

# 2021 Annual Report

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## CLIENTS' SECURITY FUND COMMITTEE

BRIGID HIGGINS, Chair  
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DANA DWIGGINS  
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JEFFREY G. SLOANE  
ROSA SOLIS-RAINEY  
MARK THOME

THERESA FREEMAN, Program Manager

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# CLIENTS' SECURITY FUND



The State Bar of Nevada's Clients' Security Fund (Fund) supports the state bar's mission to protect the public by reimbursing clients for losses sustained when a lawyer betrays a client's trust and misappropriates the client's funds through defalcation or other dishonest acts.

### *Supreme Court Rule 85*

*"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 or her 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 84."*

**OVERVIEW**

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.

To qualify for reimbursement from the Clients' Security Fund, there must be an 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 2021, the Clients' Security Fund Committee received 24 new claims. They reviewed 37 claims<sup>1</sup>; 22 were approved, 4 were denied, 4 have been tabled for further investigation, and 7 remain open.

As demonstrated below, the number of claims reviewed and amounts approved by the Committee vary from year to year.

	2021	2020	2019	2018	2017
<b>Claims Filed</b>	24	25	36	31	28
<b>Total Approved</b>	\$229,634	\$271,324	\$1,429,611	\$5,042,468	\$1,610,986

**APPROVED CLAIMS**

The Clients' Security Fund Committee approved 22 claims for reimbursement totaling \$229,634.

Attorneys on whose behalf claims were approved include:

Attorney Name	License Status	Number of Claims	Amount Approved
Aaron Alfred A. Aquino	Suspended	1	\$4,667
Allan P. Capps	Disbarred	1	\$14,567.29
Andrew Taylor	Disbarred	1	\$21,252.53
Chad Dennie	Disbarred	1	\$35,000
Harold Gewerter	Suspended	3	\$24,500
M. Lani Estaban-Trinidad	Suspended	1	\$7,500
Patricia Ross	Suspended	1	\$2,000
Robert L. Hempen	Disability Inactive	4	\$36,119.67
Robert Morishita	Disbarred	1	\$8,518.54
Shawn Christopher	Disbarred	1	\$2,000
Stephen Caruso	Deceased	5	\$72,534.24
Thomas E. Crowe	Deceased	1	\$700
Tory D. Allen	Suspended	1	\$275

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

## FUNDING

The Clients' Security Fund receives its revenue through three primary sources. Total funding in 2021 was \$428,607.



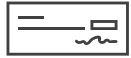
### **Annual License Fees: \$155,450**

For every annual license fee paid, the state bar sets aside \$25 to support the Fund.



### **Pro Hac Vice Fees: \$103,850**

The state bar sets aside \$100 from every pro hac vice application fee and \$50 from every pro hac vice renewal to support the Fund.



### **Restitution: \$169,307**

The Fund seeks restitution from attorneys on whose behalf claims have been paid.

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## RESERVES

Funding set aside for the Fund, and which are not used, are held in reserve for future years when available annual funding cannot meet approved claim demands. More than \$500,000 is held in the Fund Reserve.

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## UNCLAIMED/UNIDENTIFIED FUNDS

To provide guidance to attorneys in possession of unclaimed or unidentified funds in their trust accounts, the state bar petitioned the Court to allow those funds to be distributed to the Clients' Security Fund, benefitting victims of attorney theft. On March 22, 2021, the Court enacted this rule change through ADKT 0574. This year, the Clients' Security Fund received \$39,098.51 in unclaimed/unidentified funds.