

July 1, 2014 – June 30, 2015

2015 ANNUAL REPORT



**LAWYERS' FUND FOR CLIENT PROTECTION
OF THE SUPREME COURT OF DELAWARE**
820 N. FRENCH STREET, 11TH FLOOR
WILMINGTON, DELAWARE 19801

**ANNUAL REPORT OF THE TRUSTEES OF THE LAWYERS' FUND FOR CLIENT
PROTECTION OF THE SUPREME COURT OF DELAWARE
PURSUANT TO SUPREME COURT RULE 66(c)(ii)**

The Trustees of the Lawyers' Fund for Client Protection (LFCP) hereby make the following report to the Supreme Court for July 1, 2014 through June 30, 2015.

Claims

The chart below summarizes the claims data for the period.

Lawyer	Pending as of 6/30/14		Newly Filed		Paid		Denied		Withdrawn		Pending as of 7/1/15	
	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount
SMJ	1	7,400.00	1	3,925.17	2	5,700.00	2	5,625.17				
CMM	1	2,050.00			1	1,334.00	1	716.00				
HJR			1	1,000.00	1	500.00	1	500.00				
SRK			1	27,621.88					1	27,621.88		
Totals	2	9,450.00	3	32,547.05	4	7,534.00	4	6,841.17	1	27,621.88		

Of the four lawyers listed above, two have been disbarred. Most were guilty, to a greater or lesser degree, of violations of Rule 1.15 of the Delaware Lawyers' Rules of Professional Conduct (Recordkeeping).

Rule Changes

There was one rule change this year to Rule 11 of the Trustees of the Lawyers' Fund for Client Protection of the Supreme Court of Delaware. Fiduciary Funds B4 which changed the bank service charges amount from \$1000 to \$2000.

Compliance Audits

Approximately sixty lawyers and law firms, selected at random, were audited in the Fiscal Year July 1, 2014 through June 30, 2015. In addition to random audits, lawyers are sometimes referred for audit by the Office of Disciplinary Counsel (ODC). Audits were also performed on the books and records

of lawyers who were found to be non-compliant on their Certificates of Compliance. The Certificates of Compliance are reviewed every year by the LFCP executive director. Some of the Certificates of Compliance are reviewed by the LFCP auditor, and/or ODC.

The books and records of lawyers selected for audits were examined by the LFCP Auditor in order to determine compliance with Rule 1.15 of the Delaware Lawyers' Rules of Professional Conduct. If a re-audit is required, the cost of the re-audit becomes the responsibility of the non-compliant attorney pursuant to Rule 9(4) of the LFCP.

Of the 60 lawyers and law firms randomly audited in the period ended June 30, 2015, 2 (3.3%) had no comments; 28 (45.9%) had minor comments, and 30 (50.8%) had comments that were more than insignificant based on number and/or nature. Most of the instances of non-compliance were not material and corrected without the need for further action by the LFCP or ODC. There were numerous follow-up audits, investigative audits, and forensic audits on new and ongoing matters.

Financial Statements

The LFCP financial statements for the year ended June 30, 2015, show Net Assets of \$4,943,439.91. The Trustees review on a regular basis the investment policies and performance of the LFCP with representatives of Wilmington Trust Company which manages the LFCP's investment. Investment portfolio guidelines are designed to protect principal. The portfolio is invested in 100% U.S. Treasury Securities along with the maintenance of a pool of \$500,000 in immediately liquid assets.

Board

Currently, the following persons serve on the Board of Trustees:

<u>Trustees</u>		<u>Expiration Date</u>
Francis J. Jones, Jr. (Chair)	Lawyer Member	10/01/17
Crystal L. Carey	Lawyer Member	11/29/16
Margaret R. Cooper	Lawyer Member	1/18/19
David C. Hutt	Lawyer Member	10/25/17
Robert J. Leoni	Lawyer Member	1/26/17
George B. Meldrum	Public Member	6/24/17
Ricardo Palacio (Secretary)	Lawyer Member	10/25/17
Deval Patel-Lennon	Lawyer Member	5/8/19
Scott T. Smith (Treasurer)	Public Member	1/7/18

Associate Trustees

Leslie C. DiPietro	Lawyer Member	10/25/17
N. Christopher Griffiths	Lawyer Member	5/31/19
John L. Reed	Lawyer Member	01/27/18
D. Benjamin Snyder	Lawyer Member	11/29/16
Benjamin A. Schwartz	Lawyer Member	10/25/17

Supreme Court Liaison

The Honorable Randy Holland

Office of Disciplinary Counsel Liaison

Jennifer-Kate Aaronson, Esquire

Auditor

Judith Scarborough, CPA, Master, Sidlow & Associates, P.A.

Executive Director

Bunny J. Christopher

Respectfully submitted,

TRUSTEES OF THE LAWYERS' FUND FOR CLIENT PROTECTION

By:



FRANCIS J. JONES, JR., CHAIR

Dated:

10/1/15