



THE STATE BAR OF CALIFORNIA

180 HOWARD STREET, SAN FRANCISCO, CALIFORNIA 94105-1639

FINANCE

TEL (415) 538-2200

MEMORANDUM

DATE: April 29, 2008
TO: Board of Governors
FROM: Peggy Van Horn, Chief Financial Officer
SUBJECT: Status of Claims Activities – Client Security Fund
Through the Quarter Ended March 31, 2008

A series of reports are generated to report claims activity within the Client Security Fund each quarter. These reports include:

- Claims Activity for the quarter ended March 31, 2008
- Claims Aging Report
- Cumulative Claims Aging Report
- 24 Month Rolling Average of Claims Paid
- Analysis of New Claims Paid, Rejected or Withdrawn

Through the end of March, 211 new claims in the amount of \$2.4 million were filed. By comparison, 246 claims in the amount of \$2.8 million were filed through the first quarter of 2007. Based on the current claims payout ratio of 43.42%, the estimated outstanding claims liability is approximately \$5.8 million. Total cash and investments available to address this liability at the end of March are \$7.9 million as compared to \$7.6 million as of the first quarter of 2007.

THE STATE BAR OF CALIFORNIA
CLIENT SECURITY FUND
STATUS ON CLAIMS ACTIVITIES

For 1st Quarter 2008

CURRENT QUARTER'S ACTIVITIES

	\$1 - 2500		\$2,501 - 5,000		\$5,001 - 10,000		\$10,001 - 25,000		\$25,001 - 49,999		\$50,000		TOTAL	
	#	Amount	#	Amount	#	Amount	#	Amount	#	Amount	#	Amount	#	Amount
New Claims	57	\$84,969.43	53	\$218,660.97	42	\$342,238.00	31	\$504,226.82	13	\$486,645.84	15	\$750,000.00	211	\$2,386,741.06
Paid Claims	(15)	(\$9,867.50)	(10)	(\$25,693.35)	(5)	(\$18,883.27)	(7)	(\$100,286.14)	0	\$0.00	(4)	(\$171,810.43)	(41)	(\$326,540.69)
Rejected Claims	0	(1,100.00)	(1)	(4,000.00)	0	(\$13,141.73)	(1)	(36,409.42)	0	0.00	0	(28,189.57)	(2)	(\$82,840.72)
Withdrawn Claims	(7)	<u>(\$17,770.00)</u>	(4)	<u>(\$32,046.65)</u>	(5)	<u>(\$49,025.00)</u>	(6)	<u>(\$115,248.19)</u>	(1)	<u>(35,000.00)</u>	(3)	<u>(150,000.00)</u>	(26)	<u>(\$399,089.84)</u>
Net change for the month	35	<u>\$56,231.93</u>	38	<u>\$156,920.97</u>	32	<u>\$261,188.00</u>	17	<u>\$252,283.07</u>	12	<u>\$451,645.84</u>	8	<u>\$400,000.00</u>	142	<u>\$1,578,269.81</u>
New Claims % to total	27.01%	3.56%	25.12%	9.16%	19.91%	14.34%	14.69%	21.13%	6.16%	20.39%	7.11%	31.42%	100.00%	100.00%

THE STATE BAR OF CALIFORNIA
CLIENT SECURITY FUND
STATUS ON CLAIMS ACTIVITIES

March 31, 2008

YEAR TO DATE ACTIVITIES

	\$1 - 2500		\$2,501 - 5,000		\$5,001 - 10,000		\$10,001 - 25,000		\$25,001 - 49,999		\$50,000		TOTAL	
	#	Amount	#	Amount	#	Amount	#	Amount	#	Amount	#	Amount	#	Amount
Prior Years' Claims	218	326,498.90	153	618,150.72	126	1,020,056.85	113	1,996,721.82	56	1,848,927.36	121	6,050,000.00	787	11,860,355.65
New Claims '08	57	\$84,969.43	53	\$218,660.97	42	\$342,238.00	31	\$504,226.82	13	\$486,645.84	15	\$750,000.00	211	2,386,741.06
Claims Paid '08	(15)	(\$9,867.50)	(10)	(\$25,693.35)	(5)	(\$18,883.27)	(7)	(\$100,286.14)	0	\$0.00	(4)	(\$171,810.43)	(41)	(326,540.69)
Rejected Claims '08	0	(1,100.00)	(1)	(4,000.00)	0	(\$13,141.73)	(1)	(36,409.42)	0	0.00	0	(28,189.57)	(2)	(82,840.72)
Withdrawn Claims '08	(7)	(\$17,770.00)	(4)	(\$32,046.65)	(5)	(\$49,025.00)	(6)	(115,248.19)	(1)	(35,000.00)	(3)	(150,000.00)	(26)	(399,089.84)
Claims Outstanding	253	<u>382,730.83</u>	191	<u>775,071.69</u>	158	<u>1,281,244.85</u>	130	<u>2,249,004.89</u>	68	<u>2,300,573.20</u>	129	<u>6,450,000.00</u>	929	<u>13,438,625.46</u>
New claims % to total	27.01%	3.56%	25.12%	9.16%	19.91%	14.34%	14.69%	21.13%	6.16%	20.39%	7.11%	31.42%	100.00%	100.00%
Claims paid % to total	36.59%	3.02%	24.39%	7.87%	12.20%	5.78%	17.07%	30.71%	0.00%	0.00%	9.76%	52.62%	100.00%	100.00%
Claims rejected or withdrawn % to total	25.00%	3.92%	17.86%	7.48%	17.86%	12.90%	25.00%	31.47%	3.57%	7.26%	10.71%	36.97%	100.00%	100.00%
Claims outstanding % to total	27.23%	2.85%	20.56%	5.77%	17.01%	9.53%	13.99%	16.74%	7.32%	17.12%	13.89%	48.00%	100.00%	100.00%

**THE STATE BAR OF CALIFORNIA
CLIENT SECURITY FUND
CLAIMS AGING REPORT**

As of March 31, 2008

(By Year)

Year Claim Filed	Gross Claims Prior Year		Current Year		Claims Paid		Claims Rejected or Withdrawn		Total Claims Processed		Claims Outstanding	
	#	AMOUNT	#	AMOUNT	#	AMOUNT	#	AMOUNT	#	AMOUNT	#	AMOUNT
2000	3	10,150.00			0	15,750.00	0	(15,750.00)	0	0.00	3	10,150.00
2001	8	18,002.00			0	0.00	0	0.00	0	0.00	8	18,002.00
2002	13	172,789.74			0	0.00	0	0.00	0	0.00	13	172,789.74
2003	20	302,079.67			(1)	(4,000.00)	0	0.00	(1)	(4,000.00)	19	298,079.67
2004	17	465,056.44			0	0.00	0	0.00	0	0.00	17	465,056.44
2005	62	1,083,107.92			(1)	(630.00)	(2)	(66,530.00)	(3)	(67,160.00)	59	1,015,947.92
2006	154	2,093,215.89			(5)	(5,061.62)	(5)	(53,506.36)	(10)	(58,567.98)	144	2,034,647.91
2007	510	7,715,953.99			(33)	(310,788.64)	(11)	(248,154.63)	(44)	(558,943.27)	466	7,157,010.72
2008			211	2,386,741.06	(1)	(21,810.43)	(10)	(97,989.57)	(11)	(119,800.00)	200	2,266,941.06
TOTAL	787	11,860,355.65	211	2,386,741.06	(41)	(326,540.69)	(28)	(481,930.56)	(69)	(808,471.25)	929	13,438,625.46

Average		\$15,070		\$11,312		\$7,964		\$17,212		\$11,717		\$14,466
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Estimated Claim Payout Ratio:	43.42%
Estimated Claim Liability:	\$5,835,051

THE STATE BAR OF CALIFORNIA
CLIENT SECURITY FUND
CUMULATIVE CLAIMS AGING REPORT

As of March 31, 2008

(Cumulative)

YEAR TO DATE

Year Claim Filed	Gross Claims Prior Years		Current Year	Claims Paid		Claims Rejected or Withdrawn		Total Claims Processed		Claims Outstanding		
	#	AMOUNT	#	AMOUNT	#	AMOUNT	#	AMOUNT	#	AMOUNT	#	AMOUNT
1993-2000	3	10,150.00			0	15,750.00	0	(15,750.00)	0	0.00	3	10,150.00
1993-2001	11	28,152.00			0	15,750.00	0	(15,750.00)	0	0.00	11	28,152.00
1993-2002	24	200,941.74			0	15,750.00	0	(15,750.00)	0	0.00	24	200,941.74
1993-2003	44	503,021.41			(1)	11,750.00	0	(15,750.00)	(1)	(4,000.00)	43	499,021.41
1993-2004	61	968,077.85			(1)	11,750.00	0	(15,750.00)	(1)	(4,000.00)	60	964,077.85
1993-2005	123	2,051,185.77			(2)	11,120.00	(2)	(82,280.00)	(4)	(71,160.00)	119	1,980,025.77
1993-2006	277	4,144,401.66			(7)	6,058.38	(7)	(135,786.36)	(14)	(129,727.98)	263	4,014,673.68
1993-2007	787	11,860,355.65			(40)	(304,730.26)	(18)	(383,940.99)	(58)	(688,671.25)	729	11,171,684.40
1993-2008			<u>211</u>	<u>2,386,741.06</u>	<u>(41)</u>	<u>(326,540.69)</u>	<u>(28)</u>	<u>(481,930.56)</u>	<u>(69)</u>	<u>(808,471.25)</u>	<u>929</u>	<u>13,438,625.46</u>
Claims Pending on March 31, 2008				929								

Net Asset in Client Security Fund :

As of 12/31/2007 2,990,889

As of 3/31/2008

*The number of rejected claims only reflects those claims
that were 100% rejected or withdrawn.

**THE STATE BAR OF CALIFORNIA
CLIENT SECURITY FUND**

**24 MONTH ROLLING AVERAGE
OF CLAIMS PAID RATIO**

Period of: APR.06 through MAR.08

PAID CLAIMS

Month Covered	Amount	Mo. Ave. Payout Ratio	24 Mo. Rolling Average	Cumulative Paid Total
APR.06	255,696	25.67%		255,696
MAY.06	568,820	48.07%		824,516
JUN.06	569,784	56.97%		1,394,300
JUL.06	295,246	43.32%		1,689,546
AUG.06	405,046	44.54%		2,094,592
SEP.06	227,000	32.31%		2,321,592
OCT.06	503,610	52.60%		2,825,202
NOV.06	428,897	36.83%		3,254,099
DEC.06	1,413,725	59.97%		4,667,824
JAN.07	108,661	43.50%		4,776,485
FEB.07	60,241	29.71%		4,836,726
MAR.07	369,586	28.46%		5,206,312
APR.07	149,671	24.69%		5,355,983
MAY.07	383,458	47.72%		5,739,441
JUN.07	179,873	32.78%		5,919,314
JUL.07	391,620	38.39%		6,310,934
AUG.07	305,314	42.65%		6,616,248
SEP.07	328,431	75.35%		6,944,679
OCT.07	137,120	16.34%		7,081,799
NOV.07	416,361	40.31%		7,498,160
DEC.07	1,521,774	50.53%		9,019,934
JAN.08	101,143	46.12%		9,121,077
FEB.08	26,499	30.51%		9,147,576
MAR.08	198,899	39.60%		9,346,475

9,346,475

43.42%

THE STATE BAR OF CALIFORNIA
 CLIENT SECURITY FUND
 ANALYSIS OF NEW CLAIMS PAID, REJ
 OR WITHDRAWN, ESTIMATED
 CLAIMS LIABILITY PER ACTIVE
 ATTORNEY

March 31, 2008

	<u>1st Qtr</u>
Beginning Balance	787
Add: Reinstated Claims	
New Claims	211
Less: Paid / Rejected or	
Withdrawn	69
TOTAL	929
CLAIMS OUTSTANDING AMT.	13,438,625
# Of Active Attorneys	159,747
Cost Per Active Attorney	\$84

ESTIMATED CLAIMS LIAB.

Claims Payout Ratio	43.42%
Estimated Claim Amount *	\$5,835,051
# of Active Attorneys	159,747
Cost per Active Attorney	\$37

CLAIM ACTIVITIES IN %:

NEW CLAIMS - YTD

1 - 2,500	3.56%
2,501 - 5,000	9.16%
5,001 - 10,000	14.34%
10,001 - 25,000	21.13%
25,001 - 49,999	20.39%
50,000	31.42%

CLAIMS PAID - YTD

1 - 2,500	3.02%
2,501 - 5,000	7.87%
5,001 - 10,000	5.78%
10,001 - 25,000	30.71%
25,001 - 49,999	0.00%
50,000	52.62%

REJ./WDRAWN - YTD

1 - 2,500	3.92%
2,501 - 5,000	7.48%
5,001 - 10,000	12.90%
10,001 - 25,000	31.47%
25,001 - 49,999	7.26%
50,000	36.97%

CLAIMS O/S-CUM. - YTD

1 - 2,500	2.85%
2,501 - 5,000	5.77%
5,001 - 10,000	9.53%
10,001 - 25,000	16.74%
25,001 - 49,999	17.12%
50,000	48.00%

NET ASSET, END OF PERIOD

*Based upon 24 month rolling weighted average of claims paid ratio (See page 6)