



For State Bar Use Only
Claim #: _____
Attorney: _____
Claimant: _____

CLIENT PROTECTION FUND – CLAIM FOR RELIEF

NOTICE TO THE CLAIMANT

Only money actually paid to the attorney, or received by the attorney for the claimant, which was lost due to the dishonest conduct of the attorney (*see Declaration of Trust Rule 3(D)*) is qualified for possible reimbursement. The Fund does *not* cover claims based upon fee disputes, malpractice, or negligence, nor does it consider claims for additional amounts such as damages, interest, court costs, and/or fees paid to other lawyers, etc. (*see Declaration of Trust Rule 3(E)*).

Print clearly or type to complete each question on this form (you may attach additional pages). Submit **copies** of any evidence that establishes your loss (court case information, correspondence, etc.) and proof of payment (canceled checks (**front and back**), receipts, billing statements, fee agreements, or settlement information, etc). This information is required, and review of your claim may be significantly delayed if this information is not included. Please read the entire form, sign, and return it to the address on the last page.

1. Claimant(s) (*actual client of lawyer*)

Name: _____

Address: _____ City: _____ State: _____ Zip: _____

Contact phone: (_____) _____ E-mail: _____

2. Co-Claimant(s) (*person(s) who paid for the legal services – if different from claimant*)

Name: _____

Address: _____ City: _____ State: _____ Zip: _____

Contact phone: (_____) _____ E-mail: _____

3. Lawyer alleged to have caused loss

Name: _____

Address: _____ City: _____ State: _____ Zip: _____

4. Date lawyer was hired: _____ Date lawyer's services to claimant ended: _____

5. Date claimant became aware of the loss: _____

6. How much was the lawyer paid for legal services **OR** how much money did the lawyer receive on the claimant's behalf? \$ _____
(Attach copies of proof such as the front and back of canceled checks, payment receipts, billing statements, fee agreements, or settlement information. **This information is required.**)

7. Amount of the claimant's alleged loss: \$ _____.

8. If the loss was property, describe and state the value of the property (*attach copies of appraisals, receipts, or any other evidence of value*): _____

9. What legal services was the lawyer supposed to perform for the claimant? (***IMPORTANT***: *Include any case numbers or court information, if applicable*) _____

10. Describe the lawyer's dishonest conduct that caused the claimant's loss. (***Must*** *provide documentation that proves this loss such as correspondence, letter from claimant's new attorney, court documents, etc.*):

11. What legal services did the lawyer actually perform? _____

12. Did the claimant hire or did the court appoint another attorney to pursue his/her case? Yes _____ No _____
If yes, provide the new attorney's name and address:

Name: _____

Address: _____ City: _____ State: _____ Zip: _____

13. Has the claimant or co-claimant ever been the spouse, relative, partner, associate, employer, or employee of the lawyer alleged to have caused the loss? Yes _____ No _____ If yes, please explain: _____

14. Has the claimant demanded a return of lost funds or property from the lawyer? Yes _____ No _____

If yes, indicate the date of demand _____ (*If the demand and/or the lawyer's response were in writing, please attach copies*)

If no, state the reasons why the claimant did not make a demand: _____

15. Has the claimant been reimbursed for any part of this claim? Yes _____ No _____

If yes, provide the following information: Amount paid: \$ _____ Date paid: _____

Paid by: _____

16. To the best of your knowledge, was or is this loss covered by any insurance, indemnity or bond?
 Yes _____ No _____ If yes, provide the following information:
 Name of Insurer, Surety Company, or Bondsman: _____
 Address: _____ City: _____ State: _____ Zip: _____
17. Has this claim been presented to the Client Protection Fund of any other state? Yes _____ No _____
 If yes, which state? _____
18. State, if known, whether any civil or criminal proceedings have been or will be taken in connection with the facts set out in this application. If so, state who filed these proceedings and the present status. (*include case #'s if known*)

19. If applicable, provide a copy of the State Bar Lawyer Discipline Charge filed by you and provide the status of any State Bar disciplinary proceeding (if known): _____
20. If a lawyer is assisting you with this application, provide his/her name and address:
 Name: _____
 Address: _____ City: _____ State: _____ Zip: _____
21. How did you learn about the Client Protection Fund? _____

LIMITATIONS AND AGREEMENTS

IMPORTANT: Please read and sign

- A. This claim is executed and filed in order to induce the State Bar of Arizona Client Protection Fund Board of Trustees to process, investigate and consider in its sole discretion the reimbursement from the Client Protection Fund of all of the loss incurred by the claimant as a result of the dishonest conduct of the lawyer named in this claim.
- B. The claimant agrees to furnish any change of name or address promptly to the Fund Administrator.
- C. The claimant understands and acknowledges that the maximum award per claimant is \$100,000.00 and that the maximum award per attorney is \$250,000.00.
- D. The claimant understands and agrees that upon payment from the Client Protection Fund, the undersigned claimant:
1. Transfers, assigns and sets over to the Client Protection Fund of the State Bar of Arizona, *pro tanto*, all undersigned claimant's claims, demands, causes of action, actions, and suits against the above-named lawyer arising out of the above-described dishonest conduct upon which this claim for reimbursement is based.
 2. Authorizes the Client Protection Fund of the State Bar of Arizona to prosecute all such claims, demands, causes of action, actions or suits against the above-named lawyer either in the name of the undersigned claimant, or in the name of the Client Protection Fund, as the Trustees may in the sole exercise of their discretion deem appropriate.

3. Agrees that he/she will cooperate with the Fund in any efforts to enforce any claim, demand, cause of action, actions or suits against the above-named lawyer.
4. And Further Agrees that all civil actions to be taken against the above-named lawyer hereunder shall be under the absolute control of the Fund and that the Trustees may prosecute, fail to prosecute, or abandon any such claim, demand, cause of action, actions or suits against the above-named lawyer as they shall, in the exercise of their discretion and without the necessity of consent or approval of the undersigned claimant, deem appropriate.

E. The undersigned claimant understands that before he/she receives any payment from the Fund, the claimant or his/her legal representative will be required to execute and deliver to the Trustees a written agreement stating that in the event the reimbursed applicant or his/her estate should ever receive any restitution from the lawyer or the estate of the lawyer named above, the reimbursed claimant shall agree to repay to the Fund the original reimbursement from the Fund, together with legal interest thereon.

IN CONSIDERATION OF THE FOREGOING, the claimant agrees to cooperate in the investigation of this claim and also in any related disciplinary proceedings against the lawyer(s) in question; and, as a condition precedent to any payment from said Fund, claimant agrees to execute and deliver to the Trustees such instrument or instruments as may be required.

I, the undersigned say: I am the Claimant or Co-Claimant in the above matter; I have read the foregoing Claim for Relief, and know the contents thereof; and I certify that the same is true of my personal knowledge, except as to the matters and things which are therein stated upon my information or belief, and that as to those matters and things I believe them to be true. I have read the Client Protection Fund Declaration of Trust, amended May 30, 2008, and agree to be bound by all rules set forth therein.

I swear or avow under penalty of perjury that the foregoing is true and correct.

Claimant's signature

Co-claimant's signature

Date

IMPORTANT NOTICE TO CLAIMANT:

The lawyer **must** meet one of the following criteria before a claim is considered eligible: **1)** suspended for longer than six months by Supreme Court order; **2)** placed on Interim Suspension by Supreme Court order; **3)** disbarred by Supreme Court order; **4)** deceased; **5)** transferred to disability inactive status pursuant to Ariz.R.S.Ct.63; or **6)** convicted of a felony arising out of the facts underlying this claim. If the lawyer has received no disciplinary sanction, or has received less than a six month and one day suspension or disbarment, this claim will not be eligible for consideration.

The State Bar of Arizona has no legal responsibility for the acts of individual lawyers. Payments from the Client Protection Fund shall be made in the sole discretion of the Trustees administering the Fund and **not as a matter of right**. No client or member of the public shall have any right in the Client Protection Fund as a third party beneficiary or otherwise. The claimant acknowledges that by applying to the Client Protection Fund, the claimant

may be giving up the right to pursue civil action for the same recovery against a third party. The maximum limit per claim is \$100,000. The claim shall be filed no later than five (5) years after the claimant knew or should have known of the dishonest conduct of the lawyer.

NOTICE TO ANY ATTORNEY ASSISTING CLAIMANT WITH THIS APPLICATION:

Rule 17 of the Client Protection Fund Declaration of Trust provides “. . . no lawyer shall receive or accept payment for assisting or representing a claimant in a Client Protection Fund claim unless such payment has been approved in advance by the Trustees.”

**Return completed and signed form
with accompanying documentation to:**

Client Protection Fund Administrator
State Bar of Arizona,
4201 N. 24th St., Suite 200
Phoenix, AZ 85016-6288

**The following document is the
Client Protection Fund Declaration of Trust.**

**Please read the Declaration of Trust
(particularly Rule 3 A-F and Rule 4 C-D)
and keep it for your records.**

Please do not return it with your completed claim form.



**THE CLIENT PROTECTION FUND OF
THE STATE BAR OF ARIZONA**

DECLARATION OF TRUST

DATED APRIL 9, 1960

AS AMENDED AND RESTATED IN ITS ENTIRETY ON MAY 30, 2008

The Client Protection Fund of the State Bar of Arizona was authorized by the membership of the State Bar on April 19, 1960, and established by the Declaration of Trust of January 7, 1961. The Supreme Court of Arizona, pursuant to Rule 32(d)8, Ariz.R.S.Ct., required the creation of the original Trust and delegated authority to the State Bar of Arizona Board of Governors ("Board") to amend the Trust from time to time as may be appropriate. Under the terms of the original trust agreement, the Board of Governors reserved the right to amend or revoke the Trust from time to time, in whole or in part, by written instrument. The Board previously amended the Trust on November 26, 1971, May 31, 1974, May 6, 1981, April 23, 1993, February 27, 1998, January 18, 2002, November 18, 2005 and January 20, 2006. This agreement, as amended and restated in its entirety, sets forth the terms and provisions relating to the Administration of the Trust after this date.

The name of the trust shall hereinafter be the Client Protection Fund of the State Bar of Arizona. ("Fund").

RULE 1 PURPOSE AND SCOPE

A. The purpose of the Fund is to promote public confidence in the administration of justice and the integrity of the legal profession by reimbursing losses caused by the dishonest conduct of lawyers admitted and licensed to practice in Arizona, occurring in the course of the client-lawyer or fiduciary relationship between the lawyer and the claimant.

B. For purposes of these Rules, "lawyer" shall include a person:

- (1) licensed to practice law in this jurisdiction, regardless of where the lawyer's conduct occurs;
- (2) admitted as in-house counsel;
- (3) admitted *pro hac vice*;
- (4) admitted as a foreign legal consultant;
- (5) admitted only in a non-United States jurisdiction but who is authorized to practice law in this jurisdiction; or,
- (6) recently suspended or disbarred whom clients reasonably believed to be licensed to practice law when the dishonest conduct occurred.

C. Every lawyer has an obligation to the public to participate in the collective effort of the Bar to reimburse persons who have lost money as a result of the dishonest conduct of another lawyer. Contribution to the Fund is

required of all active and inactive members of the State Bar of Arizona, pursuant to the Supreme Court of Arizona's mandate, as set forth in Ariz.R.S.Ct. 32(c)7 and 8, and (d)(8).-

RULE 2 ESTABLISHMENT

A. There is established the State Bar of Arizona Client Protection Fund to reimburse claimants for losses caused by dishonest conduct committed by lawyers admitted to practice in Arizona.

B. The trust shall exist as a separate entity from the State Bar of Arizona and is established, under the authority of the Board, and as required by the Supreme Court, pursuant to Ariz.R.S.Ct. 32(d)8. The Client Protection Fund Board of Trustees ("Trustees") shall receive, hold, manage, and disburse from the Fund such monies as may be allocated to the Fund pursuant to Ariz.R.S.Ct. 32(c)8 and from any other sources.

C. These rules shall be effective for claims filed with the Trustees after the effective date of this amended and restated Declaration of Trust.

RULE 3 ELIGIBLE CLAIMS

A. The loss must be caused by the dishonest conduct of the lawyer and shall have arisen out of and by reason of a client-lawyer relationship or a fiduciary relationship between the lawyer and the claimant that is customary and related to the practice of law.

B. The claim shall have been filed within five years after the claimant knew or should have known of the dishonest conduct of the lawyer.

C. The lawyer is: 1) suspended for more than six months by Supreme Court order; 2) placed on Interim Suspension by Supreme Court order; 3) disbarred; 4) deceased; 5) transferred to disability inactive status pursuant to Ariz.R.S.Ct.63; 6) convicted of a felony arising out of the facts that gave rise to the claim; or 7) the Trustees have determined that the claim is an appropriate one for consideration for reimbursement because the loss was caused by the dishonest conduct of a member of the State Bar of Arizona.

D. As used in these Rules, "dishonest conduct" means: 1) wrongful acts committed by a lawyer in the nature of theft or embezzlement of money or the wrongful taking or conversion of money, property or other things of value; 2) Failure to refund unearned fees received in advance as required by Rule 1.16(d) of the *Arizona Rules of Professional Conduct*; or 3) a lawyer's act of intentional dishonesty or deceit that proximately leads to the loss of money or property.

E. Except as provided by Paragraph I of this Rule, the following losses shall **not** be reimbursable: 1) claims based solely upon negligence, incompetence or malpractice by a lawyer; 2) money lost by a claimant that was given to a lawyer for investment or any other purpose that did not arise from the client-lawyer relationship; and 3) claims requesting compensation for interest, legal fees paid to other lawyers, damages or other expenses.

F. Except as provided in Paragraph I of this Rule, the following claimants shall **not** be eligible for reimbursement: 1) the spouse (present or former), child, parent, grandchild, grandparent, or sibling of the lawyer, whether by blood or marriage; 2) partners, associates, co-shareholders, or employees of the lawyer; 3) any insurer, surety, or bonding agency or company which seeks reimbursement for payment made under an insurance or surety contract or bond covering the risk involved in the lawyer's dishonest conduct; 4) any business entity controlled by the lawyer or person described in paragraphs F.1 or 2 above; 5) any governmental entity or agency; 6) medical

providers or other third parties with claims against the lawyer pursuant to law; or 7) any business entity unless considered pursuant to Paragraph I of this Rule.

G. In determining whether it would be more appropriate for this Fund or another state's Fund to pay a claim, the Trustees should consider the following factors:

- (1) the Fund(s) into which the lawyer is required to pay an annual assessment or into which an appropriation is made on behalf of the lawyer by the bar association;
- (2) the domicile of the lawyer;
- (3) the domicile of the client;
- (4) the residence(s) of the lawyer;
- (5) the number of years the lawyer has been licensed in each jurisdiction;
- (6) the location of the lawyer's principal office and other offices;
- (7) the location where the attorney-client relationship arose;
- (8) the primary location where the legal services were rendered;
- (9) whether at the time the legal services were rendered, the lawyer was engaged in the unauthorized practice of law as defined by the jurisdiction in which the legal services were rendered; and
- (10) any other significant contacts.

H. The Trustees may enter into an agreement with the Fund of another jurisdiction to reimburse a portion of the loss suffered by a claimant whose claim may be eligible for payment under both Funds. The Trustees may take into consideration the other Fund's rules on payment of claims for reimbursement prior to entering into such an agreement.

I. In cases of extreme hardship or special and unusual circumstances, the Trustees may, in their sole and absolute discretion, recognize a claim that would otherwise be excluded under these Rules.

J. In cases where it appears that there will be unjust enrichment, or the claimant unreasonably or knowingly contributed to the loss, the Trustees, may, in their sole and absolute discretion, deny the claim.

RULE 4 PROCEDURES AND RESPONSIBILITIES FOR CLAIMANTS

A. The Trustees shall prepare and approve a form for claiming reimbursement from the Fund that will be available, at no charge, from all offices of the State Bar.

B. The form shall include at least the following information provided by the claimant under penalty of perjury:

1. the name, address, home and business telephone of claimant;
2. the name, address and telephone number of the lawyer alleged to have dishonestly taken the claimant's money or property, and any family or business relationship of the claimant to the lawyer;
3. the legal or other fiduciary services the lawyer was to perform for the claimant;
4. the amount paid to the lawyer;
5. a copy of any written agreement pertaining to the claim;
6. copies of any checks, money orders, receipts, or other proofs of payment;
7. the form of the claimant's loss (e.g. money, securities or other property);

8. the amount of loss and the date when the loss occurred;
9. the date when the claimant discovered the loss, and how the claimant discovered the loss;
10. the lawyer's dishonest conduct;
11. the name of the person, if any, to whom the loss has been reported (e.g. county attorney, police, disciplinary agency, or other person or entity) and a copy of any complaint and description of any action that was taken;
12. the source, if any, from which the loss can be reimbursed including any insurance, fidelity or surety agreement;
13. the description of any steps taken to recover the loss directly from the lawyer, or any other source;
14. the circumstances under which the claimant has been, or will be, reimbursed for any part of the claim (including the amount received, or to be received, and the source); along with a statement that the claimant agrees to notify the Fund of any reimbursements the claimant receives during the pendency of the claim;
15. the existence of facts believed to be important to the Fund's consideration of the claim;
16. the manner in which the claimant learned about the Fund;
17. the name, address and telephone number of the claimant's present lawyer;
18. the claimant's agreement to cooperate with the Fund in reference to the claim or as required by Rule 16, in reference to civil actions which may be brought in the name of the Fund pursuant to a subrogation and assignment clause which shall also be contained within the claim.
19. the claimant's agreement to repay the Fund if the claimant is subsequently reimbursed from another source;
20. The name and address of any other state Funds to which the claimant has applied or intends to apply for reimbursement, together with a copy of the application; and
21. A statement that the claimant agrees to the publication of appropriate information about the nature of the claim and the amount of reimbursement if reimbursement is made.

C. Claimants must substantially complete the claim form and provide satisfactory evidence of a reimbursable loss in order to have the claim deemed "filed" with the Fund. The claim shall be filed with the Trustees by addressing the completed claim and supporting evidence to the Phoenix office of the State Bar of Arizona.

D. Claimants shall provide such additional information as requested by the Trustees or staff in order to assist in the consideration of the claim.

RULE 5 FUNDING

A. The Supreme Court of Arizona, pursuant to Ariz.R.S.Ct. 32(c)7 and 8, requires that all active and inactive members of the State Bar shall contribute to the Fund annually, in an amount established by the Court.

B. A lawyer whose dishonest conduct has resulted in reimbursement to a claimant shall make restitution to the Fund, including interest and the expense incurred by the Fund in processing the claim.

C. The Trustees may invest such balances as are in the Fund, in accordance with the Board's investment policy. All income realized from such investments, realized capital appreciation, restitution, annual member assessments, and all other income shall accrue to the Fund.

RULE 6 FUNDS

A. All monies or other assets of the Fund shall constitute a trust and shall be held in the name of the Fund, as required by Ariz.R.S.Ct.32(c)7 and 8.

B. All administrative expenses incurred in the administration of the Fund by the State Bar, including but not limited to, salaries, reproduction, telephone, postage, travel, accommodations, rent, overhead, costs of investigation, clerical expenses, and expenses of hearings shall be paid from the Fund.

RULE 7 BOARD OF TRUSTEES

A. The Board of Trustees shall consist of five trustees who shall be appointed by the Board.

B. Any active or judicial member in good standing with the State Bar of Arizona who shall have practiced law or served in a judicial capacity in the State of Arizona for at least ten (10) years shall be eligible for appointment as a Trustee; provided, however, that no more than two (2) lawyer Trustees shall, at any time, reside in the same county. The Board in its discretion may appoint one non-lawyer Trustee.

C. Trustees shall be appointed for terms of five (5) years. Trustees may serve no more than two five-year terms. The Board may remove a Trustee for cause at any time.

D. Any vacancy occurring during a term shall be filled by the Board for the unexpired portion of the term.

E. The Trustees shall have the authority to elect from among their members, a chairperson, a secretary, and a treasurer. A Trustee elected as treasurer shall procure a personal surety bond in adequate amount to cover all Trustees and staff of the Fund, and the cost thereof shall be considered an administrative expense of the Fund.

F. The Trustees shall serve without compensation, but shall be entitled to reimbursement from the Fund, if no other source of funds is available, for their expenses reasonably incurred in performance of their duties as Trustees, including transportation, meals and lodging, on the same basis as the expenses of the Board are reimbursed.

RULE 8 TRUSTEE MEETINGS

A. The Trustees shall meet as frequently as necessary to conduct the business of the Fund and to timely process claims.

B. The chairperson shall call a meeting at any reasonable time or upon the request of at least two Trustees. Meetings may be held telephonically. Alternatively, the Trustees may elect to vote on claims in writing, by email, or by other reasonable means without a meeting, with a majority of the Trustees submitting written votes.

C. Three Trustees shall constitute a quorum. A majority of the Trustees present at a meeting may exercise any powers held by the Trustees.

RULE 9 DUTIES AND RESPONSIBILITIES OF TRUSTEES

The Trustees shall have the following duties and responsibilities:

- A. To receive, evaluate, determine and pay claims;
- B. To promulgate rules of procedure not inconsistent with these Rules;
- C. To invest Fund money in accordance with the Board's investment policies;
- D. To insure that the Fund maintains sufficient reserves to pay present and future claims.
- E. To provide a full report at least annually to the Board and to make other reports as necessary;
- F. To publicize activities of the Fund to the public and the Bar;
- G. To employ adequate staff to assure the Fund's effective and efficient functions;
- H. To retain and compensate consultants, investigators, accountants, agents, and legal counsel and other persons as necessary;
- I. To prosecute claims for restitution to which the Fund is entitled;
- J. To engage in studies and programs for client protection and prevention of dishonest conduct by lawyers;
- K. To promote effective communication between lawyer disciplinary authorities and the Fund;
- L. To perform all other acts necessary or proper for the fulfillment of the purposes and effective administration of the Fund; and
- M. To prepare a form of application for reimbursement upon which all claims shall be made.

RULE 10 CONFLICT OF INTEREST

- A. A Trustee who has or has had a client-lawyer relationship or financial relationship with a claimant or lawyer who is the subject of a claim shall not participate in the investigation or adjudication of a claim involving that claimant or lawyer.
- B. A Trustee with a past or present relationship, other than as provided in Paragraph A, with a claimant or lawyer whose alleged conduct is the subject of a claim, shall disclose such relationship to the Trustees and, if the Trustees deem appropriate, that Trustee shall not participate in any proceeding relating to such claim.
- C. A Trustee may recuse himself or herself from consideration of a claim for any reason.

RULE 11 IMMUNITY

The Trustees, employees, and agents of the Fund shall be absolutely immune from civil liability for all acts performed in the course of their official duties pursuant to Ariz.R.S.Ct.48(1). Absolute immunity shall also extend to claimants and lawyers who assist claimants with any claim or communications with the Fund.

Amended May 30, 2008

RULE 12 PROCESSING OF CLAIMS

A. Whenever it appears, upon initial review by Fund administrators, that a claim is not eligible for consideration by the Trustees, pursuant to Rule 3, Paragraphs A, B, D, E, or F, the claimant shall be advised of the reasons why the claim is not eligible, and that unless additional facts to support eligibility are submitted to the Fund within thirty (30) days of the date of letter of notification of insufficiency, the claim file shall be closed. If the claimant submits sufficient additional supporting facts within the thirty days, the claim shall be processed as set forth below.

B. A copy of each claim shall be sent to each Trustee once the claim has been deemed materially complete by the Fund administrators. A copy shall be sent by certified mail to the lawyer at his or her last known address, his estate or other representative. The lawyer shall have thirty (30) days from the date of mailing of the notice of claim to provide the Trustees with a written response to the claim.

C. Staff shall review each claim and conduct an investigation as seems necessary and appropriate in order to assist the Trustees in deciding the eligibility for reimbursement. Staff and/or the Trustees may request additional information from the claimant with respect to the alleged dishonest conduct. To the extent permitted by Ariz.R.S.Ct.70, the State Bar shall allow the Trustees to have access to its files and records, if any, pertaining to the dishonest conduct alleged. Information from documents obtained by the Fund shall be used solely for the purpose of determining the validity of the claim and shall not be otherwise disclosed. The Trustees shall consider findings and restitution orders in discipline matters, but are not bound by them in determining claims.

D. At the request of a Trustee, or at the written request of either the claimant or the lawyer alleged to have caused the loss, the Trustees may afford both the claimant and the lawyer an opportunity to be heard by the Trustees. The request for a hearing shall be filed with the Phoenix office of the State Bar within thirty (30) days after the lawyer receives notice of the claim. Any such proceeding shall be informal and all relevant testimony and evidence may be received. Absent such a request, a claim shall be processed on the basis of the information obtained in the application for reimbursement, any information obtained by Staff and any written response from the lawyer.

E. If a claim has been denied by the Trustees, a claimant may request reconsideration of the determination within thirty (30) days of said denial by submitting a written request to the Trustees at the Phoenix office of the State Bar. A claimant may not seek reconsideration if the Trustees approve any amount of payment of a claim, even if the payment approved is less than the amount requested in the claim. If a claimant fails to make a request or the request is denied, the decision of the Trustees shall be final. Written notice of the Trustees' decision on the request for reconsideration shall be given to all interested parties.

RULE 13 PAYMENT OF REIMBURSEMENT

A. In authorizing payment of claims, the Trustees shall not award more than \$100,000 to any one claimant and shall not award more than \$250,000 in the aggregate on account of claims arising out of the dishonest conduct of any one lawyer. The Trustees are authorized to exceed these limits only in extraordinary circumstances and only by unanimous vote of all Trustees and the approval of the Board of Governors.

B. The Trustees shall determine, in their sole discretion, whether a claim merits reimbursement from the Fund and the amount, time, manner of its payment and the conditions upon which payment shall be made. Unless the Trustees direct otherwise, no claim shall be paid until the expiration of six months following the death, transfer to

disability inactive status, suspension, interim suspension, disbarment of the lawyer, or conviction of a felony in a prosecution arising out of facts which give rise to the claim, as the case may be.

C. Determination of amount of claim.

1. If the aggregate of all claims pertaining to a lawyer which are filed prior to the expiration of the six-month period and approved for payment by the Trustees is less than the \$250,000 limitation, not exceeding \$100,000 to any one claimant, then all such approved claims may be paid in full; provided, however, if any approved claimant has not completed exhaustion of their remedies against any insurance policy, bond, or any other reasonable source of recovery, payment to such claimant shall be withheld until they have realized final recovery thereon.

2. If the aggregate of all claims exceeds the \$250,000 limitation, then all such approved claims, not exceeding \$100,000 to any one claimant, may be paid on the basis of a pro rata sharing of the \$250,000; provided, however, if any approved claimant has not exhausted their remedies against any insurance policy or bond or any other reasonable source of possible recovery, no part of the claim shall be paid at that time, but the other claimants shall receive payments on their claims with all approved claims, including such claims not to be paid at that time, being included in their apparent maximum allowable amounts to determine the initial pro rata shares. When the aforementioned claimant whose remedies were not exhausted has realized their final recovery, the pro rata shares of all claimants shall be recalculated and final payment shall be made to them. In the event any claimant does not or is unable to realize final recovery on the insurance policy or bond or other means of recoupment within one year following the expiration of the six months mentioned in sub-part 1, supra, the Trustees are authorized to establish, in their absolute discretion, the net amount of the claim which ought to be paid by the Trustees in view of the claim on claimant's insurance policy or bond or other source and thereupon to recalculate the pro rata claims of all claims and to make final payment thereon.

3. If the claimant's full and complete recovery on all known insurance policies and bonds or other sources would not, in the judgment of the Trustees, reduce the amount of the allowable claim under the terms of this Declaration of Trust, then sub-parts 1 and 2, supra, for withholding final payment on the claim shall not apply.

4. In the event the \$250,000 limitation per lawyer is not exhausted by the claims filed within the six months mentioned above, approved claims that are filed subsequent to the expiration of six months shall be granted priority on the basis of the date of filing, the earlier claim to be paid the full amount allowed before payment on any claim filed thereafter, until the \$250,000 limitation has been reached.

RULE 14 REIMBURSEMENT FROM THE FUND IS A MATTER OF GRACE

No person or entity shall have any legal right to reimbursement from the Fund whether as claimant, third-party beneficiary, or otherwise. Decisions on claims are in the sole and absolute discretion of the Trustees, and all decisions on requests for reconsideration by the Trustees are final.

RULE 15 RESTITUTION AND SUBROGATION

A. A lawyer whose dishonest conduct results in reimbursement to a claimant shall be liable to the Fund for restitution; and the Fund may bring such action as the Trustees deem advisable to enforce such obligation.

B. A lawyer whose dishonest conduct has resulted in reimbursement to a claimant shall make restitution to the Fund including interest and the expense incurred by the Fund in processing the claim. A lawyer's failure to make

satisfactory arrangement for restitution shall be cause for suspension, disbarment, or denial of an application for reinstatement.

C. As a condition of reimbursement, and to the extent of the reimbursement provided by the Fund, a claimant shall be required to provide the Fund with a transfer of the claimant's rights against the lawyer, the lawyer's legal representative, estate or assigns; and of the claimant's rights against any third party or entity who may be liable for the claimant's loss.

D. Upon commencement of an action by the Fund as subrogee or assignee of a claim, it shall advise the claimant, who may then join in such action to recover the claimant's unreimbursed losses.

E. In the event that the claimant commences an action to recover unreimbursed losses against the lawyer or another entity that may be liable for the claimant's loss, the claimant shall be required to notify the Fund of such action.

F. The claimant shall be required to agree to cooperate in all efforts that the Fund undertakes to achieve restitution for the Fund, and to repay the Fund if claimant is subsequently reimbursed from another source an amount that exceeds the difference between the principal misappropriated and the Fund award. Such repayment shall not exceed the amount of the Fund award.

RULE 16 CONFIDENTIALITY

A. Claims, proceedings and reports involving claims for reimbursement are confidential until the Trustees authorize reimbursement to the claimant, except as provided below, unless provided otherwise by law. After payment of the reimbursement, the Fund shall publicize the nature of the claim, the amount of reimbursement, and the name of the lawyer. The name and the address of the claimant shall not be publicized by the Fund unless specific permission has been granted by the claimant.

B. This Rule shall not be construed to deny access to relevant information by professional discipline agencies or other law enforcement authorities as the Trustees may authorize, or the release of statistical information that does not disclose the identity of the claimants.

RULE 17 COMPENSATION FOR REPRESENTING CLAIMANTS

No lawyer shall receive or accept payment for assisting or representing a claimant in a Client Protection Fund claim unless such payment has been approved in advance by the Trustees.

TERM

This amended and restated Declaration of Trust shall remain in full force and effect as now adopted and shall only be amended by the Board by instrument in writing.

The Board shall retain the right to amend or revoke this trust by instrument in writing, except that revocation must be approved by the active members of the State Bar of Arizona at an annual meeting duly assembled.

Dated May 30, 2008


Daniel J. McAuliffe President