

Tennessee Lawyers' Fund for Client Protection

Annual Report Fiscal Year July 1, 2017 – June 30, 2018

Tennessee Lawyers' Fund for Client Protection Organization and Composition

The Tennessee Supreme Court has established the Tennessee Lawyers' Fund for Client Protection to reimburse claimants for losses caused by any dishonest conduct committed by lawyers practicing in this state as set forth in Tennessee Supreme Court Rule 25. The purpose of the Tennessee Lawyers' Fund for Client Protection is to promote public confidence in the administration of justice and the integrity of the legal profession as a whole by reimbursing losses caused by the rare instances of dishonest conduct of lawyers practicing in this state. The Court appoints a nine-member board to effectuate Tenn. Sup. Ct. R. 25. The Board consists of six lawyers and three nonlawyers who geographically represent the state. Current members of the Board include:

Mark A. Mesler - Memphis (Chair)
Spencer R. Chinery - Chattanooga (Vice-Chair)
Terri Crider - Humboldt
Rod Loggins - Memphis
Julie Bowling - Columbia
R. Jonathan Guthrie - Chattanooga
Erin Palmer Polly - Nashville
James R. Wheeler - Jonesborough
Rep. Sam Whitson - Nashville

Tennessee Lawyers' Fund for Client Protection is assisted by staff at the Board of Professional Responsibility.

Fund Resources

The Fund does not receive any government money or tax dollars. The Fund consists of \$10 annual payments from attorneys pursuant to Tenn. Sup. Ct. R. 9 § 10.2(c) and Tenn. Sup. Ct. R. 25 § 2.

Eligible Claims

Pursuant to Tenn. Sup. Ct. R. 25 §§ 1 and 12, claims must be filed within three (3) years of the date that a loss occurred or reasonably should have been discovered, but in no event later than five (5) years from the date of the loss. An attorney-client relationship must exist and the loss must be caused by dishonest conduct by the attorney. Tenn. Sup. Ct. R. 25 sets out procedures for

filing and processing claims. All claimants must file a complaint with the Board of Professional Responsibility for consideration of their claim.

Claim Limits

Tenn. Sup. Ct. R. 25 § 13 provides:

No payment shall exceed the sum of \$100,000 for loss sustained by any one claimant nor the aggregate sum of \$250,000 with respect to losses caused by any one lawyer or former lawyer. No payment shall exceed \$250,000 per transaction regardless of the number of persons aggrieved or the amount of loss in such transaction. No payment shall exceed ten percent of the assets of the Fund at the time it is made, exclusive of funds received for Life Memberships. Where joint liability of wrongdoers exists, the Board has discretion to allocate payments as it deems appropriate within these limits. Payments may be in lump sum or installments as the Board may determine.

Resolution of Claims Filed

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| 1. New Claims Filed: | 125 |
| 2. Claims Paid: | 39 totaling \$815,197.38 |
| 3. Claims Dismissed: | 57 |
| 4. Claims Pending: | 62 |