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Lawyers’ Fund for Client Protection Releases Third Quarter Report

During the third quarter of 2020, the New Jersey Lawyers’ Fund for Client Protection, funded by the state’s lawyers and judges, paid $874,846.52 to clients for losses caused by fourteen lawyers, the Board of Trustees announced today.

The purpose of the fund is to pay on behalf of the honest majority of lawyers for the wrongdoing of the few who are suspended or disbarred for misappropriation. In its 51-year history, the fund has paid claims against a total of 850 attorneys. There are 98,524 lawyers licensed in New Jersey.

The Fund operates under the authority of the Supreme Court pursuant to Court
Rule 1:28. The court appoints the seven trustees, five attorneys and two public members, who serve staggered 5-year terms without compensation. The trustees consider clients’ claims and make awards when it is determined that the loss was caused by dishonest lawyer conduct, under fund rules.

Cases involving legal malpractices and negligence are handled through civil court actions and fee disputes through the district fee arbitration committees established by the Supreme Court.

For a claim to be compensable, the attorney against whom it is filed must have been a member of the bar, acting as either attorney or fiduciary, at the time of the incident; and unless deceased, must have been disbarred or suspended from the bar, or convicted of embezzlement or other misappropriation of property.

A claimant can receive up to $400,000 if the claim is approved, and the Fund can pay up to $1.5 million in claims against any one lawyer. Special permission can be granted by the Supreme Court to exceed the aggregate limit.

To receive a claim form, write to the New Jersey Lawyers’ Fund for Client Protection, Richard J. Hughes Justice Complex, P.O. Box 961, Trenton, NJ 08625-0961, or call 855-533-FUND (3863). The form must be completed, signed and returned with copies of any proofs of the transaction. There is no filing fee. Claimants assisted in their claims by practicing attorneys receive their representation free of charge. Fund Director Daniel R. Hendi welcomes inquiries about the Fund’s purpose and operation.

Attached is a list of the third quarter claim awards and status of each attorney under the Supreme Court discipline system.

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