INDIANA STATE BAR ASSOCIATION
RESOLUTION OF THE HOUSE OF DELEGATES

Adopted ____________

In September 1961, the Indiana State Bar Association (the "ISBA") created the Client Financial Assistance Fund (the "Fund") to reimburse members of the public who have suffered a monetary loss as the result of their attorney's dishonest acts and to thereby improve public goodwill toward the legal profession by promoting public confidence in the integrity, trustworthiness, and professionalism of Indiana attorneys. This effort followed a national trend and a recommendation by the American Bar Association.

Since the Fund's inception, the ISBA allocates $2.00 from each attorney member's annual dues for the Fund. The ISBA administers the Fund as part of its operating budget, preserving the Fund for claim payments to harmed clients. Today these dues combine with investment income to generate around $25,000 revenue for the Fund each year. In recent years, annual claim payments have totaled between $22,000 and $45,000 in years in which claims are paid. The typical claim payment pays a client a fraction of the client's loss caused by attorney misconduct.

A committee of ISBA members who volunteer their time to review applications, investigate claims, and oversee claim payments manages the Fund. ISBA staff review and screen each claim and provide additional administrative support to the committee.

The ISBA is the only voluntary bar association in the United States that administers a program like the Fund. All other U.S. jurisdictions fund similar programs through mandatory fees connected to attorney licensure. In most jurisdictions, the judiciary or other state regulatory authority oversees the equivalent program.

Starting in 2023, the ISBA Board of Governors ("Board") and staff evaluated the Fund's effectiveness and sustainability. In December 2023 staff recommended discontinuing the Fund, after which the Board appointed a task force to study whether to continue the Fund. In July 2024 the Board narrowed eligibility of claims to clients of ISBA members. At its meeting on October 9, 2025, the Board voted to recommend the House of Delegates approve sunsetting the Fund.

The House of DelegatesIndiana State Bar Association therefore resolves as follows:

1. The Client Financial Assistance Fund is hereby eliminated as an active program of the ISBA, effective as of the date of this resolution's adoption;

2. The ISBA Executive Director shall cause any claim received by the ISBA that has not been acted on by the ISBA to be returned to the person who submitted the claim with a written explanation that the ISBA has discontinued the Fund and that the ISBA is no longer accepting new claims;

3. The Clients' Financial Assistance Fund Committee shall oversee the payment of any claims approved before the adoption of this resolution;

4. The confidentiality of all claimants, respondent attorneys, and other individuals involved in Fund matters will be maintained to the same or greater extent required by the Fund's rules and procedures;

5. The Board is hereby authorized and directed to allocate amounts remaining in the Fund after payment of all pending claims and other Fund-related expenses to programs, funds, or initiatives that advance the following:

   - protect members of the public from financial or other significant harm caused by attorney misconduct or impairment;
   - address attorney substance abuse, mental-health conditions, and other root causes of attorney misconduct;
   - expand access to legal services and the justice system for unrepresented, underserved, or vulnerable members of the public;
   - improve public goodwill toward the legal profession; and
   - promote public confidence in the integrity, trustworthiness, and professionalism of Indiana attorneys

6. In deciding allocation under this resolution, the Board shall consider the following:

   - anticipated impact on public protection, public confidence, and professional responsibility;
   - administrative capacity of the recipient organization;
   - sustainability of benefits beyond the one-time infusion of funds; and
   - legal, regulatory, or tax considerations associated with the use of funds

7. The Board shall report to the next regular meeting of the House of Delegates the following:

   - a final accounting of the Fund showing its total assets, approved payments, total transferred, and any fees or costs incurred as part of winding down the Fund;
   - an explanation for all allocations from the Fund carrying out this resolution

8. The Board shall require any recipient of allocated amounts from the Fund to verify its use as contemplated when approved by the Board;

9. The Board is hereby authorized to review the effectiveness of allocations and, if warranted, to take further action, modify allocations, and other corrective measures consistent with its fiduciary obligations; and

10. The ISBA hereby expresses its gratitude to all volunteers who contributed to the Fund's administration during its existence.