

# AN EVALUATION OF THE FLORIDA BAR

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## I. Overview of Program Evaluation At The Florida Bar

The Florida Bar Board of Governors created a Program Evaluation Committee (PEC) with the responsibility of evaluating new and existing Bar programs and services and to provide recommendations to the Board concerning these programs. The PEC is composed of seven members with three of its members being the three most senior members of the Bar's Budget Committee. This is to bring a budgetary perspective to the evaluation process.

Evaluation policy is codified within Standing Board Policy which defines the program evaluation process and includes a set of guidelines and standards for evaluation.<sup>1</sup> At the staff level, all program evaluation, strategic planning and survey research activities are integrated within the Planning, Evaluation and Research Department. This department functions within the staff division which is also responsible for budgetary and financial decision-making.

As part of the annual budget process, each program administrator must submit a program plan in the form of a "Program Description" which indicates program objectives, a statement of needs, and an analysis of program conditions, both internal and external, which cause these needs to be addressed. These "Program Descriptions" are not only used in budgetary review but are used by the Program Evaluation Committee in preparing a proposed evaluation agenda.

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1. The Florida Bar Board of Governors, *Standing Board Policy*, p. 72-75.

Prior to March of each year, the Board of Governors of The Florida Bar requires the Budget Committee, Long Range Planning Committee, and the Program Evaluation Committee to submit a list of programs for evaluation during a one or two-year period. At its March meeting, the Board selects the programs, usually two programs, for evaluation by the PEC.

In March 1984, the Board of Governors requested that the PEC evaluate the Statewide Lawyer Referral Service and the Clients' Security Fund Programs and to provide the Board with its recommendations by May 1985.

## II. Clients' Security Fund Program: Definition And Scope

The purpose of The Florida Bar Clients' Security Fund is to reimburse those persons who have suffered financial loss due to misappropriation of funds by errant Florida Bar members.<sup>2</sup> It promotes good public relations and is one means of allowing members of The Florida Bar to show their genuine concern for the integrity of the legal profession. Despite the stringent standards of admission to the Bar enforced by the Supreme Court of Florida and the vigorous disciplinary program maintained by the Bar, the lawyers of Florida recognized that it was desirable to assure the public that the Bar was concerned and would take effective action when lawyers mishandled clients' funds.

Article XVII of the Integration Rule of The Florida Bar provides the authority to the Board of Governors to administer a separate fund designated the "Clients' Security Fund of The Florida Bar." The Board of Governors of The Florida Bar promulgated regulations for the Fund in Article XVI of the Bylaws. The Bylaws to the Integration Rule make it quite clear that no payments will be made until disciplinary action has been completed against an attorney. The Bar is under no legal obligation to make payments.

The Fund was originally financed by assessing each Bar member \$5 as part of his/her Bar dues when it became operational in 1967. This was raised to \$10 in 1975 and \$15 in 1977. In fiscal year 1982-83, after building up a sizeable reserve, the assessment schedule was again set at \$10 per member per year. It was obvious from the beginning that not all claims could be paid in full. Therefore, some criteria had to be set that could fairly and systematically

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2. The Florida Bar, *Integration Rule of the Florida Bar*, art. XVII.

limit the number and amount of claims paid. Claims are denied because they are time barred or the result of a fiduciary relationship, among other reasons. Also, no single claim will result in the payment of more than \$20,000 from the Fund. Another monetary limitation was the \$500 maximum payment for fee disputes. Since fiscal year 1977-78, 806 claims have been filed of which 243 have been paid, 305 denied, 20 withdrawn, and 238 claims are still pending. Since its inception in 1967, the Fund has paid 402 claims for a total of nearly \$1.9 million.

The procedure for filing a claim is a system of multiple recommendations and reviews designed to screen out ineligible claims and pay the approved claims a fair amount. Usually, a claimant has filed a complaint with the Bar's grievance committee and has been referred to the Clients' Security Fund program staff. In Florida, it is required that some disciplinary action be taken against an attorney before a claim is paid. The claimant submits several forms to the Bar's Public Interest Programs & Services Department, a case file is opened, and the case is assigned to a member of the Clients' Security Fund Committee for investigation. The investigator's findings are reviewed by this Committee and forwarded to a designated reviewer (a Board of Governors member who represents the circuit in which the claim was made). The reviewer makes a recommendation to the Board of Governors. If the claim is approved, the claimant must sign a subrogation agreement.

When a claimant receives only a portion of the amount claimed the person may seek reimbursement for the remainder of those funds through civil action. In the event that the claimant does so, he/she is obligated to keep The Florida Bar informed of all actions taken. Civil suits are a rare occurrence after payment from the Fund because the claim would have been denied until the claimant had attempted to retrieve the funds through civil actions. The Clients' Security Fund is considered a last resort; payments are not awarded until all other possible remedies have been exhausted.

### III. Evaluation Of The Clients' Security Fund

#### *Program Research Design*

The purpose of the program evaluation was to examine The Florida Bar's Clients' Security Fund Program (Fund), to emphasize its goals and objectives, to evaluate whether or not they are

being met, to measure the impact of the program and to compare The Florida Bar's Fund with similar funds operated by other state bars.

Evaluation research methods included both quantitative and qualitative approaches.<sup>3</sup> The data presented were gathered from several sources, including claim files, historical records on microfilm, naturalistic inquiry<sup>4</sup> and observations of program staff, communication with the Bar's Public Interest Programs and Services staff, reports produced by the American Bar Association and other state bars, and computer membership files. These data sources revealed such information as how many claims were filed in each fiscal year, how much money was being claimed, the status of each claim (paid, denied, withdrawn or pending), and the reasons for payment or denial. Although records for years prior to 1977 were incomplete, the data analysis made evident major trends in the program and helped to clarify program direction, which was of paramount importance.

A program model<sup>5</sup> including a claim decision flowchart was generated to guide the evaluation. The report examined claim processing procedures and Clients' Security Fund policies, goals and objectives. There was an evaluation of the disposition of claims made against the Fund, and comparison to funds in other states. Various issues which affect the Fund, including attorney bonding and insurance, payment on fiduciary relationships, and public relations were addressed.

There have been several court cases which directly affected the Clients' Security Fund program or could have had a significant procedural impact on its operations. A synopsis of some of these important cases, from Florida and other states, were cited and discussed.<sup>6</sup>

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3. T.D. Cook & C.S. Reichardt, *Qualitative and Quantitative Methods in Evaluation Research*, Sage Publications 7ff (1979).

4. M.Q. Patton, *Qualitative Evaluation Methods*, Sage Publications 41-43 (1980).

5. C.H. Weiss, *Evaluation Research: Method of Assessing Program Effectiveness*, Prentice Hall 43-53 (1972).

6. Some of these cases include: *The Florida Bar In re Amendment to the Integration Rule and Bylaws Respecting Clients' Security Fund*, 346 So. 2d 537 (Fla. 1977); *Southeast First National Bank of Miami v. The Florida Bar*, 389 So. 2d 1222 (Fla. 3d DCA 1980); *The Florida Bar v. Allstate Ins. Co.*, 391 So. 2d 238 (Fla. 3d DCA 1980); *The Florida Bar v. Rogowski*, 399 So. 2d 1390 (Fla. 1981).



#### IV. Evaluation Results

##### *Summary of Clients' Security Fund Claim Disposition*

Claim denial due to uncooperative claimants, claims that were settled, and claims that were similarly dismissed occurred over the past seven fiscal years an average of 39% of the time. Another 14% of the claims denied were due to fee disputes and 14% were denied because a business relationship existed between the attorney and client. About 11% of the claims were denied due to no misappropriation of funds. Claims which were time barred, lacked an attorney/client relationship, or in which a fiduciary relationship existed represented 7.3%, 7.5%, and 7.5% of the denied claims, respectively. If the business and fiduciary categories are combined, they represent over one out of five claims denied.

An average of 35% of the claims in the seven year period were paid because no significant legal service was performed. Some 28.2% of the claims paid were cases in which the attorney misappropriated funds, 18% for various reasons such as the attorney performed only partial service, 13% were the result of a lawyer who absconded funds from escrow or a trust fund, and in nearly 6% of the claims paid, the attorneys won a settlement and then kept that settlement.

Demographic information on attorneys who caused claim payments indicates that the average age and number of years in practice at the time disciplinary action was taken was 44.4 years and 13.7 years, respectively. The status of these 138 lawyers are that 45% were disbarred, 14% were allowed to permanently resign from The Florida Bar, 22% were suspended from practice and 13% were deceased. Since 1980, only 22% of the attorneys whose actions resulted in claim payments voluntarily attended any CLE courses. This is especially low considering that 41% of all Bar members have voluntarily attended at least one course since 1980.

Claim payments were analyzed to consider the possibility of raising the allowable payment per claim from \$20,000 to \$25,000 or \$50,000 and increasing the cap on attorneys' fees from \$500 to \$1,500. If the maximum had been increased to \$25,000, it would have resulted in an average increase per claim of \$409 over the seven year period. By raising the maximum to \$25,000, an additional \$44,000 would have been paid from the Fund in fiscal year 83-84 and three claimants would have been paid in full as opposed to none at the \$20,000 maximum. If the maximum were raised to

\$50,000, the additional amount paid would have exceeded the revenue generated for the Fund from Bar dues that fiscal year. Increasing the cap on attorneys' fees from \$500 to \$1,500 would have resulted in an average of an additional \$3,300 paid from the Fund each year. If the cap were raised to \$1,500, the 11 claimants in fiscal year 83-84 would have been fully reimbursed.

### *Comparison to Funds In Other States*

Most of the other states, including California, Idaho, Michigan, New York, and Pennsylvania, allow payments for claims which arise from an attorney acting in a fiduciary capacity customary to the practice of law. A few of the states, such as Iowa and Connecticut, require the bonding of attorneys who wish to serve in this capacity.<sup>7</sup>

Many states prepare detailed annual fund reports. The annual reports from the funds in New Jersey, Connecticut, New York and Iowa were especially impressive and much more thorough than Florida's reporting.

Financial data on the funds were gathered from a 1984 survey of Clients' Security Funds in the state bars as reported by the American Bar Association.<sup>8</sup> Florida received nearly \$300,000 through assessments and contributions, the fifth largest amount of the 15 states responding. Florida paid claims totaling nearly \$198,500, placing it fourth highest among 24 states. The ending balance in 1983 for Florida's Fund was \$2.3 million, the second highest total of 29 states surveyed.

Florida's maximum payment per claim is \$20,000. Fifteen states have a lower ceiling than Florida. One pays \$15,000; seven pay \$10,000; and seven pay \$5,000. Two other states have the same \$20,000 maximum. Eight states have a higher ceiling than Florida; six states pay \$25,000 and two states pay \$50,000. There are also six states that have no maximum for claim 4ments. Maryland's maximum can be no more than ten percent of its fund's balance at the close of the preceding year.

Florida's 163 claims are more than the claims of 29 state bars

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7. Information was collected through a survey of state bars. Rules and regulations for the funds were received from the state bars in California, Connecticut, Idaho, Iowa, Michigan, New Jersey, New York, Oregon, Pennsylvania, and Texas.

8. ABA, Center for Professional Responsibility, 1984 *Clients' Security Fund Survey*, Chicago 1984.

but fewer than those of four others and Florida ranks fifth highest in terms of claims paid. Florida had 47 lawyers with claims in the Fund, behind California (197) and Pennsylvania (107). The four state bars with more claims and payments than Florida are California, New Jersey, New York and Pennsylvania. California, New Jersey, and New York also paid more claims in full than Florida.

Eighteen state bars, including The Florida Bar, indicated that prior disciplinary action was necessary to process claims while fifteen states indicate that no such action is necessary. Nine Florida lawyers were disbarred, second only to Michigan's 15 lawyers and 62 in Pennsylvania.

The entity administering the fund in almost all states is either the state bar or its Clients' Security Fund Committee. Also, the source of funding is from dues, funds, or assessments of Bar members. Florida assesses \$10 as do five other states. Four states have greater assessments and two states have lower assessments than The Florida Bars' Fund. Five states use a sliding scale that determines assessments according to a the number of years an attorney has been in practice.

It takes about 18 months for The Florida Bar to process a claim to the Fund. Nine states take about the same time, two states take longer, and 17 states process claims quicker. Of these 17 states, 13 state bars indicated that disciplinary action was not necessary prior to final processing of a claim, thus drastically reducing processing time.

## V. Evaluation, Recommendations And Conclusions

The Program Evaluation Committee was provided with the findings from the evaluation conducted by the Bar's Planning, Evaluation and Research Department. The Committee developed a set of fifteen recommendations based on these findings which included the method for implementation and a summary of the evaluation findings in support of each recommendation. In May 1985, the Florida Bar Board of Governors approved the report and the recommendations and asked the Integration Rule and Bylaws Committee to draft implementation language including necessary petitions to the Supreme Court of Florida.

The fifteen recommendations and the supportive evaluation findings follow:

1. The program evaluation committee supports the continuation of the clients' security fund program as a viable means to re-

imburse clients who suffer financial losses due to the misappropriation of funds by their attorneys. The program should implement broader policies of reimbursement to remain consistent with the purpose and spirit of the fund.

As of September, 1984, the Clients' Security Fund paid 402 claims worth a total of nearly \$1.9 million. Although this is an admirable effort, much more could be accomplished by altering a few key policies. The adoption of new regulations could result in payment of more deserving claims and enhance the public's perception of the legal profession. The Clients' Security Fund Committee also recommended the continuation of the Fund with maximum reasonable reimbursement as a major objective.

2. The Florida Bar's Clients' Security Fund Committee and Board of Governors should strive to administer the Clients' Security Fund to reimburse as many of those people as possible who have suffered financial losses at the hands of bar members. The fund should not be restricted by unreasonable regulations that may become obstacles to the prompt and efficient administration of this function.

The Clients' Security Fund should be implemented in a way that promotes the payment of as many valid deserving claims as possible rather than promulgating rationale to deny payments. The Fund generates a sizeable surplus. The Florida Bar's Clients' Security Fund can afford to be more liberal about claim payments without seriously depleting its resources and bankrupting the Fund. The Fund was originally designed to help those who suffered losses and show the sincere concern of Bar members for them. By maximizing the number and amount of payments, the Bar would be fulfilling these functions much more effectively.

3. The scope of payments from the Clients' Security Fund should be expanded to include all claims, including fiduciary claims for loss of money or other property misappropriated, embezzled or otherwise wrongfully withheld or converted by a member of the Florida Bar. Wrongfully withheld claims can arise under circumstances in which the opportunity for the lawyer's misconduct arose predominantly because the lawyer was engaged to render professional legal services or performed work that is intrinsic to or a routine part of the practice of law.

(Action Required: Petition to the Supreme Court of Florida).

There are several factors which must be considered in deciding whether or not to pay fiduciary claims. These include: 1) the



amount of money in the Clients' Security Fund; 2) the impact of allowing such claims; and 3) the goals and objectives of the Clients' Security Fund.

The report generated a wealth of data which showed that The Florida Bar's Clients' Security Fund operates with a substantial reserve fund that has grown considerably since the Fund's inception. For the last two fiscal years, the Clients' Security Fund's ending balance has been over \$2,000,000. The Fund balance as of June 30, 1984, was \$2,206,805. Over the past seven fiscal years, only 25 claims were denied because of a fiduciary relationship. If all of these claims had been paid in full (up to the maximum of \$20,000), there would have been an ending balance of \$1,896,298 which indicates that paying fiduciary claims would not cripple the Fund.

Aside from the dollar amounts involved, the purpose of the Clients' Security Fund is better served by the adoption of this recommendation. The Clients' Security Fund was established to repay people who have suffered a financial loss due to misappropriation of funds by errant Florida Bar members. Lawyers who misappropriate funds, even when they are acting as a fiduciary, still tarnish the image of the legal profession as a whole, and The Florida Bar in particular. The victim suffers just as great a financial loss as someone whose claim is compensable under current Clients' Security Fund rules and regulations. The distinction between a lawyer who acts strictly as an attorney and one who serves in some fiduciary capacity is difficult for the client and the public to understand. The Supreme Court of Florida has ruled that payment of such claims is unnecessary due to the bonding requirement for fiduciaries, but 4 circuit courts often permit attorneys to act as fiduciaries with low or no bonding requirements. If one of those attorneys embezzles a large sum of money, the victim is left with little or no recourse.

Over the past seven fiscal years, an average of 7.9% of the claims that were not allowed were denied for fiduciary reasons. This represents a substantial number of clients who have either received very poor legal services or have actually had money stolen from them by members of the Bar.

4. The Clients' Security Fund regulations should be amended to raise the cap on payment of claims misappropriated for attorneys' fee payments from \$500 to \$1,500 per claim.

(Action Required: Amendment of Clients' Security Fund Regulations by the Board of Governors).

Increasing the maximum amount of reimbursement on attorneys' fees from \$500 to \$1,500 would result in an average increase in Fund payments of \$3,223 per year. With the \$500 cap in fiscal year 83-84, not a single "fee" claimant was fully reimbursed. If the cap had been \$1,500, all 11 claimants would have been fully reimbursed at a cost of less than \$5,000.

5. The Board of Governors should amend the Client's Security Fund Regulations to raise the maximum amount allowed to be paid on a single claim from \$20,000 to \$25,000 and monitor the effect this change has on fund assets.

(Action Required: Amendment of Clients' Security Fund Regulations by the Board of Governors).

Increasing the ceiling on single claim payments from \$20,000 to \$25,000 would increase expenditures an average of \$18,950 per year. This further breaks down to an annual average increase per claim of \$409. Of the ten claimants in fiscal year 1983-84 who received maximum payments that year, none of them would have received full reimbursement. If the ceiling had been \$25,000, three of the claimants would have received the full amount that they claimed.

A \$50,000 ceiling would have resulted in none of the claimants receiving full reimbursement. However, even with a \$2,000,000 balance at the end of the year, the Fund could not pay \$50,000 claims for very long. A Fund the size of Florida's could probably handle a ceiling higher than \$25,000 per claim but it would be unwise to hastily increase the maximum more than \$5,000 at this time.

6. The claimant in a Clients' Security Fund matter should receive greater personal attention.

(Action Required: Implementation of Reform by Clients' Security Fund Committee).

It is bad policy for claimants to be left uninformed of Clients' Security Fund claim processing for 18 months. They have a vested interest in the outcome of the proceedings and deserve to know what is being done about their claim. Since the investigating Clients' Security Fund Committee member must often contact the claimant to gather more detailed information about the circumstances surrounding the claim, he/she should also be charged with the duty of fully informing the claimant of the multiple reviews that the claim must undergo and the delays that result. At least every six months, the Clients' Security Fund Committee should provide each client with a claim status report.

7. The Public Interest Programs and Services Department should improve reporting and processing to make Clients' Security Fund claim information readily available to the Board of Governors.

Currently, the Public Interest Programs and Services Department (PIPS) has a staff that is adequate in number to handle the program needs of the Clients' Security Fund. In fact, PIPS is responsible for a number of other public interest programs as well, and it is able to implement these programs with no staff problems. The research that was done for this report, however, proved to be tedious and time consuming. The records prior to 1977 could not be used. There still remain some open accounting questions for more current records. If all the information about the Clients' Security Fund could be compiled into an easy and readily accessible form, tracking the status of claims and evaluating the Fund over a fixed time period could be performed quickly and easily. A management information system would make periodic program assessments a reality, since it would allow for comparison of Fund data on a regular basis.

8. Claims filed within two years of the claimant's knowledge of the loss should be considered by the Clients' Security Fund Committee.

(Action Required: Amendment of Clients' Security Fund Regulations by the Board of Governors).

Current Clients' Security Fund rules stipulate that a claim must be filed within one year of the time that the claimant learned of the loss. One matter of concern is that some people do not file a claim with the Clients' Security Fund until the grievance process is complete, and this may take well over a year. Also, payments from the Fund are made in good faith, and allowing as much time as possible to victims who have had money taken from them is conducive to this spirit. Extending the time limit for the filing of claims to two years would be a gesture of good will that would enable those who did not file a claim within one year, for whatever reason, to seek reimbursement for their loss.

9. The Clients' Security Fund Committee should improve guidelines and instructions to clarify those aspects of the Clients' Security Fund claims process that are poorly defined.

(Action Required: Implementation of Reform by the Clients' Security Fund Committee).

The Clients' Security Fund Committee needs to draw up

guidelines and standards which define the determinations made regarding the payment of claims and the claims process. These guidelines and standards should be developed so as to avoid arbitrary decisions and promote the basic philosophy of the Fund which is the payment of valid claims. These guidelines and standards must be submitted to the Board of Governors for approval, both from the standpoint of the operation of the Clients' Security Fund Committee and from the standpoint of the function of Board members as designated reviewers.

10. The Florida Bar should develop an action plan to publicize the public benefits available under the Clients' Security Fund Program.

(Action Required: Implementation of Reform by Clients' Security Fund Committee).

The Clients' Security Fund is a goodwill effort on the part of The Florida Bar to compensate those people who have suffered a monetary loss due to the wrongful actions of Bar members. The purpose and accomplishments of the Fund should be incorporated into the Bar's existing Public Relations program in order to make its existence known to those who need the Clients' Security Fund. 4se Public Relations efforts should emphasize that a client who suffers a financial loss at the hands of a non-lawyer, who is guilty of the unauthorized practice of law, has no recourse with the Clients' Security Fund. The New York State Bar has suggested several goals for a Clients' Security Fund public relations program.<sup>9</sup> Public Relations efforts should concentrate on educating the public so that victims know they can file a claim. It should also be emphasized that relatively few lawyers are dishonest. The public should be warned about those who are dishonest and made aware that lawyer discipline is not lax. On the contrary, the Clients' Security Fund is the only one of its kind among professional organizations or professional businesses and the legal profession has demonstrated a genuine concern for policing lawyers.

11. The Florida Bar should vigorously pursue recovery payments from all attorneys whose actions caused payments from the Clients' Security Fund.

(Action Required: Implementation of Reform by the Board of Governors).

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9. The New York State Bar, *Clients' Security Funds Help Our Professional Image*, 56 N.Y. STATE B.J., No. 6, (Oct. 1984).



An average of only 4.2% of the money paid on claims from the Clients' Security Fund has been recovered from the attorneys responsible. This figure is surprisingly low, especially in light of the court battles The Florida Bar has fought to establish their right to sue for recovery. Currently, the number of recoveries is small because either the attorney has the funds buried in some account, the attorney has died or the attorney has fled the country. The cost of recovering the misappropriated funds is greater than the amount misappropriated in many cases. These recoveries should be sought not only for the monetary compensation to the Fund, but also because the penalty for ignoring ethical standards should be stiffer than having to pay recoveries if a legal practice in Florida will be resumed, which is often the case. Attorneys should know that when they are derelict in their duties the penalty will not simply be temporary suspension or disbarment with leave to reapply, but will require full monetary compensation as well. This is a just requirement that might also deter some unethical actions by Florida lawyers.

12. The period of time necessary to investigate and determine a claim should be substantially shortened by improved procedures. (Action Required: Implementation of Reform by the Board of Governors).

Currently the Clients' Security Fund Committee is responsible for investigating all Clients' Security Fund claims, except that the PIPS Director may investigate and report on all claims of \$500 or less.

In addition, the filing of a grievance with the Bar against an attorney may be required as a prerequisite to the consideration of a Clients' Security Fund claim. The Clients' Security Fund Committee has made this regulation a uniform requirement causing grievance investigations of all attorneys with Clients' Security Fund claims filed against them.

In this regard, it is more efficient if the entity investigating the grievance matter could also cooperate in the investigation of a Clients' Security Fund claim. Since the Clients' Security Fund claims process can sometimes take several months, changes in the investigatory process could quicken payment of claims.

13. The Clients' Security Fund monies should be used to defray the costs associated with staff support, program administration, and investigations of Clients' Security Fund claims.

(Action Required: Implementation of Reform by the Board of

Governors).

The costs associated with the administration of the Fund are charged to the General Fund. The clients' Security Fund staff and administrative budget for 1984-85 was \$37,450. This does not include investigation costs because investigations are provided by volunteer members of the Clients' Security Fund Committee.

These costs are insignificant as compared to the cost of claims payment and could easily be incurred by the Fund.

14. The prohibition against attorney fees earned by an attorney who represents a claimant in a Clients' Security Fund matter should be removed.

(Action Required: Amendment of Clients' Security Fund Regulations by the Board of Governors).

The Clients' Security Fund Regulations of The Florida Bar state:

Any attorney representing an applicant shall be required to give to the [Clients' Security Fund] Committee a written statement that he will not accept a fee from the applicant for services rendered in connection with any recovery from the Fund including both the claim processing and obtaining of any civil judgment unless the civil suit is requested under Regulation 6.

A claimant should have the opportunity to retain counsel for representation on Clients' Security Fund claims. An attorney should, after consultation with the claimant, have the ability to collect a modest fee in association with his or her representation of the claimant in all proceedings.

The Program Evaluation Committee did not advocate the use of attorneys in all Clients' Security Fund claim matters, but it recommended that the representation of claimants be considered in a similar fashion as other legal proceedings. The Committee did urge that those attorneys representing claimants charge fees which do not substantially reduce the amount of funds received by the claimant as a result of Clients' Security Fund claim payment.

15. Each year the Clients' Security Fund Committee should provide a detailed annual report to the Board of Governors.

(Action Required: Implementation of Reform by Clients' Security Fund Committee).

The evaluation generated a wealth of data which pointed out how the Fund has operated in the past and possible changes that might help it operate more effectively in the future. Any changes or modifications in the Fund should be monitored to be sure that

they have the desired effect and do not pose a threat 'to the Fund's ability to perform its function. In order to do this, Clients' Security Fund records should be kept up-to-date and comprehensive so that they can be compiled for review on a yearly basis. A detailed annual report will enable the Clients' Security Fund Committee and the Board of Governors to properly assess the true impact of any policy changes, and it will give them a perspective that readily identifies trends in the Fund. A continued awareness of the direction in which the Fund is moving and how it is operating will enhance the Fund's efficiency and make further improvements more likely.