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For immediate release: April 19, 2024

Lawyers' Fund for Client Protection Awards Almost \$400,000 in 25 Claims

Misappropriated estate proceeds dominated claims paid by the trustees of the New Jersey Lawyers' Fund for Client Protection during the first quarter of 2024, accounting for more than \$280,000 of the nearly \$400,000 awarded in 25 claims against 12 New Jersey attorneys.

Between January and March 2024, the trustees returned \$395,751.83, including \$234,827.81 paid to the Estate of Dorothy Bellinger. The Fund's investigation concluded that attorney Neil Brunson had stolen multiple insurance settlements instead of properly disbursing the money to satisfy an outstanding mortgage and fulfill bequests to Ms. Bellinger's beneficiaries. An additional \$49,938.42 was returned to the Estate of Margaret Bartosiewicz after attorney Peter Jonathan Cresci failed to add the proceeds from liquidated stocks to the estate's account. The Fund ultimately will file suit against the respondents and any other culpable parties to recover the amounts paid in both claims.

Just one-half of one percent of the state's lawyers ever become the subjects of approved claims before the Fund. The Fund's trustees, who are appointed by the Supreme Court of New Jersey, use funds contributed annually by New Jersey's attorneys to reimburse victimized clients. No tax dollars are used in support of either claim awards or the Fund's administration.

Other awards made between January and March 2024 arose from the theft of deposit funds in real estate, the theft of settlement funds in personal injury matters, and cases in which lawyers were paid a fee but failed to perform any of the services for which they were paid.

The Fund was created by the New Jersey State Bar Association in 1961 and, at the Bar's request, was expanded by the Supreme Court in 1969 to cover all New Jersey attorneys. There are 99,691 lawyers admitted to practice in New Jersey. In its 55-year history, the Fund has paid 4,901 claims against 898 New Jersey attorneys in a total amount of \$98,503,910.91. The Fund requires repayment by respondents as well as other culpable parties and to date has recovered \$26,520,113.18.

Court Rule 1:28 defines the Fund's jurisdiction. A claimant can receive up to \$400,000 if the claim is approved, and the Fund can pay up to \$1.5 million in claims against any one lawyer, although the Supreme Court can allow the Fund to exceed the \$1.5 million aggregate limit. For a claim to be compensable, it must be filed against a member of the New Jersey bar who was acting as an attorney or fiduciary at the time of the alleged incident. Unless deceased, the attorney must have been disbarred or suspended from the bar or convicted of embezzlement or other misappropriation of property. Cases involving legal malpractice, negligence or fee disputes are not compensable by the Fund.

Claim forms can be found online at https://www.njcourts.gov/public/get-help/lfcp or by writing to the New Jersey Lawyers' Fund for Client Protection, Richard J. Hughes Justice Complex, P.O. Box 961, Trenton, NJ 08625, or by calling 855-533-FUND (3863). There is no filing fee and claimants assisted in their claims by practicing attorneys receive this assistance free of charge. The Fund welcomes inquiries about its mission and procedures.

Attached is the <u>first quarter 2024 list of claims paid</u> with the status of each respondent attorney under the Supreme Court disciplinary system.