

## **WHAT IS THE CLIENT SECURITY FUND?**

The Client Security Fund was established by the State Bar of Texas to restore client confidence when a Texas attorney abuses his position of trust in financial dealings with the client. It provides financial relief to clients whose lawyers have stolen money intended for the client, or failed to refund an unearned fee. The Fund is administered through the Office of the Chief Disciplinary Counsel of the State Bar of Texas.

## **WHO IS ELIGIBLE TO APPLY TO THE FUND?**

Any client who can demonstrate through the grievance process that his Texas lawyer stole his money or failed to refund an unearned fee may file an application for relief with the Fund. The attorney must have been hired by the client or otherwise appointed to perform services customary to the practice of law at the time the loss occurred.

## **WHAT IS INVOLVED IN FILING AN APPLICATION?**

Unless the attorney is already deceased, disbarred, suspended because of a mental or physical disability, or resigned in lieu of discipline, the application process begins with the client filing a grievance against the attorney. If the grievance results in a disciplinary sanction to the attorney, this may constitute sufficient evidence to support the application for relief to the Fund. The findings in

the grievance process must be final and all appeals must be exhausted prior to the Client Security Fund Subcommittee's consideration of the application.

## **TIMELY FILING OF APPLICATIONS**

If the lawyer is already deceased, disbarred, suspended because of a mental or physical disability, or resigned, an application must be filed within four years of the time the loss was discovered or should have been discovered. If an applicant is required to file a grievance, the application must be filed within 18 months after the date of the final disciplinary judgment.

## **WHAT EVIDENCE MUST A CLIENT PROVIDE?**

A client must provide sufficient evidence to support any allegations of theft or failure to refund an unearned fee. Examples of such evidence include contracts, cancelled checks, receipts, or other documents.

## **DO CLIENTS NEED AN ATTORNEY TO ASSIST IN APPLYING?**

No. The Office of the Chief Disciplinary Counsel provides assistance in response to questions that may arise during the application process. The Client Security Fund Rules provide that no attorney shall charge a fee for work involved in preparing or filing an application.

## **HOW MUCH MONEY CAN BE RECOVERED BY A CLIENT?**

If a client is eligible for a payment from the Fund, the maximum grant allowable under the Rules is \$40,000.00. The Client Security Fund Subcommittee has the sole and final discretion to determine whether and to what extent any application shall be approved.

## **WHAT AMOUNTS CAN BE REIMBURSED BY THE FUND?**

Only funds that came into the hands of the attorney can be reimbursed. Amounts related to consequential losses or expenses, such as damages that might have been obtained in a successful lawsuit, malpractice damages, or legal fees paid to other attorneys to finish an abandoned representation are not covered by the Fund.

## **DO CLIENTS HAVE A LEGAL RIGHT TO REIMBURSEMENT?**

No. The State Bar of Texas maintains the Client Security Fund as a pledge of trust by the attorneys of Texas. **THE STATE BAR OF TEXAS HAS NO LEGAL RESPONSIBILITY FOR THE ACTS OF INDIVIDUAL LAWYERS. NO ONE HAS A RIGHT TO PAYMENT FROM THE CLIENT SECURITY FUND.**

## HOW DO I BEGIN THE APPLICATION PROCESS?

Persons wanting to submit an application to the Client Security Fund should contact the Office of the Chief Disciplinary Counsel of the State Bar of Texas. The appropriate forms and instructions may be obtained by writing or calling:

CLIENT SECURITY FUND  
OFFICE OF THE CHIEF DISCIPLINARY COUSEL  
STATE BAR OF TEXAS  
P.O. BOX 12487  
AUSTIN, TEXAS 78711-2487  
1-877-953-5535

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