

THE SUPREME COURT OF WASHINGTON

IN THE MATTER OF THE SUGGESTED
AMENDMENTS TO APR 15P—CLIENT
PROTECTION FUND PROCEDURAL
REGULATIONS

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ORDER

NO. 25700-A-1659

The Washington State Bar Association, having recommended the suggested amendments to APR 15P—Client Protection Fund Procedural Regulations, and the Court having approved the suggested amendments for publication;

Now, therefore, it is hereby

ORDERED:

(a) That pursuant to the provisions of GR 9(g), the suggested amendments as attached hereto are to be published for comment in the Washington Reports, Washington Register, Washington State Bar Association and Administrative Office of the Court's websites in January 2026.

(b) The purpose statement as required by GR 9(e) is published solely for the information of the Bench, Bar and other interested parties.

(c) Comments are to be submitted to the Clerk of the Supreme Court by either U.S. Mail or Internet E-Mail by no later than April 30, 2026. Comments may be sent to the following addresses: P.O. Box 40929, Olympia, Washington 98504-0929, or supreme@courts.wa.gov. Comments submitted by e-mail message must be limited to 1500 words.

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ORDER

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PROTECTION FUND PROCEDURAL REGULATIONS

DATED at Olympia, Washington this 8th day of October, 2025.

For the Court


CHIEF JUSTICE

GR 9 COVER SHEET

Suggested Amendments
ADMISSION AND PRACTICE RULES
APR 15P, Client Protection Fund (APR 15) Procedural Regulations
Regulation 9. Limitations on Reimbursement

A. Name of Proponent:

Washington State Bar Association

B. Spokesperson:

Sunitha Anjilvel, WSBA President

Terra Nevitt, WSBA Executive Director

Efrem Krisher, Chair of the Client Protection Board

WSBA Staff Contact:

Nicole Gustine, Assistant General Counsel

Washington State Bar Association

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Seattle, WA 98101-2539 (Phone: 206-727-8237)

C. Purpose:

Pursuant to court rule, the Washington State Bar Association (WSBA) maintains and administers a Client Protection Fund for the purpose of relieving or mitigation pecuniary losses sustained by a person due to dishonest conduct by a lawyer, LLLT, or LPO licensed by WSBA. The Client Protection Fund is funded through an annual assessment to all active lawyers, and LLLTs, of the Bar. The assessment was \$20 in 2025. Funds distributed out of the Client Protection Fund are considered gifts. Currently, Regulation 9(b) of APR 15P limits the total gift amount to no more than \$150,000.

WSBA and the Client Protection Board recommend amending Regulation 9(b), to raise the maximum gift amount from \$150,000 to \$250,000. The maximum allowable gift amount has not been modified since 2017, when it was set at \$150,000, and prior to that had been \$75,000 since 2004. The Fund regularly receives applications from injured clients who, through no fault of their own, have suffered losses over the current \$150,000 limit. Historical data show that between 2017 and 2024, six applicants claimed a loss exceeding \$150,000 which would have otherwise been paid. The gifts to these injured clients fell short of the amount needed to make them financially whole by more than \$700,000. An increase to the gift limit aligns with the purpose of the Fund, which is to relieve or mitigate pecuniary loss to any person because of a legal professional's dishonest taking. Further, this change promotes public confidence in the administration of justice and the integrity of the legal profession.

Increasing the maximum gift amount to \$250,000 will not adversely impact the health of the fund. Despite the increases in 2004 and 2017 to the gift limit, the Fund's financial condition has remained strong through revenue from assessments, restitution, and interest income. In addition, because APR 15P, Regulations 9(c) and (d) give the Trustees (WSBA's Board of Governors) authority to prorate gifts at the end of the fiscal year, the Fund is protected in the event of excessive applications, assuring that the Fund's balance remains adequate to pay eligible claims. Taking into consideration the healthy balance of the Fund and any potential for increasing gift demand, the Client Protection Board voted 8 to 2 to recommend to the Washington Supreme Court that the assessment remain at \$20 for the 2026 licensing year. This recommendation was then approved by the WSBA's Board of Governors at its May meeting.

The Client Protection Board also recommends amending APR 15P, Regulation 9(c) and (d), raising the initial payment amount from \$5,000 to \$10,000. This amount was last set by rule change effective September 1, 2017. This change will increase administrative efficiency and ease the accounting burdens of the Fund by allowing amounts of \$10,000 or less to be processed at one time. Gift recipient satisfaction will increase as they will receive a more substantial initial payment, or potentially payment in full, earlier in the process. This will save time and resources for WSBA staff processing the gift payments.

D. Hearing: A hearing is not requested.

E. Expedited Consideration: Expedited consideration is not requested.

F. Supporting Material: None

**SUGGESTED AMENDMENTS TO THE ADMISSION AND PRACTICE RULES
RULE 15P, CLIENT PROTECTION FUND (APR 15) PROCEDURAL REGULATIONS,
REGULATION 9**

APR 15P, CLIENT PROTECTION FUND (APR 15) PROCEDURAL REGULATIONS

REGULATIONS 1–8 [Unchanged]

REGULATION 9. LIMITATIONS ON REIMBURSEMENT

(a) The Trustees may, at their discretion, set limitations on the amount of reimbursement.

(b) The maximum allowable amount of a gift is ~~\$150,000~~250,000. There is no limit on the number of gifts that can be made to reimburse clients for the wrongful acts of any one lawyer, LLLT, or LPO.

(c) Applications approved for ~~\$5,000~~10,000 or less shall be paid in full upon approval by the Client Protection Board (and the Trustees, if required under these Rules and Regulations).

Applications approved for more than ~~\$5,000~~10,000 shall be paid ~~\$5,000~~10,000 upon approval by the Client Protection Board (and the Trustees, if required under these Rules and Regulations); payment of the remaining balance approved shall be deferred until fiscal year end and shall be subject to any proration which may be approved by the Trustees.

(d) At the last meeting of the Trustees for each fiscal year, the Client Protection Board shall report the total outstanding balance on approved gifts and shall recommend whether the outstanding balance should be paid in full or prorated. When approved gifts are prorated, the prorated payment shall reflect the total amount of the gift, less the initial ~~\$5,000~~10,000 payment made upon approval by the Client Protection Board. By way of illustration:

Example 1: The application is for an amount in excess of ~~\$150,000~~250,000. The Client Protection Board recommends and the Board of Governors, as Trustees, approves a gift in the maximum allowable amount of ~~\$150,000~~250,000. ~~\$5,000~~10,000 is paid upon approval by the Trustees. At fiscal year end, the Client Protection Board recommends and the Board of Governors, as Trustees, approves using a prorating formula that would result in applicants

**SUGGESTED AMENDMENTS TO THE ADMISSION AND PRACTICE RULES
RULE 15P, CLIENT PROTECTION FUND (APR 15) PROCEDURAL REGULATIONS,
REGULATION 9**

1 receiving 20% of their unpaid gifts. 20% of ~~\$145,000~~240,000 is ~~\$29,000~~48,000, so a second
2 payment of ~~\$29,000~~48,000 is issued to the applicant.

3 Example 2: In the same fiscal year another applicant applies for and receives a gift in the amount
4 of ~~\$7,500~~15,000. ~~\$5,000~~10,000 is paid upon approval. At fiscal year's end, a second payment
5 is issued for ~~\$500~~1,000.