



State Bar of South Dakota

Client Security Fund

what is the client security fund?

The State Bar of South Dakota's Client Security Fund is established to make limited reimbursements to persons who have suffered financial losses because of dishonest acts by South Dakota lawyers. The fund is a remedy of last resort for clients who are not able to obtain reimbursement from other sources, such as insurance or the lawyer involved.

why was the fund created?

The lawyers of South Dakota recognize that, despite the stringent standards of admission to the Bar enforced by the Supreme Court of South Dakota, there may be a very small number of lawyers who are not worthy of the trust which their clients place in them. The Bar has always had a strong disciplinary system for the purpose of reprimanding, suspending or disbarring lawyers who violate the strict standards of the South Dakota Supreme Court's Rules of Professional Conduct for lawyers.

However, the Bar recognizes that a disciplinary system alone is not enough, and that a Client Security Fund may be of some assistance to those who have suffered financial losses because of **dishonest** acts by South Dakota lawyers.

how is it funded?

The Client Security Fund consists of a portion of the dues paid by every member of the State Bar of South Dakota. The Fund truly represents an effort by all members of the State Bar to compensate clients for the dishonest acts of a few lawyers.

who is eligible to receive awards from the fund?

Generally any person who has lost money or property because of the fraudulent or dishonest act of a South Dakota lawyer may be eligible to receive limited reimbursement from the Client Security Fund.

Certain requirements must be met and certain exclusions may be applicable, some of which include:

1. That the loss does not arise out of negligence or malpractice by the lawyer in question.
2. That the loss is not covered by other sources, such as lawyer malpractice insurance.
3. That the lawyer shall have died, been adjudged mentally ill, been permitted to voluntarily surrender his certificate of admission to practice, has left the jurisdiction of South Dakota and cannot be found with the exercise of reasonable diligence, or been disbarred or suspended from practice.
4. That a judgment is obtained (except for claims under \$750.00) based on the fraudulent or dishonest act of the lawyer.

who investigates the claims and grants payments from the fund?

The Client Security Fund is operated by a committee of five members appointed by the President of the State Bar of South Dakota.

Members of the committee evaluate each claim and the committee grants payments from the Fund at its discretion, according to the circumstances of each case. Payments from the Fund are a matter of grace and not of right. The amount of reimbursement to a client may be only a portion of the claim and the maximum payment allowed from the Fund for a single claim is \$10,000.

how is the claim filed?

Forms for filing a claim may be obtained from the State Bar of South Dakota at 222 E. Capitol, Pierre, SD 57501. Fill out the form as completely as possible and return it as directed. You should keep a copy of the completed form for your records. If you attach evidence or documents to the form when you send it, be sure to keep copies of those for your files.

It is not necessary to retain a lawyer to submit a claim or to represent a claimant.

Members of The State Bar of South Dakota have adopted high standards of professional conduct which define proper and improper conduct for a lawyer handling legal matters. To maintain these standards, a system of self-discipline has been created and is administered through the Disciplinary Board of the State Bar, the Attorney General of the State of South Dakota, and the South Dakota Supreme Court.

**The State Bar of South Dakota
222 E. Capitol
Pierre, SD 57501**