%
Debt Collection	1	0.1%	9,720	0.0%
Investment	64	7.9%	11,102,053	45.6%
Other	27	3.3%	2,106,356	8.7%
Totals:	812	100%	24,337,186	100%

### Client Losses in 1998 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	31	7.5%	\$1,421,092	\$2,198,515	32.6%	64.6%
Real Property Escrow	95	22.9%	\$2,177,273	\$2,177,273	32.2%	100.0%
Unearned Fees	131	31.6%	\$265,605	\$265,605	3.9%	100.0%
Settlements	37	8.9%	\$909,055	\$909,055	13.5%	100.0%
Other Escrow	111	26.7%	\$769,105	\$769,105	11.4%	100.0%
Debt Collection	1	0.2%	\$4,150	\$4,150	0.1%	100.0%
Investment	9	2.2%	\$427,721	\$427,721	6.3%	100.0%
Totals:	415	100%	\$5,974,001	\$6,751,424	100%	

### 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	534	11.3%	\$21,129,925	\$38,887,148	37.2%	54.3%
Real Property Escrow	1216	25.8%	\$22,927,545	\$26,450,445	25.3%	86.7%
Unearned Fees	1360	28.8%	\$2,577,244	\$2,602,344	2.5%	99.0%
Settlements	360	7.6%	\$5,847,647	\$6,379,344	6.1%	91.7%
Other Escrow	513	10.9%	\$8,677,236	\$14,749,224	14.1%	58.8%
Debt Collection	444	9.4%	\$536,811	\$591,811	0.6%	90.7%
Investment	288	6.1%	\$10,577,499	\$14,890,020	14.2%	71.0%
Totals:	4715	100%	\$72,273,907	\$104,550,336	100%	

### Claims Activity Since 1982

	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	Totals
Claims Filed	534	375	230	332	341	311	351	486	438	515	627	636	598	909	730	1128	812	9353
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	\$40.8	\$24.3	\$307.7
Claims Approved	1	494	130	183	178	159	202	177	219	200	288	318	362	383	381	625	415	4715
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	\$9.1	\$6.8	\$104.8
Awards (Millions \$)	\$0.03	\$0.69	\$0.87	\$1.3	\$1.1	\$1.9	\$2.8	\$3.8	\$4.6	\$4.1	\$7.3	\$7.6	\$5.7	\$5.7	\$9.9	\$6.9	\$5.9	\$72.0
Lawyers Involved	1	13	26	43	26	24	36	26	38	44	38	52	45	60	38	39	29	578
% Losses Reimbursed	50%	46%	46%	52%	85%	95%	74%	60%	96%	71%	54%	60%	73%	64%	72%	76%	87%	
% 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%	97.6%	98.9	
Claims Disallowed	33	201	105	73	164	120	119	169	186	360	253	384	247	366	439	620	522	4361
Total Dispositions	34	695	235	256	342	279	321	346	405	560	540	702	610	749	820	1245	937	9076
Claims Pending Dec. 31	500	180	175	251	250	282	312	452	485	440	526	460	449	609	579	462	337	
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	\$46.6	\$18.0	
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	\$17.4	\$11.3	
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	\$2.1	\$6.6	



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 a 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 at least two trustees. Special 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 the claim 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;

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

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

(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; losses incurred by financial institutions; losses incurred by business organizations having twenty or more employees; 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 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.

(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 attor-

ney'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 later:

(1) the date when the alleged dishonest conduct occurred; or

(2) the date when such dishonest conduct was first discovered.

(d) The trustees, in their discretion, may permit the late filing of claims upon a showing that compliance with the 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 rea-

sons 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 con-

ditions 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;

(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;

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

(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 \$200,000.

(b) Awards shall not include interest. Attorneys' 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 the 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 on 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 to 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.



Name	Judicial District	Number of Awards	Amount	Name	Judicial District	Number of Awards	Amount	Name	Judicial District	Number of Awards	Amount	Name	Judicial District	Number of Awards	Amount
Edward P. Abbott	1	1	10,624	W. Michael Burke	3	2	700	Birol John Dogan	1	6	43,673	Yoram Gafni	1	5	7,550
James E. Adel	8	3	18,656	William M. Burke	3	2	101,035	Jerrold A. Domingo	1	3	19,000	Arthur J. Gallancy	1	1	21,500
Cornelius M. Ahearn	1	1	65,712	Jeffrey S. Burns	10	3	12,370	Myron Domskey	10	3	3,500	John E. Galligan Jr.	2	3	4,827
George E. Albright	7	1	2,150	Nicholas Capobianco	7	4	6,530	Paul B. Donohue	9	1	750	William M. Gallow Jr.	3	1	49,397
David B. Alford	3	4	8,150	John M. Cassel	3	1	65,000	Walter M. Donovan	8	23	75,050	Hiram S. Gans	9	2	85,000
Donald A. Alleva Jr.	9	3	4,938	Stuart B. Cassell	11	32	334,343	H. Paul Doucette, Jr.	7	4	2,685	Edward M. Gasperi	4	5	8,231
Nicholas P. Altomerianos	1	1	13,425	Richard H. Cataldi	8	3	71,810	George E. Dougherty Jr.	3	6	140,388	Michael S. Gawel	8	1	1,200
David W. Alvey	2	10	490,852	Vincent J. Catalfo	1	1	45,000	William J. Dougherty	10	5	124,795	Jack O. Gaylord	8	1	12,332
Robert B. Anderson	1	1	100,000	Katherine R. Catanzarite	4	19	61,293	Frank J. Doupona	9	10	602,595	James G. Gembarosky	8	7	15,426
Alvin Ashley	1	1	71,445	Harvey Chaly	10	4	42,944	Charles H. Downing	1	1	3,950	Frank P. Giaramita	2	2	7,500
Lewis G.P. Ashton	11	2	9,000	John R. Chaney Jr.	1	3	2,276	James L. Dowsey III	10	1	8,500	Thomas Eric Gill	10	6	87,500
Harley D. Axelrod	7	3	3,640	Michael M. Chasen	12	6	38,708	Peter J. Dunne	10	13	68,950	James Gilmartin	1	2	3,613
David A. Baker	5	10	61,627	John D. Chestara	3	14	76,565	Thomas A. Dussault	3	184	329,956	Joseph A. Giorgi	7	1	4,685
William F. Baker	5	2	28,556	John M. Cholakakis	3	1	52,383	Paul W. Eckelman	9	3	8,895	Jarrett F. Glantz	1	24	1,710,086
Richard L. Baltimore Jr.	1	5	42,096	Frank A. Cissi	5	2	4,996	Eugene P. Edwinn	1	3	107,770	Harold L. Goerlich	10	4	65,178
Norwood K. Banks	7	1	573	Robert J. Clark	2	5	121,990	Louis A. Egnasko	2	56	1,348,967	Roger J. Gofton	9	1	70,000
John M. Barth	1	1	3,000	A. Roger Clarke	7	5	193,183	Ehman & Marino	10	58	2,655,291	Fred Gold	11	3	113,250
Paul L. Beck	1	7	105,700	James F. Clarke	10	19	1,145,491	Howard Eisenberg	1	1	5,000	Henry S. Goldman	9	9	224,823
Irving Becker	1	10	16,330	W. Andrew Clawson	7	18	302,861	Robert A. Eisenberg	2	1	7,058	Barry E. Goldrod	1	1	51,357
Herbert H. Bell	1	1	40	Casey A. Clines	4	1	350	Mitchell Eisenstat	1	1	450	Charles H. Goldstein	10	1	43,000
William F. Benca	8	2	57,950	Joseph A. Cofino	12	2	3,500	Dennis P. Elkin	11	1	250	Alan R. Golkin	8	5	269,624
Michael D. Benjamin	2	1	900	Daniel I. Cohen	7	4	81,720	W. Joseph Embser	8	1	100,000	Oscar Gonzales-Suarez	1	1	5,000
Bradley C. Bennett	7	2	7,554	James Harrison Cohen	1	5	57,055	Charles E. Ennis	7	3	52,427	Michael W. Goodman	11	1	18,000
Robert J. Bennison	5	1	15,815	Kenneth H. Cohn	6	9	4,010	Michael L. Entes	2	2	10,000	Robert M. Gordon	1	6	29,870
Richard H. Berg	9	2	2,000	Kenneth W. Cohn	10	1	16,077	Michael F. Erdheim	1	19	964,321	John P. Gorman	9	2	36,000
Adam H. Bernstein	7	3	40,339	Theresa N. Coletti	11	25	53,317	Steven M. Erdheim	9	22	12,524	Jack Gottlieb	2	8	74,576
Harry J. Bernstein	11	15	197,992	Joseph L. Colp	1	3	12,300	Jonathan Erickson	7	6	111,173	Lora C. Graham	9	2	1,655
Peter N. Bertucci	1	1	25,000	Frank Coniglio	10	12	240,110	Jerome J. Erlin	1	4	42,595	Barry J. Grandeau	9	377	564,211
Burton H. Besen	1	9	146,616	Kevin A. Conine	6	2	40,861	John R. Esposito	12	1	5,700	S. Simpson Gray	9	9	8,928
Jeffrey L. Besse	3	27	1,227,453	Joseph A. Contino	8	2	200,000	Gene Ira Esser	2	12	23,877	Christopher J. Green	1	1	30,000
Lassale Best Jr.	2	1	1,000	Stephen E. Cooper	4	2	268,455	Arnold H. Fassler	11	12	111,658	Milan K. Gregory	10	2	10,200
James Bing	1	3	4,085	Edward M. Cooperman	10	3	12,700	James H. Fay	2	1	400	John N. Griggs Jr.	1	2	350
Charles Birnbaum	2	1	594	Kevin P. Corcoran	9	2	16,965	Charles L. Feely	1	2	176,986	Robert S. Groban Sr.	1	2	8,500
Warren J. Black	1	1	20,576	William J. Corcoran	1	1	10,000	Milton Feinman	1	8	414,813	Joshua Gross	4	1	400
Walter H. Blaich Jr.	9	7	385,835	Gerald M. Cotter	10	28	990,471	Harvey Felton	9	1	40,426	Murray S. Gross	2	1	8,000
Blaich & Dries	9	7	236,162	James P. Cotter	8	1	46,036	John F. Felton	1	2	7,000	Marc E. Grossman	9	15	191,001
Lawrence Bluth	11	1	11,500	Catherine N. Coughlin	8	3	7,002	Willie R. Felton	7	29	134,491	Harold W. Grubart	1	3	184,335
Allen J. Bodner	1	1	100,000	Coxeter & Coxeter	3	1	50,000	Perry V. Ferrara	10	53	1,304,928	James R. Gunderman	8	8	269,978
Howard J. Bodner	10	20	968,658	Ronald P. Crean	1	2	22,750	Steven B. Fidelman	11	9	78,532	Sidney J. Guran	2	1	12,159
Murray Bogatin	1	2	9,400	Gene Crescenzi	1	2	6,880	Carl M. Field	10	23	163,804	John A. Gussow	2	31	622,568
Philip L. Boneta	2	3	19,533	John T. Crone	7	13	450,427	Timothy A. Fischer	8	1	155	John A. Guzzetta	1	1	6,395
Anthony J. Bonfiglio	1	2	89,000	Dennis D. Crowley	9	6	261,804	Fischer & Quaintance	8	2	110,897	Richard A. Gwynn Jr.	5	8	8,239
Martin Borakove	1	2	16,101	Martin J. Crowley	10	11	71,931	Michael G. Flanagan	1	13	884,137	Richard J. Haas	3	2	1,800
Lee H. Bostic	11	2	5,583	Thomas P. Cullen Jr.	11	4	93,513	Florien Carl Flierl	8	8	65,695	Robert E. Haley	1	7	100,800
Darrell L. Bowen	4	1	300	John L. Curtis	8	4	252,344	Dan Foley	9	1	203	Clifton E. Hall	11	3	16,465
Martin J. E. Bowers	10	1	12,750	R. Scott Daly	2	2	11,600	Seymour Forman	1	1	500	Fred J. Halsey Jr.	1	3	69,803
Jonathan N. Boxer	10	12	61,364	Benjamin F.L. Darden	6	2	67,088	Henry A. Foster	1	3	40,092	Herbert I. Handman	1	1	16,500
Raymond D. Bradford	9	2	20,779	Kenneth P. Daumen Sr.	8	1	3,211	Robert L. Fraser	7	4	16,846	John Hargrave	8	3	44,051
Karen E. Bragg	10	1	250	Mehran W. Davidian	10	1	5,000	Paul I. Freedman	1	48	115,305	Alan David Harris	10	5	342,033
E. Lawrence Brass	10	13	289,657	James J. Davitt	2	1	100,000	Andrew J. French	10	1	9,619	Alan Jay Harris	1	1	14,081
Leo Bresler	10	2	100,000	Lawrence DeMayo	2	15	188,227	Mark G. Fresco	1	5	61,961	H. Hawthorne Harris	9	1	5,093
John D. Bridge	8	1	1,000	John L. Desmond	3	1	56,000	Arthur S. Friedman	2	1	12,916	Herbert Harris Jr.	1	2	48,833
Harold Brotman	10	1	6,667	Bertram S. Devorsetz	9	2	1,100	Martin Fries	11	17	81,713	Leon Sol Harris	1	3	30,060
Bradford J. Brown	1	1	36,000	James G. deWindt	10	2	1,000	Alfred L. Fritz III	8	21	86,766	Peter Andrew Harris	7	8	224,475
Kenneth E. Bruce	9	1	800	Steven H. Dickman	10	7	59,339	Daniel R. Fruithine	1	1	8,750	Morton H. Hartmann	1	3	54,576
Alan I. Brutten	11	1	500	Edward W. Dietrich	5	1	36,598	Jerome H. Funk	9	22	12,049	Robert T. Hartmann	9	3	42,149
Joseph T. Burchill	6	1	25,000	Salvatore DiMisa	10	2	55,533	Henry G. Fury	9	9	150,341	John J. Hayden	9	5	25,800
John R. Burgess	8	6	30,868	Vincent R. DiPasquale	8	5	256,377	Dumas Gabbriellini	1	1	4,950	Richard T. Heelan	10	1	275
Timothy K. Burgess	7	2	9,118	Robert E. Dizak	1	19	170,293	Wayne K. Gabel	9	1	100,000	Eric E. Heron Jr.	11	3	28,485

Name	Judicial District	Number of Awards	Amount
Alfred L. Hetzelt Jr.	8	1	100,000
Leo N. Hirsh	1	2	27,083
Michael Hirsch	10	2	53,127
Ralph Hochstein	1	1	1,000
Robert I. Hodes	1	2	20,605
Walter Hofer	1	8	85,880
Frank Hoeffy	1	1	4,500
William J. Holden	9	12	436,677
A. Robert Holman, III	10	444	197,895
Antoinette Holmes	12	16	637,143
Harold Holtman	10	24	313,162
Robert Kent Holtsberry	5	1	2,178
Charles S. Horgan	1	1	2,500
Valentine N. Horoshko	1	1	10,000
Donald G. Houghton	7	3	75,000
Richard A. Howard	9	3	2,575
Ralph F. Howe	8	1	7,313
Edward L. Howlette	10	1	3,700
Raymond K. Hsu	1	5	12,950
John A. Huber	10	4	30,500
Thomas P. Hughes	4	2	10,914
William C. Israel	1	3	52,863
Hesper A. Jackson	2	7	169,384
Saul Jakubowitz	1	6	24,718
Robert E. Johnson	2	1	38,000
Robert P. Johnson	8	1	4,200
Wayne A. Johnson	6	4	28,566
Leonard Kabat	10	1	5,000
Gerald A. Kagan	1	2	1,600
William H. Kain	10	15	145,722
Gerald Kaiser	1	34	36,365
James D. Kakoullis	1	1	1,000
John C. Kanaley	5	3	55,000
Stanton Karnbad	9	3	38,500
Morris M. Karp	1	2	5,618
Thomas Katsaros	2	3	84,500
Harold W. Katz	4	3	57,000
Howard C. Katz	9	61	304,445
Reuben A. Katz	1	1	93,072
Steven C. Kavanaugh	10	3	6,041
William S. Kaye	1	1	5,000
Paul E. Keith	2	3	23,843
Donald E. Kelly	1	2	85,656
Lawrence V. Kelly	1	1	65,975
Robert E. Kelly	7	20	12,070
Bernard Kenny	1	8	138,269
John P. Kilminster	10	6	17,950
John J. Kim	1	1	19,500
Wayne W. Kim	1	5	31,705
Harold L. King	1	1	600
Paul H. Kirwin	10	1	58,000
Rudolph M. Klenosky	2	1	45,000
A. O'Neill Kline	8	3	72,100
David C. Kobrin	9	1	20,148
Roger W. Kohn	9	1	255
Timothy Kozyra	8	2	8,231
Howard Krantz	1	1	23,500
Harvey H. Krat	1	3	68,525
M. Thomas Kuriakose	9	1	500

Name	Judicial District	Number of Awards	Amount
Irving Kurtz	1	5	154,842
Larry J. Kushner	1	2	21,678
A. James LaBue	7	6	298,928
Michael S. LaBush	9	2	3,250
Jefferson T. Lalik	7	8	3,505
LaLoggia & Gorankoff	7	20	738,744
Bernard H. LaLone Jr.	3	1	22,210
Robert A. Lamar	10	20	597,507
Eric N. Lazarus	10	25	547,015
John Q. LeCain	4	1	25,000
Thomas P. Leckinger	7	7	87,180
Gerald J. Leibowitz	10	8	229,992
Lawrence B. Lennon	4	4	87,665
Richard L. Levine	5	1	10,000
Murray F. Lewis	6	1	3,589
Jay Robert Lichtman	2	2	3,200
Kenneth Linn	1	1	25,850
Michael S. Linn	9	14	418,858
Clifford N. Lipscomb	11	8	11,480
William F. Lisnerski	8	1	600
David W. Little	4	8	343,892
Vincent J. LoCurto	10	1	9,797
Werner Lomker	7	2	38,564
John C. Lopes	10	1	1,050
Samuel Lorenzo	1	92	43,125
Ronald B. Losner	2	16	41,154
Harold E. Lovette	1	1	27,500
David B. Lubash	11	34	451,450
Jonathan W. Lubell	1	1	6,700
Thomas J. Lukas	11	1	28,000
Joseph F. Lynch	6	1	3,736
Robert D. MacLachlan Jr.	10	8	11,250
Fortune S. Macri	9	1	25,000
John R. Maguire	10	1	1,000
Jenny M. Maiolo	11	26	554,308
Michael M. Maloney	1	1	42,040
Frank M. Manfredi	10	5	27,076
Lloyd J. Manning	11	1	500
Marion S. Marable	11	2	7,400
Richard P. Maracina	1	8	20,205
Marvin Margolis	1	1	40,000
Irving Markowitz	1	7	261,328
George T. Martin	6	1	500
Nancy A. Maruk	7	3	3,370
C. Vernon Mason	1	5	32,600
William J. Mastine Jr.	5	2	17,220
Charles M. Mattingly Jr.	10	3	132,500
Martin J. Mayblum	11	3	13,750
Philip A. McBride	8	1	5,958
Teague W. McCarthy	10	11	398,537
Shannon D. McClam	11	3	14,000
Denis J. McClure	9	2	5,155
James F. McCooale	9	6	478,148
Sharyn L. McDonald	7	3	73,992
James J. McEnroe	1	6	3,000
Lloyd A. McFarlane	11	1	5,000
Dennis J. McLaughlin	1	5	46,804
Richard M. McMahon	9	2	8,973
John J. McManus Jr.	2	2	200,000

Name	Judicial District	Number of Awards	Amount
Joseph T. McMaster	2	4	168,093
Dominic M. Mello	2	2	8,167
Richard M. Messina	1	3	169,049
William A. Metz	9	3	115,497
Stanley M. Meyer	10	1	1,830
James J. Michalek	8	20	165,238
Charles O. Milham	3	4	17,541
Alan M. Miller	10	1	2,319
Bruce J. Miller	10	2	41,858
Nicholas A. Mina	1	1	19,500
Stephen A. Mishkin	9	55	1,318,823
John E. Modjeska	3	7	34,356
Richard T. Monahan	10	2	4,500
Colin A. Moore	1	4	6,500
Davison F. Moore	9	5	206,113
Paul A. Moore	9	2	2,146
Richard M. Moran	3	21	349,371
Thomas D. Morath	12	2	14,755
Lawrence D. Moringiello	2	5	171,249
Alan D. Morris	10	15	221,560
Charles E. Morrison	1	1	4,000
Saul D. Moshenberg	7	5	20,749
James R. Murdock Jr.	4	19	639,650
Eugene J. Murphy	8	21	583,870
Morrow D. Mushkin	2	2	10,200
Joseph F. Muto	5	1	1,100
Willard H. Myers III	7	2	1,700
Eugene V. Natale	10	9	245,845
Nath & Weiss	10	1	100,000
Richard F. Nelson	10	10	70,361
Pat Frank Nesci	10	11	359,974
Kenneth A. Newman	10	6	29,054
Marvin A. Newman	9	1	26,924
John G. Nicholas	11	2	57,500
Peter B. Nickles	9	2	122,623
Michael B. Nitsberg	10	3	34,450
William J. Noland	1	1	3,600
Thomas P. O'Callaghan	9	1	3,200
Charles O'Donnell Jr.	9	1	2,000
Mark S. Ogden	7	1	8,869
Frank Oliva	11	5	36,652
Lynn D. O'Neill	2	2	8,770
Joseph E. Orsini	8	3	31,887
Sheldon Ostro	1	9	359,000
Roderick E. Owens	1	2	21,533
Victor N. Pacor	9	9	164,357
Rafael M. Pantoja Jr.	1	17	158,335
John F. Papsidero	8	1	17,339
Mary Murphy Pardoe	10	15	85,436
Richard J. Pariser	8	3	7,053
George Patsis	10	2	115,798
Edward S. Patterson	9	2	15,286
George F. Pavarini	9	15	543,165
Robert J. Pellicane	10	5	159,802
Kenneth S. Pelsinger	1	2	14,349
Michael M. Perlman	10	7	265,331
David Ian Pesner	9	11	136,291
Jacob & David Ian Pesner	9	1	25,000
Richard T. Petty	1	2	75,441

Name	Judicial District	Number of Awards	Amount
John Piastra	11	2	200,000
Louis N. Picciano	6	2	5,296
Richard Pikna	1	9	101,278
George A. Pins	1	3	14,979
John L. Pitula	1	1	90,000
John B. Poersch	4	1	84,161
J. Stanton Pohl	10	2	20,500
Jonathan Pollack	10	2	13,762
Sam Polur	12	1	500
Ira Postel	1	3	38,515
Postel and Rosenberg	1	11	619,722
John V. Potter Jr.	10	1	98,000
Mary Powers	1	1	89,857
William J. Powers III	5	7	14,652
Paul D. Powsner	1	3	210,000
Stanley Pressment	1	1	6,960
Wayne J. Price	2	17	359,726
Michael Prieto	1	1	15,215
Mark S. Probert	10	6	2,900
John J. Raia	11	98	3,248,398
Leo Raychuk	2	1	2,000
William C. Raines	1	3	17,512
Steven P. Rapoport	2	2	23,836
John D. Reddan	1	1	2,500
Steven Paul Reifman	1	1	10,000
Paul G. Reilly Jr.	1	2	39,500
Gary M. Reing	12	2	23,446
Herschel L. Reingold	8	1	4,344
Erich H. Reisch	2	1	27,692
Willem J. Remmelink	1	3	127,875
James R. Rerisi	10	4	57,146
Luis E. Reyes	2	1	1,000
John Rivera	12	1	1,661
Jose A. Rivera	2	7	89,166
Robert Rivers	10	7	197,000
Stephen R. Roach	9	3	23,400
Edward John Roder	7	15	168,505
Sy L. Rolnick	2	1	25,500
Steven J. Romer	1	14	1,076,657
Michael G. Rose	10	28	943,480
Peter Rose	11	12	160,309
Rose & Karnbad	11	1	17,000
Steven Rosenbluth	2	26	394,102
Richard J. Rosenthal	1	1	4,374
Selig A. Rosenzweig	10	3	64,569
Phillip M. Rossbach	10	1	659
Arthur J. Rouse	9	1	11,435
Leonard H. Rubin	1	1	83,000
James M. Russell	4	1	100,000
David Sabghir	2	1	14,000
Carol A. Safier	1	5	117,950
Ronald M. Salzer	1	4	53,750
Roger G. Sam	12	1	2,500
George Sandberg	10	10	227,146
Ira Jay Sands	1	6	7,917
Richard J. Sanna	10	9	223,285
Richard D. Savitsky	1	2	47,558
Stanley D. Scharf	10	16	89,719
Nelson K. Scherer	10	1	2,348



Name	Judicial District	Number of Awards	Amount	Name	Judicial District	Number of Awards	Amount
John C. Schettino	10	1	4,000	Sergio M. Taub	11	49	326,401
David Schick	1	5	249,616	Louis Taubenblatt	2	9	718,854
Robert L. Schlesinger	3	3	3,068	Sharon Lynch Taureck	2	5	40,966
Peter G. Schmidt	1	3	400,000	Peter P. Tivolacci	9	1	2,400
Richard C. Schulz	10	1	24,035	Timothy Taylor	1	1	19,000
Robert Schutrum	8	1	1,500	Theodore E. Teah	12	1	13,373
Steven M. Schwartz	9	2	3,500	Norman Eric Teitler	11	2	14,414
Schwartz & Gutstein	1	6	250,501	Ron Telford	6	1	1,100
Joel E. Schweitzer	8	6	46,294	Milton A. Teplin	1	3	26,000
Joseph F. Scirto Jr.	8	10	106,962	Michael B. Thomas	9	1	600
Bernard M. Seeman	10	1	50,000	Alan S. Tifford	10	14	291,016
Arthur J. Selkin	9	11	107,300	Robert S. Tobin	1	2	16,320
Bernard L. Seltzer	10	11	94,609	Thomas P. Tobin	10	4	184,450
Barry R. Shapiro	1	16	3,065	Joseph A. Tracy	9	4	131,676
Phillip E. Shapiro	1	1	7,000	Joseph R. Turner	1	4	41,572
Brian A. Sheridan	1	1	785	Robert E. Twiste	2	13	213,179
John M. Sheridan	7	6	371,500	James W. Ulaszewski	8	2	1,048
Richard M. Sherman	10	25	97,623	Girard M. Ursitti	8	5	76,957
Alan J. Shimel	10	2	26,666	Norman Ushkow	2	1	1,575
Robert G. Short	9	1	800	William C. Vaughan	8	1	100,000
Anis A. Siddiqi	2	3	75,114	Tom M. Vetrano	2	4	30,056
Matthew A. Siegel	9	2	14,147	Lillian R. Villanova	9	3	109,636
Oswald B. Silvera	2	7	16,125	Louis V. Viscomi	1	3	31,500
Mark A. Silverman	10	2	2,169	Frank Vitulli	2	1	12,000
William Sims	8	2	8,037	Arnold P. Wagner	10	4	72,900
Barry H. Singer	9	9	235,034	H. Robert Wall	6	46	912,929
Baljit Singh	1	1	150	Mortimer Warfman	1	34	16,236
Indar Singh	11	15	139,737	Patrick T. Wedlock	5	8	4,910
Myron W. Siskin	10	1	13,436	Martin J. Weinstein	2	1	25,000
Allan Sloan	1	6	108,601	Myles N. Weintraub	10	7	123,623
Joseph D. Sloboda	10	2	5,458	Peter R. Weiss	2	1	15,000
Peter W. Sluys	9	6	113,856	C. Theodore Wellington	11	6	193,815
Kendrick C. Smith	1	1	3,675	Leslie M. Westreich	1	1	100,000
Benjamin Sneed	1	4	24,833	Benjamin P. Whitaker	7	15	603,251
Jack B. Solerwitz	10	99	3,008,734	D. William White	2	15	171,308
Michael T. Spallino	1	2	8,800	Aaron G. Windheim	9	1	11,547
Jacob Spatz	3	3	3,245	Steven Winston	1	1	9,500
Jerome L. Spiegelman	1	48	889,719	Samuel Ulrich Wiseman	1	2	38,280
Jerome Spies	10	2	126,754	Walter S. Wojcik	3	1	250
Howard R. Staller	1	1	8,000	Marvin Wolinetz	2	1	350
Alexander B. Stein	1	2	31,450	George Wolynetz	1	3	244,703
Elliot J. Stein	1	74	762,109	William S. Wood	7	3	47,020
Joel B. Steinberg	1	1	1,400	John M. Wourgola	10	11	97,534
Duane M. Stenstrom Jr.	8	6	6,674	Adam Morgan Wright	1	1	500
Jeffrey S. Stern	2	10	244,077	Kathryn B. Wunderlich	3	1	600
Stanley R. Stern	1	3	64,242	Henry E. Wyman	8	33	496,811
Joseph Sternschein	11	4	75,715	Louis B. Youmans	1	1	5,000
Frederick D. Stevens	8	1	4,185	Floyd A. Young	8	1	10,000
Wallace Sturm	2	1	1,500	Nancy J. Young	1	9	124,809
John J. Sullivan	1	1	29,990	Frederick J. Ziems	10	2	105,368
Joseph E. Supples	8	3	9,150	Jacob S. Zimmerman	10	27	355,991
Leonard A. Sussman	1	3	44,438	Victor P. Zodda	10	1	93,225
Monroe Sussman	10	1	46,667	H. Michael Zukowski	1	1	8,000
Morton S. Swirsky	1	6	62,610	Bertram Zweibon	1	14	564,282
Israel I. Sylvan	1	3	22,253				

# Application