

Supreme Court of South Carolina.
In the MATTER OF Cory Howerton FLEMING, Respondent.

441 S.C. 512, 895 S.E.2d 672

November 30, 2023

ORDER

Based on the following facts taken from the public record, we disbar Respondent for his deplorable misconduct and shocking abuse of the legal system in South Carolina.

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The facts presented during the August 23, 2023 plea colloquy in Hampton County demonstrate that Respondent and Murdaugh worked independently and in conjunction to steal from clients over the course of at least a decade using various dishonest schemes. One scheme involved fabricating fraudulent litigation expenses that were never actually incurred. Respondent repeatedly stole settlement funds disguised as reimbursements for sham litigation expenses and disbursed other fraudulent litigation expenses directly to Murdaugh. Another scheme involved a pattern of retaining in trust an amount of settlement funds sufficient to cover any pending medical liens, then negotiating with medical providers to accept a lesser amount in satisfaction of those liens. However, rather than disbursing the remaining funds to the client after satisfying the reduced medical liens, Respondent converted certain excess funds for his personal use and fraudulently disbursed the remainder to Murdaugh.

A third scheme involved creation of a bank account intended to imitate Forge Consulting, LLC, a Georgia-based consulting company that specializes in brokering structured settlement annuities for lawsuit proceeds, among other things. Murdaugh created a bank account using the name "Forge" to make it appear as though client funds deposited into that account were being transferred into legitimate structured settlements.² Respondent repeatedly claimed he did not know the imitation Forge bank account was an illegitimate vehicle through which Murdaugh stole millions from unsuspecting clients. However, the State's evidence proves otherwise. Specifically, the State's hearing exhibits plainly demonstrate Respondent knew the legitimate Forge Consulting entity merely assists in arranging structured settlements; it does not accept disbursements of settlement funds. Accordingly, "Forge" would never be a proper payee in disbursing escrow funds intended for a structured settlement on behalf of a client. The evidence also demonstrates Respondent knew that, for tax reasons, proceeds pursuant to a structured settlement agreement are not disbursed to a client or lawyer prior to being turned over to the settlement fund; rather, the funds must be disbursed directly from the settling insurance company to the settlement fund. Despite this knowledge, Respondent repeatedly directed that insurers forward settlement proceeds directly to his law firm. Respondent then directed that various disbursements of client funds be made out to the intentionally ambiguous payee of "Forge" and forwarded those funds to Murdaugh personally or to a post office box in Hampton, South Carolina, with no identifying cover letter, client identifiers, or other information specifying

the proper allocation of the funds into structured annuities. Respondent's actions in diverting client funds to the imitation Forge account enabled Murdaugh to steal millions from unsuspecting clients.

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A. Pinckney Matter

On August 21, 2012, two checks drawn on Respondent's trust account were made payable to "Crosswind" in the amounts of \$6,490 and \$1,588.46 pursuant to Respondent's instructions. Respondent fraudulently listed these amounts in Ms. Pinckney's client file as medical expenses; however, the funds were paid to Crosswind Aviation, LLC, in satisfaction of personal expenses Respondent incurred in chartering a private flight on which Respondent and Murdaugh traveled to the 2012 College World Series in Omaha, Nebraska. Ms. Pinckney's remaining settlement funds remained in Respondent's trust account for the next several years.

B. Satterfield Matter

Respondent first became involved in the Satterfield matter in March 2018, purporting to represent the Estate. The initial personal representative (PR) for the Estate was Gloria's son, Tony Satterfield.⁵ However, Respondent met with Tony Satterfield only one time. Respondent never called Tony Satterfield, never sent or copied him on a letter, never communicated with him about the status of the case, and never obtained a signed fee agreement from Tony Satterfield.

On November 12, 2018, counsel for Carrier 1 forwarded Respondent a letter indicating Carrier 1 intended to tender the full \$505,000 policy limits in satisfaction of the claim relating to Gloria's death. Upon receipt of that letter, Respondent did not communicate to his client, Tony Satterfield, that a settlement might be imminent. Instead, Respondent instructed his paralegal "[w]e need to hold this until we get the PR changed. I will tell you when you need to do something."

Respondent also never communicated with Tony Satterfield about a change in the PR for the Estate. Nevertheless, on December 18, 2018, Chad Westendorf was appointed successor PR for Gloria's Estate, and Carrier 1 tendered a settlement check in the amount of \$505,000 made payable to "Chad Westendorf as PR of the Estate of Gloria Satterfield and Moss, Kuhn & Fleming P.A."⁶ Respondent prepared a petition for approval of the wrongful-death settlement in which he identified \$166,000 in attorney's fees, \$11,500 in fraudulent/nonexistent expenses, and failed to include any reference to a structured settlement. Notwithstanding the amounts submitted to and approved by the circuit court in connection with the settlement petition, Respondent subsequently instructed his staff to prepare a disbursement statement listing the total settlement amount as \$475,000 (rather than the full \$505,000 tendered by the insurer); attorney's fees of \$50,000 (rather than the \$166,000 that was approved by the circuit court); a payment to Westendorf of \$10,000 (that was never disclosed to or approved by the circuit court); fraudulent expenses of \$11,500; and \$403,500 to "FORGE."

On January 7, 2019, a check in the amount of \$403,500 made payable to "FORGE" was issued

from Respondent's trust account pursuant to Respondent's instructions, and Respondent hand-delivered this check to Murdaugh. Murdaugh subsequently deposited these funds into the imitation Forge account and converted them to his personal use—theft that was directly enabled by Respondent's actions.

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In March 2019, Carrier 2 agreed to a \$3.8 million settlement in favor of the Estate, and Respondent failed to notify Gloria's sons of this offer of settlement.

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On May 13, 2019, Respondent issued a check from his firm's trust account in the amount of \$2,961,931.95 made payable to "FORGE" and hand-delivered the check to Murdaugh. Subsequently, on October 7, 2020, Respondent directed that another check be issued from his firm's trust account in the amount of \$118,000 made payable to "FORGE" and had the check delivered to Murdaugh. Neither of these disbursements were authorized by the circuit court order, and Murdaugh subsequently converted the funds for his personal use. At the time Respondent's misdeeds came to light in September 2021, only \$113,800 of the \$4,305,000 recovered on behalf of the Estate remained in Respondent's trust account.

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Respondent is hereby disbarred from the practice of law in South Carolina.

Press Release, Tuesday, August 27, 2024

Disbarred Personal Injury Lawyer Tom Girardi Found Guilty of Defrauding Clients Out of Tens of Millions of Dollars

U.S. Attorney's Office, Central District of California

LOS ANGELES – Disbarred plaintiffs' personal injury attorney Thomas Vincent Girardi was found guilty by a jury today of leading a years-long scheme in which he embezzled tens of millions of dollars of money that belonged to his clients, some of whom awaited payment for treatment of severe physical injuries.

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The scheme involved defendant Girardi stealing millions of dollars in client settlement funds and failing to pay Girardi Keese clients – some of whom had suffered serious injuries in accidents – the money they were owed.

In carrying out this scheme, from October 2010 to late 2020, Girardi provided a litany of lies for failure to pay clients and directed a law firm employee to pay previously defrauded clients or other unrelated expenditures. Girardi sent lulling communications to the clients that, among other things, falsely denied that the settlement proceeds had been paid and falsely claimed that Girardi Keese could not pay the settlement proceeds to clients until certain purported requirements had been met. These bogus requirements included addressing supposed tax obligations, settling bankruptcy claims, obtaining supposedly necessary authorizations from judges, and satisfying other debts.

Girardi diverted tens of millions of dollars from his law firm's operating account to pay illegitimate expenses, including more than \$25 million to pay the expenses of EJ Global, a company formed by his wife related to her entertainment career, as well as spent millions of dollars of Girardi Keese funds on private jet travel, jewelry, luxury cars, and exclusive golf and social clubs.

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IRS Criminal Investigation and the FBI investigated this matter. The Office of the United States Trustee provided assistance.

Assistant United States Attorneys Scott Paetty of the Major Frauds Section and Ali Moghaddas of the Corporate and Securities Fraud Strike Force are prosecuting this case.

Contact

Ciaran McEvoy, Public Information Officer

ciaran.mcevoy@usdoj.gov

(213) 894-4465

The Murdaugh case isn't an indictment on the state's judicial system, July 19, 2022

By BEVERLY CARROLL, Chair of the South Carolina Bar Judicial Independence and Impartiality Committee

The Murdaugh case is hardly an "indictment on our state's judicial system" (as stated in a July 14 column in *The State*, *Island Packet* and *Beaufort Gazette*).

In fact, upon revelation of his misdeeds, Mr. Murdaugh was immediately suspended and now has been disbarred from the practice of law by the South Carolina Supreme Court. The Court's Order regarding this matter is publicly available at www.sccourts.org. Mr. Murdaugh is currently in jail facing numerous criminal charges and civil lawsuits, demonstrating the justice process at work. It is clear that the case is not "closed" on Mr. Murdaugh and others who participated in these alleged heinous acts.

We commend many who have worked towards justice, including law enforcement, attorneys on behalf of the wronged parties, journalists, the Office of Disciplinary Counsel (ODC) and the South Carolina Supreme Court, all of which worked incredibly hard to investigate and identify all those involved. Claims that there are gaping holes in "public accountability" are not supported by the facts.

The practice of law is a highly regulated profession; it provides an avenue for anyone to complain about any attorney or judge followed by a comprehensive, confidential investigation that is designed to ensure that those who are making accusations and those accused are provided due process. An in-depth investigation does take time, but without that level of scrutiny anyone could level a complaint that could unjustly ruin a career or perhaps even manipulate a case with removal of a judge that one deems as not the "right one." Each year, ODC publishes a report of complaints and actions taken involving judges and lawyers.

Unfortunately, there have been unscrupulous professionals in all walks of life who seek to take advantage of those they are supposed to serve. The practice of law is not immune. However, it is unfair to impute the conduct of an unethical professional to his or her entire profession. It is simply not accurate to state that the acts of Mr. Murdaugh somehow benefit judges or lawyer-legislators or are covered up by other attorneys. His actions and those that violate the oath to which each attorney swears, make us more determined to identify and punish those who use their license to do harm, take advantage and violate the trust placed in them.

There are approximately 14,000 active attorneys practicing in our state, and the vast majority go above and beyond to serve their clients and communities on a daily basis with the utmost dedication and integrity. They are the general rule in South Carolina, not the exception as headlines of the past year would have us believe. We write on behalf of Bar members who are proud to be South Carolina lawyers.

News Release, Monday, January 24, 2022

State Bar Announces Additional Investigation into Handling of Past Complaints Against Thomas Girardi

The State Bar of California's Board of Trustees announced today that it has been conducting an additional investigation into whether the State Bar's handling of past discipline complaints against former licensee Thomas V. Girardi was affected by Girardi's connections to or influence at the State Bar. The investigation is intended to identify actions by anyone with ties to the State Bar that may constitute malfeasance in how discipline complaints against Girardi were handled.

"The State Bar Board leadership and staff take very seriously the immense harm done by Thomas Girardi to innocent victims," said Ruben Duran, Board Chair. "We have been proactively doing everything in our power to learn from the past and do better in the future to prevent harms like this from recurring. This necessarily includes assessing whether intentional wrongdoing by anyone associated with the State Bar may have influenced how complaints against Girardi were handled. Details of the investigation, including details of past closed complaints and investigations, must remain confidential to comply with the law and to give this investigation the greatest chance of success. Mark our words: we will go wherever the evidence leads us."

The State Bar has retained the law firm of Halpern May Ybarra Gelberg LLP to conduct the investigation.

Today's news follows the State Bar Court of California issuing on January 10 its decision and order recommending that the California Supreme Court disbar Girardi. Girardi was charged with numerous violations of the State Bar Act and Rules of Professional Conduct in three separate matters, including several acts of moral turpitude. He did not file a response to the notice of disciplinary charges (NDC), and his default was entered on August 6, 2021.

The State Bar of California's mission is to protect the public and includes the primary functions of licensing, regulation and discipline of attorneys; the advancement of the ethical and competent practice of law; and support of efforts for greater access to, and inclusion in, the legal system.

Media Contact

Office of Communications | 213-765-1388 | barcomm@calbar.ca.gov

MEMORANDUM

TO: Board of Governors
FROM: South Carolina Bar Professional Responsibility Committee
DATE: September 11, 2024
RE: **Proposal for the creation of a Task Force to consider Mandatory Legal Malpractice Insurance**

Proposal:

For the South Carolina Bar to create a task force to explore whether legal malpractice insurance coverage should be a mandatory licensing requirement for lawyers in South Carolina representing private clients. This would exclude in-house government and private entity lawyers, nonprofit legal aid or public defense lawyers, judges, mediators and arbitrators, lawyers providing *pro bono* services through insurance organizations, and retired lawyers who continue to maintain their licenses. If the task force agrees, its Resolution and proposal would be submitted by the Board of Governors to the South Carolina Supreme Court for consideration and possible implementation.

The proposed task force should include legal professionals from a range of practice areas and law firm sizes, representatives from the South Carolina Department of Insurance, insurance brokers, and members of the public. Members of Committees from the South Carolina Bar, including the Lawyers Fund for Client Protection and the Professional Liability Committee, should be considered for participation in the task force.

Questions for the Taskforce:

1. What are the nature and consequences of uninsured lawyers in private practice in South Carolina?
 - a. What percentage of South Carolina lawyers in private practice do not carry professional liability insurance coverage?
 - b. Does the lack of insurance coverage pose a distinct risk to clients and the uninsured lawyers?
 - c. Do uninsured lawyers create an access-to-justice problem if their clients cannot pursue legitimate malpractice claims against them because plaintiffs' lawyers are unwilling or unable to afford to bring such actions against uninsured lawyers?
2. Do South Carolina lawyers' fiduciary duties to their clients support an obligation to obtain and maintain malpractice insurance?
3. If the task force determines legal malpractice insurance coverage should be required for South Carolina lawyers in private practice, *what is the minimum amount of coverage the lawyers should be required to obtain and maintain?*
4. If the task force determines legal malpractice insurance coverage should be required for South Carolina lawyers in private practice, *should the lawyers be required to obtain coverage through the private, competitive insurance market?*

5. If the task force determines legal malpractice insurance coverage should be required for South Carolina lawyers in private practice, *should a cooperative Professional Liability Fund be created to provide a single insurance pool administered and funded through an assessment on the participating lawyers, thereby providing universal lawyer access to insurance coverage?*
6. If the task force determines legal malpractice insurance coverage should be required for South Carolina lawyers in private practice, *should the categories of lawyers exempt from the coverage requirement include in-house government and private entity lawyers; nonprofit legal aid or public defense lawyer; judges; mediators and arbitrators; lawyers providing pro bono services through organizations that provide insurance; and retired lawyers who continue to maintain their licenses?*

Background:

Over the last 10+ years, the Professional Responsibility Committee has considered various alternatives to present a proposed Rule of Professional Responsibility to the Supreme Court, requiring lawyers to disclose to clients and prospective clients whether they had legal malpractice insurance coverage. Based on a wide range of countervailing arguments and the inability to obtain reliable survey information from members of the Bar, the project was abandoned.

Based on recent developments nationally and locally, including inquiries by members of the South Carolina legislature regarding mandatory insurance coverage for lawyers, the Professional Responsibility Committee began exploring the possibility of mandatory professional liability insurance coverage for lawyers.

Since 1977, Oregon has required lawyers to obtain professional liability insurance coverage as part of its licensing requirements. Lawyers licensed in Oregon, with offices in that state, must belong to the Oregon State Bar's Professional Liability Fund ("PLF"), paying a flat assessment (premium) of \$3,300 per year for coverage of \$300,000 per claim/\$300,000 aggregate, with optional excess coverage and no deductibles. Coverage also includes \$50,000 of expenses (principally costs of representation). The PLF is a shared risk pool with no underwriting of the individual participants and no coverage for law firms. The annual assessment is reduced for new lawyers in their first three years of practice. An advantage of Oregon's PLF approach is that all lawyers are covered, so no lawyer is in the position of being unable to obtain insurance. The PLF has high favorability ratings among Oregon lawyers and is a resource for lawyers facing problems.

Idaho recently adopted a similar provision, and the State of **Washington** recently considered adopting a similar provision, as did **Georgia**, **Nevada**, and **California**. The materials from Washington include a well-developed report on whether that state would require mandatory legal malpractice insurance coverage. One of the critical factors was the percentage of uninsured lawyers in Washington State, an important data point for consideration. Except for Oregon, all the states that have considered adopting mandatory legal malpractice insurance coverage have focused on proposing that the lawyers be required to obtain coverage through the private, competitive insurance market and not the state-managed model from Oregon.

All the states that have adopted or considered mandatory insurance coverage treated that question as a licensing requirement and not part of their respective Rules of Professional Conduct.

SURVEY OF LAWYERS' FUNDS FOR CLIENT PROTECTION

2017 - 2019



AMERICAN **BAR** ASSOCIATION

Center for Professional
Responsibility



Standing Committee on Public Protection in the Provision of Legal Services
The National Client Protection Organization, Inc.

Part VII. - Loss Prevention Programs

The following table represents reflects cumulative responses on the status of Loss Prevention Programs*:

*For information by jurisdiction see Appendix M

Program	Enacted	Rejected	Under Study	Submitted for comment/pending approval	Never Considered
Trust account overdraft notification	31	1	1	0	2
Trust account record keeping rules	29	0	0	0	5
Certification of compliance with recordkeeping rules	16	0	3	0	15
Random audits of trust accounts	10	2	6	0	15
Restitution as a disciplinary sanction	27	0	2	0	5
Insurance payee notification requirement	12	7	2	3	8
Mortgage payee notification requirement	0	0	0	0	30
Mandatory arbitration of fee disputes	6	9	2	0	15
Voluntary arbitration of fee disputes	23	1	0	0	10
Mediation for clientlawyer disputes	12	1	2	0	17
Mandatory legal malpractice insurance	6	13	3	0	10
Mandatory disclosure of lack of malpractice insurance	15	2	4	0	8
Written fee agreements	23	3	0	0	7

Part VIII. - Comments and Additional Information

What is the most common problem experienced by your Fund?

The following jurisdictions responded:

- Arizona** - Fee Disputes
- California** - Funding; High claims volume.
- Illinois** - Evaluating Fee claims; increase in conversion claims.
- Iowa** - Evaluating stale claims.
- Louisiana** - Securing a permanent funding source.
- Maine** - repeat offenders.
- Maryland** - Claimants filing without supporting documentation.
- Michigan** - Securing restitution; Lengthy disciplinary proceedings; Evaluating fee claims; Deceased attorneys discovered to be out of trust.
- New Jersey** - Fee disputes.
- Ohio** - Fee disputes.
- Oregon** - Theft of Personal Injury Settlements.
- Pennsylvania** - Evaluating Fee claims; Trust and Estate thefts by attorney/fiduciaries.
- Tennessee** - Large claim losses exceeding Fund caps.
- Texas** - Deceased attorneys discovered to be out of trust.
- Law Society of Newfoundland/Labrador** - Fees paid to lawyers suspended/disbarred before completing work.

Appendix G
Claim Limits/Caps

Section II. Fund Finances	Payment Cap Per Claimant	Current Cumulative Limit	Payment Cap Per Lawyer	Current Cumulative Limit
USA				
Alabama	Yes	\$75,000	Yes	\$200,000
Alaska	Yes	\$50,000	Yes	\$200,000
Arizona	Yes	\$100,000	Yes	\$250,000
Arkansas	Yes	\$100,000	No	N/A
California	Yes	\$100,000	No	N/A
Colorado	Yes	\$50,000	Yes	\$100,000
Connecticut	No	N/A	No	N/A
Delaware	No	N/A	No	N/A
Georgia	Yes	\$25,000	Yes	10% of the Fund's balance at the time the first claim was awarded against the attorney
Hawaii	Yes	\$100,000	Yes	\$300,000
Idaho	Yes	\$25,000	No	N/A
Illinois	Yes	\$100,000	Yes	\$1,000,000
Indiana	Yes	\$15,000	Yes	\$50,000
Iowa	Yes	\$100,000	Yes	\$300,000
Kansas	Yes	\$125,000	Yes	\$350,000
Louisiana	Yes	\$25,000	No	N/A
Maine	Yes	\$50,000	Yes	\$200,000
Maryland	No	N/A	Yes	5% of Fund balance for previous month
Massachusetts	No	N/A	No	N/A
Michigan	Yes	\$150,000	Yes	\$375,000
Minnesota	Yes	\$150,000	No	N/A
Mississippi	Yes	\$10,000	Yes	\$30,000
Nebraska	No	N/A	Yes	\$100,000
Nevada	Yes	\$50,000	No	N/A
New Hampshire	No	N/A	Yes	\$250,000
New Jersey	Yes	\$400,000	Yes	\$1.5 Million
New Mexico	Yes	\$50,000	No	N/A
New York	Yes	\$400,000	No	N/A
North Carolina	Yes	\$100,000	No	N/A
North Dakota	Yes	\$25,000	Yes	\$75,000
Ohio	Yes	\$75,000	No	N/A
Oklahoma	No	N/A	No	N/A
Oregon	Yes	\$50,000	No	N/A
Pennsylvania	Yes	\$100,000	Yes	\$1,000,000
Rhode Island	Yes	\$50,000	Yes	\$250,000
South Dakota	Yes	\$20,000	Yes	\$75,000
Tennessee	Yes	\$100,000	Yes	\$250,000

Appendix G
Claim Limits/Caps

Section II. Fund Finances	Payment Cap Per Claimant	Current Cumulative Limit	Payment Cap Per Lawyer	Current Cumulative Limit
USA				
Texas	Yes	\$40,000	No	N/A
Utah	Yes	\$20,000	Yes	\$75,000/year; \$425,000 lifetime
Virginia	Yes	\$75,000	Yes	15% of Fund balance at time of claim
Washington	Yes	\$150,000	No	N/A
West Virginia	Yes	\$20,000	Yes	\$40,000
Wisconsin	Yes	\$150,000	No	N/A
CANADA				
Alberta	No	N/A	Yes	\$5mill \$25m Profession wide limit
British Columbia	Yes	\$300,000 per claim	No	There is no limit per lawyer, although TPC has a profession wide annual aggregate limit of \$17.5 million
Newfoundland and Labrador	Yes	\$300,000	Yes	\$300,000
Northwest Territories	No	N/A	No	N/A
Manitoba	No	\$300,000 per individual claim (not claimant) \$10 Mil per year aggregate for all claims	Yes	\$10 mil aggregate

Appendix H
Consequential Damages Covered

Section II. Fund Finances	Reimburse Claimant for Consequential Damages Type of Reimburse
USA	
Alabama	No
Alaska	No
Arizona	No
Arkansas	No
California	No
Colorado	No
Connecticut	No
Delaware	Yes: Case by Case
Georgia	No
Hawaii	No
Idaho	No
Illinois	No
Indiana	No
Iowa	No
Kansas	No
Louisiana	No
Maine	No
Maryland	No
Massachusetts	No
Michigan	Yes: May reimburse legal fees under some situations. Ex: Fund requests Claimant to pursue forged instrument before claim is paid so that SOL does not expire
Minnesota	No
Mississippi	No
Nebraska	Yes; Determination of the loss is in the sole discretion of the Board
Nevada	No
New Hampshire	No
New Jersey	No
New Mexico	No
New York	No
North Carolina	No
North Dakota	No
Ohio	No
Oklahoma	No
Oregon	Yes
Pennsylvania	No
Rhode Island	No
South Dakota	No
Tennessee	No
Texas	No
Utah	No
Virginia	No

Appendix H
Consequential Damages Covered

Section II. Fund Finances	Reimburse Claimant for Consequential Damages Type of Reimburse
Washington	No
West Virginia	No
Wisconsin	No
CANADA	
Alberta	No
British Columbia	Yes: pre and post-judgment interest and costs
Newfoundland and Labrador	No
Northwest Territories	No
Manitoba	No

Appendix I
Payment upon Meeting Requirements

Section II. Fund Finances	Must Claims be Paid if They Meet Rule Requirements	Does Trustee Discretion Govern
USA		
Alabama	No	
Alaska		Yes
Arizona		Yes
Arkansas		Yes
California		Yes
Colorado	No	
Connecticut		Yes
Delaware		Yes
Georgia		Yes
Hawaii		Yes
Idaho	Yes	
Illinois		Yes
Indiana	Yes	
Iowa	No	
Kansas	Yes	
Louisiana		Yes
Maine		Yes
Maryland	Yes	
Massachusetts		Yes
Michigan		Yes
Minnesota		Yes
Mississippi		Yes
Nebraska	No	
Nevada		Yes
New Hampshire	Yes	
New Jersey		Yes
New Mexico		Yes
New York		Yes
North Carolina		Yes
North Dakota		Yes
Ohio		Yes
Oklahoma	No	
Oregon	No	Yes
Pennsylvania		
Rhode Island		Yes
South Dakota	No	
Tennessee		Yes
Texas		Yes
Utah		Yes
Virginia	No	
Washington		Yes

Appendix I
Payment upon Meeting Requirements

Section II. Fund Finances	Must Claims be Paid if They Meet Rule Requirements	Does Trustee Discretion Govern
West Virginia	No	
Wisconsin	Yes	Yes
CANADA		
Alberta	No	
British Columbia	Yes	
Newfoundland and Labrador	Yes	
Northwest Territories		Yes
Manitoba		Yes

Appendix M
Loss Prevention Rules

Section VII. Loss Prevention	Trust Account Overdraft Notification	Trust Account Record Keeping	Certification of Compliance with Record Keeping Rules	Random Audits
USA				
Alabama	Enacted	Enacted	Never Considered	Never Considered
Alaska	Enacted	Enacted	Never Considered	Never Considered
Arizona	Enacted	Enacted	Enacted	Enacted
Arkansas	Enacted	Never Considered	Never Considered	Never Considered
California	Enacted	Enacted	Under Study	Under Study
Colorado	Enacted	Enacted	Enacted	Never Considered
Connecticut	Enacted	Enacted	Enacted	Enacted
Delaware	Enacted	Enacted	Enacted	Enacted
Georgia	Enacted	Enacted	Never Considered	Never Considered
Idaho	Enacted	Enacted	Enacted	Enacted
Illinois	Enacted	Enacted	Under Study	Under Study
Iowa	Enacted	Enacted	Enacted	Enacted
Kansas	Enacted	Enacted	Never Considered	Enacted
Louisiana	Enacted	Enacted	Never Considered	Under Study
Maine	Enacted	Enacted	Enacted	Enacted
Massachusetts	Enacted	Enacted	Under Study	Never Considered
Michigan	Enacted	Never Considered	Never Considered	Never Considered
Minnesota	Enacted	Enacted	Enacted	Never Considered
Mississippi	Under Study	Enacted	Enacted	Under Study
Nebraska	Enacted	Enacted	Enacted	Enacted
Nevada	Enacted	Never Considered	Never Considered	Under Study
New Hampshire	Enacted	Enacted	Enacted	Enacted
New Jersey	Enacted	Enacted	Never Considered	Enacted
New Mexico	Enacted	Enacted	Enacted	Under Study
New York	Enacted	Enacted	Enacted	Rejected
North Dakota	Enacted	Under Study	Under Study	Under Study
Ohio	Enacted	Never Considered	Never Considered	Never Considered
Oregon	Enacted	Enacted	Never Considered	Never Considered
Pennsylvania	Enacted	Enacted	Enacted	Never Considered
South Dakota	Never Considered	Enacted	Enacted	Never Considered
Tennessee	Enacted	Enacted	Never Considered	Never Considered
Texas	Rejected	Rejected	Rejected	Rejected
Utah	Enacted	Enacted	Never Considered	Never Considered
Virginia	Enacted	Enacted	Never Considered	Rejected
Washington	Enacted	Enacted	Enacted	Enacted
West Virginia	Enacted	Enacted	Enacted	Under Study
Wisconsin	Enacted	Enacted	Enacted	Never Considered

Appendix M
Loss Prevention Rules

Section VII. Loss Prevention	Trust Account Overdraft Notification	Trust Account Record Keeping	Certification of Compliance with Record Keeping Rules	Random Audits
Canada				
Alberta	Never Considered	Enacted	Enacted	Enacted
British Columbia	Enacted	Enacted	Enacted	Enacted
Newfoundland and Labrador	Enacted	Enacted	Never Considered	Enacted
Northwest Territories	Enacted	Enacted	Enacted	Enacted

Appendix M
Loss Prevention Rules

Section VII. Loss Prevention	Restitution as a Disciplinary Sanction	Insurance Payee Notification	Mortgage payee Notification	Mandatory Arbitration of Fee Disputes
USA				
Alabama	Enacted	Never Considered	Never Considered	Never Considered
Alaska	Enacted	Never Considered	Never Considered	Enacted
Arizona	Enacted	Rejected	Never Considered	Never Considered
Arkansas	Enacted	Enacted	Never Considered	Never Considered
California	Enacted	Enacted	Never Considered	Enacted
Colorado	Enacted	Under Study	Never Considered	Never Considered
Connecticut	Enacted	Enacted	Never Considered	Never Considered
Delaware	Enacted	Enacted	Never Considered	Never Considered
Georgia	Enacted	Enacted	Never Considered	Rejected
Idaho	Enacted	Never Considered	Never Considered	Rejected
Illinois	Enacted	Pending Approval	Never Considered	Never Considered
Iowa	Never Considered	Never Considered	Never Considered	Rejected
Kansas	Enacted	Rejected	Never Considered	Never Considered
Louisiana	Enacted	Under Study	Never Considered	Rejected
Maine	Enacted	Enacted	Never Considered	Enacted
Massachusetts	Under Study	Enacted	Never Considered	Under Study
Michigan	Enacted	Pending Approval	Never Considered	Rejected
Minnesota	Never Considered	Never Considered	Never Considered	Never Considered
Mississippi	Never Considered	Never Considered	Never Considered	Never Considered
Nebraska	Enacted	Never Considered	Never Considered	Rejected
Nevada	Enacted	Enacted	Never Considered	Rejected
New Hampshire	Enacted	Rejected	Rejected	Rejected
New Jersey	Enacted	Enacted	Never Considered	Enacted
New Mexico	Enacted	Rejected	Never Considered	Under Study
New York	Enacted	Enacted	Never Considered	Enacted
North Dakota	Enacted	Never Considered	Never Considered	Never Considered
Ohio	Enacted	Rejected	Never Considered	Enacted
Oregon	Enacted	Enacted	Never Considered	Never Considered
Pennsylvania	Enacted	Enacted	Never Considered	Never Considered
Tennessee	Enacted	Never Considered	Never Considered	Never Considered
Texas	Enacted	Rejected	Never Considered	Never Considered
Utah	Enacted	Never Considered	Never Considered	Rejected
Virginia	Under Study	Enacted	Never Considered	Rejected
Washington	Enacted	Never Considered	Never Considered	Never Considered
West Virginia	Enacted	Under Study	Under Study	Under Study
Wisconsin	Enacted	Under Study	Never Considered	Rejected
CANADA				
Alberta	Enacted	Enacted	Never Considered	Never Considered
British Columbia	Never Considered	Rejected	Never Considered	Never Considered

Appendix M
Loss Prevention Rules

Section VII. Loss Prevention	Restitution as a Disciplinary Sanction	Insurance Payee Notification	Mortgage payee Notification	Mandatory Arbitration Fee Disputes
Newfoundland and Labrador	Enacted	Enacted	Never Considered	Never Considered
Northwest Territories	Never Considered	Never Considered	Never Considered	Never Considered

Appendix M
Loss Prevention Rules

Section VII. Loss Prevention	Voluntary Arbitration of Fee Disputes	Mediation of Client- Lawyer Disputes	Mandatory Legal Malpractice Insurance	Disclosure of Lack of Malpractice Insurance
USA				
Alabama	Never Considered	Never Considered	Never Considered	Never Considered
Alaska	Never Considered	Enacted	Rejected	Enacted
Arizona	Enacted	Never Considered	Rejected	Enacted
Arkansas	Never Considered	Never Considered	Rejected	Never Considered
California	Enacted	Under Study	Rejected	Enacted
Colorado	Enacted	Never Considered	Under Study	Enacted
Connecticut	Enacted	Never Considered	Rejected	Rejected
Delaware	Enacted	Enacted	Never Considered	Enacted
Georgia	Enacted	Never Considered	Under Study	Under Study
Idaho	Enacted	Enacted	Enacted	Rejected
Illinois	Never Considered	Never Considered	Never Considered	Enacted
Iowa	Enacted	Under Study	Never Considered	Never Considered
Kansas	Never Considered	Never Considered	Rejected	Enacted
Louisiana	Enacted	Enacted	Never Considered	Under Study
Maine	Enacted	Never Considered	Rejected	Enacted
Massachusetts	Enacted	Never Considered	Rejected	Enacted
Michigan	Enacted	Rejected	Rejected	Enacted
Minnesota	Enacted	Enacted	Never Considered	Never Considered
Mississippi	Enacted	Never Considered	Never Considered	Never Considered
Nebraska	Enacted	Never Considered	Rejected	Enacted
Nevada	Enacted	Enacted	Rejected	Enacted
New Hampshire	Enacted	Enacted	Rejected	Enacted
New Jersey	Rejected	Never Considered	Under Study	Under Study
New Mexico	Enacted	Enacted	Rejected	Enacted
New York	Enacted	Enacted	Never Considered	Under Study
North Dakota	Under Study	Under Study	Under Study	Under Study
Ohio	Enacted	Never Considered	Never Considered	Enacted
Oregon	Enacted	Enacted	Enacted	Rejected
Pennsylvania	Enacted	Never Considered	Rejected	Enacted
Tennessee	Rejected	Enacted	Never Considered	Never Considered
Texas	Enacted	Never Considered	Never Considered	Never Considered
Utah	Enacted	Enacted	Rejected	Rejected
Virginia	Enacted	Never Considered	Rejected	Enacted
Washington	Rejected	Rejected	Under Study	Enacted
West Virginia	Enacted	Enacted	Rejected	Enacted
Wisconsin	Enacted	Enacted	Rejected	Never Considered

Appendix M
Loss Prevention Rules

Section VII. Loss Prevention	Voluntary Arbitration of Fee Disputes	Mediation of Client- Lawyer Disputes	Mandatory Legal Malpractice Insurance	Disclosure of Lack of Malpractice Insurance
CANADA				
Alberta	Never Considered	Never Considered	Enacted	Never Considered
British Columbia	Enacted	Enacted	Enacted	Never Considered
Newfoundland and Labrador	Never Considered	Never Considered	Enacted	Never Considered
Northwest Territories	Never Considered	Never Considered	Enacted	Never Considered

Appendix M
Loss Prevention Rules

Section VII. Loss Prevention	Written Fee Agreements	If Limited to Certain Matters Please Explain	Specify Others
USA			
Alabama	Enacted	N/A	Never Considered
Alaska	Enacted		
Arizona	Enacted	N/A	Never Considered
Arkansas	Enacted	Contingent Fee Agreements must be in writing	Never Considered
California	Enacted	Contingency fee cases/retainer over \$1000	Never Considered
Colorado	Never Considered	N/A	Never Considered
Connecticut	Enacted	N/A	Never Considered
Delaware	Enacted	N/A	Never Considered
Georgia	Enacted	N/A	Never Considered
Idaho	Rejected	N/A	
Illinois	Enacted	N/A	Never Considered
Iowa	Enacted	Contingent fee agreements	Under Study
Kansas	Never Considered		
Louisiana	Rejected	N/A	Never Considered
Maine	Enacted	N/A	Never Considered
Massachusetts	Enacted	N/A	Never Considered
Michigan	Enacted	N/A	Never Considered
Minnesota	Enacted		
Mississippi	Never Considered	N/A	Never Considered
Nebraska	Enacted	For contingency fee cases	Never Considered
Nevada	Never Considered	N/A	
New Hampshire	Enacted	Limited to contingent fee cases	
New Mexico	Enacted	N/A	
New Jersey	Enacted	Matrimonial, divorce	
New York	Enacted	N/A	
North Dakota	Under Study	N/A	
Ohio	Enacted	Contingent fee agreements only	
Oregon	Rejected	Contingent fee, non-traditional fee agreements, fees earned upon receipt	
Pennsylvania	Enacted	N/A	
Tennessee	Never Considered		
Texas	Enacted	N/A	
Utah	Enacted	Contingent Fee Cases	
Virginia	Enacted	N/A	
Washington	Enacted	Contingent fees only	
West Virginia	Enacted	N/A	
Wisconsin	Enacted	N/A	

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Loss Prevention Rules

Section VII. Loss Prevention	Written Fee Agreements	If Limited to Certain Matters Please Explain	Specify Others
Alberta	Enacted	Never Considered	Never Considered
British Columbia	Enacted	Contingency Only	Never Considered
Newfoundland and Labrador	Enacted		
Northwest Territories	Never Considered		