

In the rare event that an attorney misappropriates client funds, leaving him or her without recourse, the Clients' Security Fund can help. Drawing from a fund supported by the State Bar of Nevada, clients may be eligible for reimbursement of up to \$50,000. This report outlines the Clients' Security Fund Committee's efforts to make clients whole and in so doing, promote the honor and integrity of the profession.



# Clients' Security Fund Annual Report

2014



### 2014 Clients' Security Fund Committee Members

Janet Pancoast  
*Chair*  
Jeffrey S. Posin  
*Vice-Chair*

Harvey Gruber  
Eva G. Cisneros  
Jeffrey Sloane  
Ann McDermott  
Carl B. Weller  
Catherine Reichenberg  
Miriam Rodriguez  
Jason Stoffel  
Courtney Leverty  
Clifton Usher

### Clients' Security Fund Staff

Lisa Dreitzer  
*Program Director*

Theresa Freeman  
*Client Protection  
Manager*

### Fund Establishment

The State Bar of Nevada's Clients' Security Fund (Fund) was established in 1970 to reimburse clients for losses sustained when a lawyer betrays a client's trust and misappropriates the client's funds through defalcation or other dishonest acts. As such, the Fund helps the State Bar of Nevada to fulfill several of the Bar's enumerated purposes, including: improving the administration of justice; upholding the honor, integrity, professionalism and dignity of the profession of law; applying its knowledge and experience in the field of law to the promotion of the public good; enhancing the professional competence and ethical conduct of members of the Bar; and seeking fulfillment of the obligations of the legal profession in the courts and in the community.

To some, the Clients' Security Fund can be seen as the Bar's single most public relations function for the State Bar. It provides a source of recovery for those members of the public who have suffered a loss at the hands of dishonest State Bar licensees.

#### *Supreme Court Rule 86.5(1)*

*"Establishment. The board of governors shall maintain, from dues paid by members of the state bar, voluntary contributions and any other sources which may become available, a clients' security fund for the purpose of providing reimbursement, in whole or in part, as a matter of grace and not of right, to persons who have sustained loss by reason of a dishonest act of a member of the state bar, acting in his capacity as an attorney and counselor at law, in the nature of defalcation or embezzlement of money or the wrongful taking or conversion of money, property or other things of value, and shall provide for the administration of such fund. The board of governors is authorized to invest such funds as is provided for in paragraph 11 of Rule 86."*

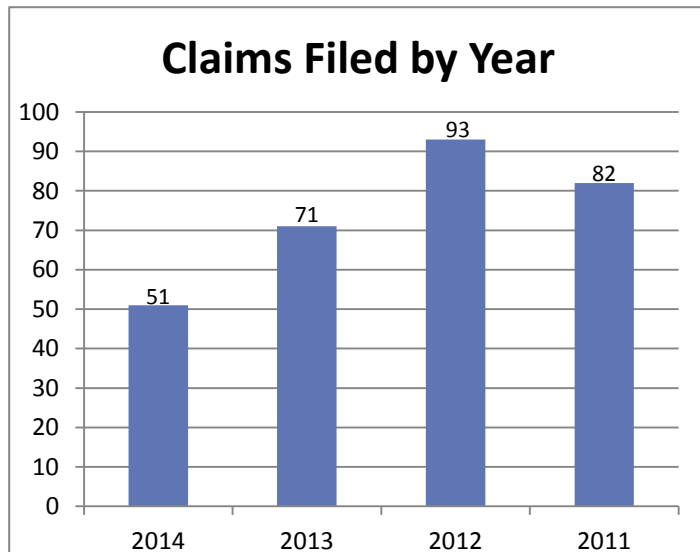
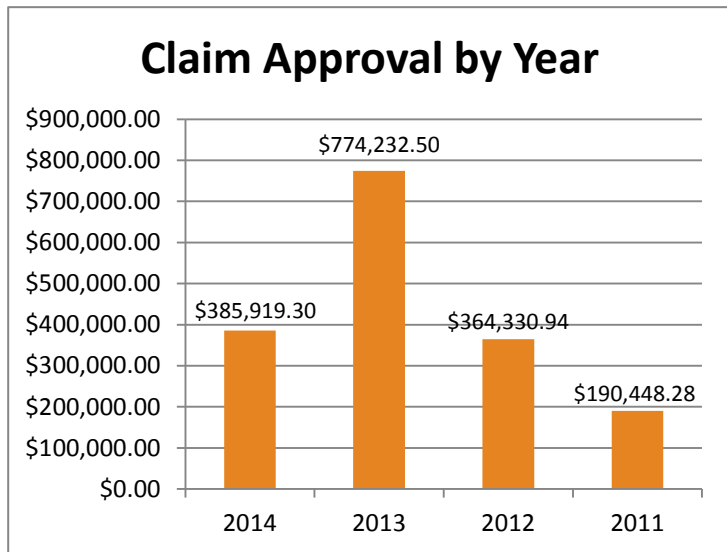
# Clients' Security Fund 2014 Annual Report

## Fund Overview

The Clients' Security Fund Committee is comprised of 12 members, including two lay members, who investigate claims. The Committee meets twice a year to discuss claims and determine whether reimbursement can be made to the clients. Approved claims may be reimbursed up to \$50,000 per claimant.

In order to qualify for reimbursement from the Clients' Security Fund, there must be an alleged act of theft which occurred within an attorney-client relationship that involves an attorney no longer practicing due to suspension, disbarment, death or incapacitation. In 2014, the Clients' Security Fund Committee reviewed 51 such claims<sup>1</sup> and 2 reconsiderations, and they approved 44 claims for reimbursement totaling \$385,919.30.

As demonstrated by the two charts below, the number of claims filed each year and the amounts approved by the Committee vary from year to year. This year the Fund has received the lowest number of claims in the past four years.



<sup>1</sup> Includes claims filed, but not resolved in previous years.

# Clients' Security Fund 2014 Annual Report

## Funding

The Clients' Security Fund receives its revenue primarily through four sources: 1) a dedicated portion of every licensed attorney's annual dues; 2) a portion of SCR 42 pro hac vice application and licensing fees; 3) donations to the Fund; and 4) restitution from attorneys on whose behalf claims have been paid.

Additionally, the Fund continues to work with the Clark County District Attorney's Office to pursue restitution to the Fund in cases where criminal action is taken against an attorney for theft. The Fund has worked with the Office of Bar Counsel to seek reimbursement to the Fund from suspended or disbarred attorneys as a condition of their reinstatement. As a result of these efforts, restitution to the Fund has continued to increase from \$2,100 in 2011, to \$18,570 in 2012, to \$62,470 in 2013, to \$173,375 in 2014.

In 2011, the Committee had established a reserve account to help during years which there is insufficient revenue to support approved claims, and in 2013, the Committee implemented a Fund Reserve Policy. The Fund Reserve Policy dictates that the Committee maintains 50% of the total reserve fund balance each year. This policy has helped to insure the stability of the Fund in the case of a catastrophic claims year.

In 2013, the Committee experienced just such a catastrophic claims year. With the implementation of the Fund Reserve Policy, the Committee was allowed to use 50% of the reserve funds to help reduce any shortfall.

Revenue & Expenditures <sup>2</sup>	
Funding	Amount
2014 Annual Dues	\$200,670.00
2014 Pro Hac Vice Fees	\$ 93,850.00
2014 Restitution	\$173,375.00
2014 Donations	\$ 1,925.00
<b>TOTAL:</b>	\$469,820.00
Reimbursements	Amount
2014 Claims Paid to Date <sup>3</sup>	(\$356,005.36)

Reserve Fund	
Funding	Amount
Reserve Balance	\$136,952.29
<b>TOTAL:</b>	\$136,952.29

## Approved Claims

<sup>2</sup> 100% of all Fund expenditures are related to claim reimbursement. Committee and staff overhead, salaries, etc. are supported through the State Bar of Nevada.

<sup>3</sup> Represents total reimbursements made after receiving subrogation agreements, not total amount approved (\$385,919.30). Claimants have up to one year after approval to return subrogation agreements.

## Clients' Security Fund 2014 Annual Report

Last year, the Clients' Security Fund approved 44 claims for reimbursement. 18 of those claims were related to just one attorney.

2014 Approved Claims			
Attorney Name	Status	Awards	Awarded
Anthony R. Lopez, Jr.	Disability Inactive	1	\$23,400.00
Barry Levinson	Discipline Suspended	18	\$242,346.18
Brian K. Griffith	Deceased	1	\$1,000.00
C. Andrew Wariner	Disbarred	3	\$7,700.00
James Andre' Boles	Discipline Suspended	1	\$2,000.00
James Parsa	Discipline Suspended	5	\$15,200.00
Miguel Galvez Jr.	Deceased	1	\$8,476.00
Ihab T. Omar	Deceased	3	\$12,876.81
Jeffrey A. Dickerson	Discipline Suspended	1	\$10,000.00
Rona-Kaye T. Tuitele	Deceased	1	\$1,000.00
Marina Koliass	Discipline Suspended	4	\$27,741.76
Stanley A. Walton	Disbarred	1	\$20,000.00
Steve T. Skivington	Deceased	1	\$10,778.55
Lynn Shoen	Discipline Suspended	3	\$3,400.00
		<b>Total:</b>	<b>\$385,919.30</b>

# Clients' Security Fund 2014 Annual Report

## 2014 Claim Breakdown

The Clients' Security Fund received 32 claims in 2014. Twenty-one (21) of those claims were related to three attorneys. Claims were a mix of personal injury cases, where the attorney misappropriated clients' settlement funds, and either bankruptcy, loan modification or divorce cases where the attorney took attorney's fees but did no work.

Year	Claims Received	Attorneys Involved
2011	82	18
2012	92	16
2013	71	20
2014	32	10

Of the 32 claims received in 2014, the Committee approved 16 of them and denied 3, leaving 13 pending claims for consideration in 2015 as demonstrated by the chart below.

