



STATE BAR OF WISCONSIN

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REPORT OF THE WISCONSIN LAWYERS' FUND FOR CLIENT PROTECTION

FISCAL YEAR 2014 JULY 1, 2013 THROUGH JUNE 30, 2014

Attorney Amy Elizabeth Wochos (2016) was appointed chairperson to serve until June 30, 2014. In addition to Attorney Wochos, the other members serving on the committee in fiscal year 2014 were Attorney Lindsey D. Draper (2018), Attorney David P. Kaiser (2014), Attorney Deborah Smith (2015), Melissa Godden (2016), Attorney Wayne Maffei, who also served as vice-chair (2017), and Catherine Zimmerman (2018).

The committee met three times, September 23, 2013, February 4, 2014 and May 13, 2014 to consider claims filed and address other business.

CLAIMS SUMMARY

During fiscal year 2014, the committee acted upon a total of 94 claims. The claims included 87 new claims first presented in fiscal year 2014; four claims deferred from fiscal year 2013; two claims that were reconsidered from fiscal year 2012; and one claim that was reconsidered from fiscal year 2011. The 94 claims were against 41 attorneys.

A total of 51 claims were approved in the following categories:

- Trust Account Conversion – 15 claims totaling \$455,288.78
- Unearned Advanced Fees – 33 claims totaling \$71,782.15
- Theft from Estate – three claims totaling \$101,720

The Fund approved claims against the following 17 individual attorneys:

- Joan Marie Boyd – three claims totaling \$11,100
- Bridget E. Boyle – two claims totaling \$7,500
- Erika Anita Cannaday – one claim totaling \$1,000
- Pablo Carranza – one claim totaling \$300
- Sean D. Cooper – 13 claims totaling \$10,981.12
- Perry H. Friesler – one claim totaling \$72,500
- Donald A. Hahnfeld – one claim totaling \$2,000

- Daynel L. Hooker – one claim totaling \$12,340
- Charles J. Labanowsky, III – one claim totaling \$500
- Bradley A. Lamb – two claims totaling \$4,200
- Ryan D. Lister – one claim totaling \$800
- William McKibbage – two claims totaling \$2,056.25
- Christopher A. Mutschler - one claim totaling \$1,500
- Gerald D. Stange - two claims totaling \$29,220
- Scott J. Wells – two claims totaling \$7,500
- Steven L. Wilson – 15 claims totaling \$455,288.78
- Randy J. Wynn – two claims totaling \$10,104.78

Of the 94 claims considered, 33 were approved for payment in full, 18 were approved in part and denied in part, 34 were denied in full, and nine were deferred for further consideration. As of the date of this report, 40 claims have been received for consideration in fiscal year 2015. In addition, the nine deferred claims, totaling \$604,908.75 will again be considered in fiscal year 2015.

REVENUE

The Wisconsin Lawyers' Fund for Client Protection ended fiscal year 2014 with a balance of \$121,764. During fiscal year 2014, there was a Wisconsin Lawyers' Fund for Client Protection assessment of \$20 per attorney per SCR 12.07(2) Annual assessments; reserve. (a) *Annual assessments*. Commencing with the state bar's 2013 fiscal year, every attorney shall pay to the fund an annual assessment of \$20. An attorney whose annual state bar membership dues are waived for hardship shall be excused from the payment of the annual assessment for that year. An attorney shall be excused from the payment of the annual assessment for the fiscal year during which he or she is admitted to practice in Wisconsin. (b) *Reserve*. As of May 1 of each year, any funds in excess of those required for payment of approved claims shall be maintained in a reserve account for the Wisconsin Lawyers Fund for Client Protection.

Total assessments collected amounted to \$410,530. Interest on deposits totaled \$1,335. Restitution collected from attorneys totaled 16,397. Total funds available to the committee for distribution during fiscal year 2014, therefore, were \$428,262.

EXPENSES

Of the 94 claims considered in the fiscal year 14, 46 were paid for a total amount of \$600,585.93; one claim approved in FY 13 in the amount of \$500 was paid in FY 14, one payment was remitted in FY 15; two were not paid because the signed subrogation agreements were not returned; and, two were deferred for payment per **SCR 12.08 Payment of claims.** (2) Limitations on payment. (b) If the fund is not sufficient to pay all claims which the committee determines should be paid, the committee may, in its discretion, defer payment of all or any portion of one or more claims. If the full amount of the claim has not been paid within 5 years from the date the claim is made, any balance remaining unpaid shall remain unpaid and the claim shall be closed.

Administrative expenses were paid in the aggregate amount of \$54,793. Total disbursements made by the fund were thus \$655,878. As of the end of the fiscal year—June 30, 2014—the fund balance was \$121,764.

OTHER ACTION

The Wisconsin Supreme Court established the Wisconsin Lawyers' Fund for Client Protection (WLFCP), formerly named the Clients' Security Fund, in 1981 to reimburse people who lost money through dishonest acts of Wisconsin attorneys. Claims include unearned retainer, theft from estate, misappropriation of funds, conversion of trust account funds, and theft by investment. Claims for reimbursement and all proceedings of the committee are subject to [SCR 12.04-12](#). Reimbursement decisions are made at the discretion of the committee.

Fund Chairperson Amy E. Wochos, said, "Fiscal year 2014 was a very challenging year for the Fund. The theft of settlement funds by one, now deceased, attorney wiped out the modest reserve that the Fund had amassed. Through the hard work of the Fund Administrator in compiling and analyzing the claims presented and the thoughtful and deliberate consideration of the claims by the Committee, we were able to reimburse all of the victims who submitted valid claims this year. Looking ahead to fiscal year 2015, in addition to addressing those claims still pending and to be submitted, we will look more closely at funding, collection, and prevention. It is my honor to have served as Chair of this committee."

Respectfully submitted,

WISCONSIN LAWYERS' FUND FOR CLIENT PROTECTION

By: /s/ Amy E. Wochos
Atty. Amy Elizabeth Wochos, Chair

Date: September 23, 2014

Attachment 1 - Action on Claims

Attachment 2 - Financial Statements

Attachment 3 – Fiscal Year 2014 Claims by Attorney

Attachment 4 – Fiscal Year 2014 Claims by Type of Theft