



STATE BAR OF WISCONSIN

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REPORT OF THE WISCONSIN LAWYERS' FUND FOR CLIENT PROTECTION

**FISCAL YEAR 2016
JULY 1, 2015 THROUGH JUNE 30, 2016**

Attorney Wayne L. Maffei (2017) was appointed chairperson to serve until June 30, 2017. In addition to Attorney Maffei, the other members serving on the committee in fiscal year were Attorney Elizabeth Wochos (2016), Attorney Lindsey D. Draper (2018), Attorney Stephen D. Chiquoine (2019), who also served as vice-chair, Attorney Deborah Smith (2015), Melissa Godden (2016), and Catherine Zimmerman (2018).

The committee met three times, September 16, 2015, January 7, 2016 and May 11, 2016 to consider claims filed and address other business.

CLAIMS SUMMARY

During fiscal year 2016, the committee acted upon a total of 78 claims. The claims included 66 new claims first presented in fiscal year 2016; six claims deferred from fiscal year 2015; and one claim that was reconsidered from fiscal year 2015. The 77 claims were against 33 attorneys.

A total of 37 claims were approved in the following categories:

- Misappropriation of Funds – four claims totaling \$13,908
- Unearned Advanced Fees – 32 claims totaling \$119,316.72
- Theft from Estate – one claim totaling \$84,500

The Fund approved claims against the following 11 individual attorneys:

- Jeffrey John Aleman – one claim totaling \$1,100
- Ernesto Chavez– two claims totaling \$3,000
- Sean D. Cooper – two claims totaling \$2,900
- Robert Paul D'Arruda – one claim totaling \$2,500
- Tina M. Dahle– one claim totaling \$7,007.72
- Perry G. Friesler – one claim totaling \$84,500
- Thad M. Gegner – four claims totaling \$7,794
- Sarah E.K. Laux – 18 claims totaling \$84,720

- Tim Osicka – one claim for \$750
- Phillip Ranthum – one claim for \$1,995
- Alan R. Stewart – one claim totaling \$8,000
- Randy J. Wynn – four claims totaling \$13,908.47

Of the 71 claims considered, 28 were approved for payment in full, nine were approved in part and denied in part, 29 were denied in full, and five were deferred for further consideration. As of the date of this report, 16 claims have been received for consideration in fiscal year 2017. In addition, the four deferred claims, totaling \$483,350.72 will again be considered in fiscal year 2017.

REVENUE

The Wisconsin Lawyers' Fund for Client Protection ended fiscal year 2015 with a balance of \$125,663. During fiscal year 2016, 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 \$411,200. Interest on deposits totaled \$662. Restitution collected from attorneys totaled \$5,591. Total funds available to the committee for distribution during fiscal year 2016, therefore, were \$543,116.

EXPENSES

Of the 70 claims considered in the fiscal year 2016, 37 were paid for a total amount of \$217,725. Additionally, 15 claims approved in fiscal year 2015, were paid in fiscal year 2016 for a total amount of \$92,449.

Administrative expenses were paid in the aggregate amount of \$40,440. Total disbursements made by

the fund were thus \$350,614. As of the end of the fiscal year—June 30, 2016—the fund balance was \$192,502.

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.

Chairperson Wayne Maffei stated: "Fiscal 2016 established once again the need to build a Fund reserve. Four claims totaling over \$480,000 were deferred this past year and are expected to be paid in fiscal 2017. Those deferred claims alone will exceed the total revenue projected next year for the Fund. As has been true historically since the Fund was created in 1981, a tiny fraction of Wisconsin Attorneys are responsible for the client losses paid. In 2016 the losses were caused by only 11 attorneys out of over 25,000. The damage to clients caused by these attorneys however, was severe and the harm to reputation of the legal profession as a whole considerable. I am proud of the work the WLFCP does to remedy this harm to clients and restore trust and confidence in lawyers. It has been my honor to have served as Committee member and Chair."

Respectfully submitted,

WISCONSIN LAWYERS' FUND FOR CLIENT PROTECTION

By: _____ Date: _____, 2016
Atty. Wayne L. Maffei Chair

Attachment 1 - Financial Statements
Attachment 2 – Fiscal Year 2016 Claims by Attorney
Attachment 3 – Fiscal Year 2016 Claims by Type of Theft