NEW JERSEY LAWYERS' FUND FOR CLIENT PROTECTION

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Lawyers' Fund for Client Protection Awards More Than \$700,000 in 16 Claims

Between October and December 2023, the trustees of the New Jersey Lawyers' Fund for Client Protection returned \$708,864.40 in client trust money misappropriated by 10 New Jersey lawyers. Sixteen claims were approved by the trustees, who are appointed by the Supreme Court of New Jersey and use monies contributed by New Jersey's attorneys to reimburse victimized clients. Just one-half of one percent of the State's lawyers ever become the subjects of approved claims before the fund.

Awards made during the fourth quarter of 2023 arose from the theft of escrowed monies in real estate and other civil transactions as well as cases in which lawyers were paid a fee but failed to perform any of the services for which they were paid. The two largest claims reimbursed in the fourth quarter involved \$300,000

misappropriated from a real estate matter and \$257,21.40 stolen from an estate.

The fund was created by the New Jersey State Bar Association in 1961 and, at the Bar's request, was expanded by the Supreme Court in 1969 to cover all New Jersey attorneys. There currently are 99,541 lawyers admitted to practice in New Jersey. In its 54-year history, the fund has paid 4,884 claims against 895 New Jersey attorneys in a total amount of \$98,448,785.39. The fund requires repayment by respondents as well as other culpable parties and to date has recovered \$26,472,099.43.

Court Rule 1:28 defines the fund's jurisdiction. 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, although the Supreme Court can allow the fund to exceed the \$1.5 million aggregate limit. For a claim to be compensable, it must be filed against a member of the New Jersey bar who was acting as an attorney or fiduciary at the time of the alleged incident. Unless deceased, the attorney must have been disbarred or suspended from the bar or convicted of embezzlement or other misappropriation of property. Cases involving legal malpractice, negligence or fee disputes are not compensable by the fund.

Claim forms can be found online at https://www.njcourts.gov/public/get-help/lfcp or by writing to the New Jersey Lawyers' Fund for Client Protection, Richard J. Hughes Justice Complex, P.O. Box 961, Trenton, NJ 08625, or by calling 855-533-FUND (3863). There is no filing fee and claimants assisted in their claims by practicing attorneys receive this assistance free of charge. The fund welcomes inquiries about its mission and procedures.

Attached is the <u>fourth-quarter 2023 list of claims paid with the status</u> of each respondent attorney under the Supreme Court disciplinary system.