
July 1, 2017 – June 30, 2018

2018 ANNUAL REPORT



**LAWYERS' FUND FOR CLIENT PROTECTION
OF THE SUPREME COURT OF DELAWARE**
The Renaissance Centre, 405 N. King Street, Suite 420
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, 2017 through June 30, 2018.

Claims

The chart below summarizes the claims data for the period.

Lawyer	Pending as of 7/1/17		Newly Filed		Paid		Denied		Withdrawn		Pending as of 6/30/18	
	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount
RLJ			6	26,122.00	5	9,872.00	1	16,000.00	0		1	1,500.00
BJB			1	200,000,000.00	0		1	200,000,000.00	0		0	
BPJ			1	40,000.00	0		0		0		1	40,000.00
SJO			1	545,000.00	0		0		0		1	545,000.00
FFE			1	2,000.00	0		0		0		1	2,000.00
Totals			10	200,613,122.00	5	9,872.00	2	200,016,000.00	0		4	588,500.00

Of the five lawyers listed above, one has 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 were no Lawyers' Fund for Client Protection rule changes this year.

Compliance Audits

Approximately sixty lawyers and law firms, selected at random, were audited in the Fiscal Year July 1, 2017 through June 30, 2018. 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. Lawyers found to have material items of non-compliance are reported to ODC. 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, 2018, 6% were found to have no comments, 46% were found to have minor comments and 48% were found to have more than minor comments. 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, 2018, show Net Assets of \$4,819,823.17. 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. The investment portfolio guidelines were changed due to the Investment Committees' desire to protect principal and their belief that the prospective ongoing support from the legal community has reduced the need for growth. This resulted in the portfolio returning to its original allocation of being invested 100% in 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>
Benjamin A. Schwartz (Chair)	Lawyer Member	10/01/21
Margaret R. Cooper	Lawyer Member	01/18/19
N. Christopher Griffiths	Lawyer Member	1/27/20
David C. Hutt	Lawyer Member	10/25/21
George Boysen Meldrum	Public Member	6/24/21
Deval Patel-Lennon	Lawyer Member	5/8/19

Ricardo Palacio (Secretary)	Lawyer Member	10/25/21
Scott T. Smith (Treasurer)	Public Member	1/7/21
D. Benjamin Snyder	Lawyer Member	6/24/21

Associate Trustees

M. Jane Brady	Lawyer Member	1/2/22
Leslie C. DiPietro	Lawyer Member	10/25/21
Reneta L. Green-Streett	Lawyer Member	11/30/19
Brian C. Ralston	Lawyer Member	1/27/20

Vacant

Supreme Court Liaison

The Honorable Gary F. Traynor

Office of Disciplinary Counsel Liaison

Patricia Bartley Schwartz, 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: 

BENJAMIN A. SCHWARTZ, CHAIR

Dated: 10/18/18