

SUPREME COURT OF WISCONSIN

NOTICE

This order is subject to further editing and modification. The final version will appear in the bound volume of the official reports.

No. 10-10

**In the matter of amendment of Supreme Court
Rule 12.07 Relating to Assessment of Attorneys
for the Wisconsin Lawyers' Fund for Client
Protection.**

FILED**APR 29, 2011**

A. John Voelker
Acting Clerk of
Supreme Court
Madison, WI

On December 17, 2010, the Wisconsin Lawyers' Fund for Client Protection ("the Fund") petitioned this court to amend Supreme Court Rule (SCR) 12.07 relating to the assessment of attorneys for operation of the Fund. The Fund was created by this court in 1981, and is designed to provide reimbursement to clients who have incurred financial losses due to the dishonest conduct of their attorneys. Members of the State Bar of Wisconsin are assessed annual fees to finance the Fund. The Fund is recommending that SCR 12.07 be amended to provide for an annual assessment of \$20 beginning with the dues statement for Fiscal Year 2013 (July 1, 2012 - June 30, 2013). The amendment is intended to provide a more reliable and predictable source of income for payment of eligible claims. The proposed amendment provides that the court will review SCR 12.07 every five years to evaluate whether the assessment and reserve fund are appropriate to meet the legitimate claims of clients. A public

hearing on the petition was conducted on April 11, 2011. At the ensuing open administrative conference the court discussed the matter and voted unanimously to grant the petition with minor clarifications. Therefore,

IT IS ORDERED that, effective January 1, 2012, the Supreme Court Rules are amended as follows:

SECTION 1. 12.07 (title) of the Supreme Court Rules is amended as follows:

12.07 **Assessment of attorneys; reserve; enforcement.**

SECTION 2. 12.07 (2) (title) of the Supreme Court Rules is created to read:

12.07 (2) ANNUAL ASSESSMENTS; RESERVE.

SECTION 3. 12.07 (2) of the Supreme Court Rules is renumbered 12.07 (2) (a) and amended to read:

12.07 (2) (a) *Annual Assessments.* Commencing with the state bar's ~~July 1, 1982~~ 2013 fiscal year, every attorney shall pay to the fund ~~such an~~ an annual assessment ~~as is necessary to maintain a balance in the fund of \$250,000, but in no event shall any annual assessment exceed \$25.~~ 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.

SECTION 4. 12.07 (2) (b) of the Supreme Court Rules is created to read:

12.07 (2) (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.

SECTION 5. 12.07 (3) of the Supreme Court Rules is repealed and recreated as follows:

12.07 (3) SUFFICIENCY; REPORT. (a) *Sufficiency of the fund.* The committee shall determine the net value of the fund as of May 1 of each year. The committee shall determine the net value of the fund, including the reserve, after deducting all claims which the committee has determined to pay and which are not disposed of at the date of valuation, deferred claims, claims received but not yet considered by the committee, and all expenses properly chargeable against the fund.

(b) *Report.* The committee shall file a report of the net value of the fund with the supreme court by May 31 of each year.

SECTION 6. 12.07 (5) of the Supreme Court Rules is created to read:

12.07 (5) PERIODIC REVIEW. The supreme court shall review SCR 12.07 every five years to determine if the assessment and reserve fund is adequate to timely meet the legitimate claims of clients.

IT IS FURTHER ORDERED that notice of the amendments to Supreme Court Rule 12.07 be given by a single publication of a copy of this order in the official state newspaper and in an official publication of the State Bar of Wisconsin.

Dated at Madison, Wisconsin, this 29th day of April, 2011.

BY THE COURT:

A. John Voelker
Acting Clerk of Supreme Court

