



## *What is the Clients' Security Fund?*

The State Bar of Nevada established the fund in 1970 to make monetary awards to clients in those rare cases in which a lawyer betrays a client's trust, misappropriating the client's funds.

## *Why was it created?*

Nevada lawyers believe that the public has a right to hold the legal profession accountable for the actions of its individual members. The bar established and now assures funding for the Clients' Security Fund in order to help reimburse those clients who have sustained a monetary loss as the result of a dishonest act of a bar member.

The State Bar of Nevada administers stringent admission standards and a strict disciplinary process that governs all of its members. (Discipline is a separate function of the State Bar.) On the rare occasions when a lawyer misappropriates or mishandles client funds, the Clients' Security Fund steps in to honor the debt through whole or partial reimbursement.

## *How is it funded?*

The State Bar finances the Clients' Security Fund through an annual assessment of the active lawyers licensed to practice in Nevada. A portion of the fees charged pro hac vice applicants (out-of-state attorneys applying to practice in Nevada) is allocated to the fund. Additionally, the fund receives donations from attorneys licensed in the state and pursues restitution from attorneys on whose behalf the fund makes reimbursements. The voluntary nature of the fund demonstrates the genuine desire of the bar to compensate deserving clients.



## *Who is eligible to receive funds?*

An application to receive Clients' Security Funds may be filed by any person who has lost money or property because of the dishonest conduct or mishandling of funds by a Nevada lawyer, provided that (1) the accused attorney has died, disappeared, relinquished practice, or has been disbarred or suspended; (2) the dishonest act occurred within an attorney-client relationship; (3) the alleged act was the mishandling or embezzling of funds or property, not malpractice or negligence; and (4) the claimant has made a reasonable attempt to recover from the lawyer within a reasonable amount of time.

*Funds do not cover losses resulting from an attorney's negligence.* Also, losses resulting from situations in which the attorney and client have entered into a personal business relationship outside the attorney-client relationship are not reimbursable from the fund. Such matters may be reported to the State Bar of Nevada for disciplinary action or may be the subject of malpractice suits.



## *How do I file a claim?*

Download an Application for Reimbursement from the State Bar of Nevada's website, or call to request that an application be sent to you. Fill out the form as completely as possible and return it as directed. You should keep a copy of the completed form for your records. If you attach evidence or documents to the form, be sure to keep copies for your file. It is not necessary to retain a lawyer to submit a claim or to represent you. If a lawyer is retained, it is the policy of the Clients' Security Fund Committee that no fee or other compensation be paid by the Clients' Security Fund to an attorney who assists in the preparation of a claim.

## *What happens after I file my claim?*

The Clients' Security Fund Committee will investigate each claim filed. A committee representative may contact the claimant for further information and will attempt to contact the lawyer named in the complaint. If the claim as submitted is complete and found to be eligible under the rules, it will be presented to the committee for final consideration and decision.

In determining the amount of reimbursement allowable, various factors are considered, including the amount in the fund at the time the claim is made. Some claims may be very large. If full reimbursement were made to the client, no one else would receive funds. By limiting the dollar amount of reimbursement provided to some individuals, the funds will not be exhausted in a short period of time. Instead, partial awards can be given to more individuals. The committee makes awards twice a year.

Payment from the Clients' Security Fund is not automatic. After reviewing a claim, the committee may decide against reimbursement. In that case, a written explanation is issued. In some instances, consideration of a claim may be delayed pending pursuit by recovery (for example, forgery claims or estate proceedings). Additionally, payment may be made on your behalf to third-party lien holders, such as medical providers.

## *Where can I get more information?*

For specific information about the Clients' Security Fund in Nevada or to file a claim, please visit the State Bar of Nevada's website at <http://www.nvbar.org/csf> or call the Las Vegas office at 702-382-2200 (toll free, 1-800-254-2797).

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