

N E W S
New York State
Lawyers' Fund for Client Protection

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Lawyers' Fund Reimburses Victims of Few Bad Apples

(Albany, NY--5/20/02) The New York Lawyers' Fund for Client Protection recently awarded \$1.1 million in reimbursement to 33 law clients whose money had been dishonestly taken by their former attorneys.

The 33 awards reimburse losses caused by only 18 now disbarred and suspended lawyers. There are 189,000 registered lawyers in New York State.

The New York Lawyers' Fund is a special trust financed by the State's legal profession. The Lawyers' Fund reimburses law clients who have suffered losses due to their attorney's dishonest conduct in the practice of law. Every practicing New York lawyer pays a registration fee. A portion of each lawyer's fee supports all awards from the Lawyers' Fund and any administrative costs. No taxpayer money is used for this client protection program.

The Lawyers' Fund is administered by a seven-member Board of Trustees appointed by the State Court of Appeals, New York's high court. The Trustees serve without compensation. Since 1982, they have restored more than \$91 million to over 5,000 eligible law clients. In the Fund's 19-year history, only 683 former lawyers have been responsible for the misconduct resulting in these losses. This number represents less than one-half of one per cent of the bar's current membership.

The Lawyers' Fund is chaired by Eleanor Breitel Alter, a Manhattan lawyer with Kasowitz, Benson, Torres & Friedman. In announcing the awards, she said:

"The trust of a client is absolutely essential to the legal profession. While the misuse of law client money is relatively rare, it's still the most serious of all ethical offenses. These awards repay special 'debts of honor' from a profession that is both caring and proud of its obligations of public service."

In addition to Mrs. Alter, the Trustees are Bernard F. Ashe of Albany, former General Counsel to New York State United Teachers (NYSUT); Theodore D. Hoffmann of Hicksville, Of Counsel to the Garden City law firm of Albanese, Albanese & Fiore; Charlotte G. Holstein of Syracuse, a civic leader and Executive

Director of F.O.C.U.S. Greater Syracuse; Charles Joseph Hynes, District Attorney of Kings County; Ray W. Manuszewski of Cheektowaga, Erie County, former Regional President of Manufacturers Hanover Trust Company N.A. in Buffalo; and Eric A. Seiff, a partner in the Manhattan law firm of Seiff, Kretz & Maffeo;

Typical losses covered by the Lawyers' Fund include a lawyer's theft of estate assets, real estate down payments, litigation settlement proceeds, and law client money embezzled in investments within an attorney-client relationship. The Fund has no jurisdiction over claims alleging malpractice or which involve disputes over legal fees.

The Lawyers' Fund is located in Albany. Telephone: 800-442-3863. Website: www.nylawfund.org