



# Attorney Services Fund 2023 Annual Report









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# Attorney Services Fund Annual Report

Summary of Activity for Fiscal Year 2023  
and Report on Allocations for Fiscal Year 2024

November 2023

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ATTORNEY SERVICES DIRECTOR

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# THE SUPREME COURT *of* OHIO

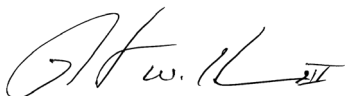
To: Chief Justice Sharon L. Kennedy and Justices  
Members of the Ohio Bar  
Members of the Public

This Annual Report on the Attorney Services Fund provides a summary of the activity of the Attorney Services Fund for Fiscal Year 2023 (July 1, 2022 – June 30, 2023) and sets out budget allocations from the fund as approved by the Supreme Court for Fiscal Year 2024 (July 1, 2023 – June 30, 2024). The report is issued to advise members of the Ohio Bar and the public of the allocation and expenditure of the biennial registration fee paid by all judges and practicing attorneys.

The Attorney Services Fund is established by Gov. Bar R. VI, Section 14, and consists of attorney registration fees and penalties collected by the Supreme Court of Ohio from the attorneys practicing law in Ohio. The Attorney Services Fund supports the operation of the various offices and bar associations involved in the attorney and judicial discipline process, the Lawyer's Fund for Client Protection, and other entities and organizations that assist the Court in the governance of the bar and the administration of justice.

The report includes a review of the fund's balance and projections, audit information, and investment policy. This information is provided for informational purposes only and is not to be considered a final or complete audit or financial statement of fund activity during the period covered in the report. The Auditor of State conducts an audit of the fund as part of the regular biennial audit of the Supreme Court of Ohio.

Respectfully submitted,



Robert W. Horner, III  
*Administrative Director*



Gina White Palmer, Esq.  
*Director of Attorney Services*







## I. Attorney Services Fund; Registration Requirements and Fees

### Biennial Registration Requirements and Fees

Article IV of the Ohio Constitution vests plenary authority with the Supreme Court of Ohio to regulate all aspects of the practice of law in Ohio, including admission to the practice of law, the discipline of persons admitted to the practice of law, and all other matters relating to the practice of law. In furtherance of this responsibility and in order to maintain an independent and self-funded regulatory system, the Supreme Court assesses and collects various fees and other moneys pursuant to the Supreme Court Rules for the Government of the Bar of Ohio. All moneys collected pursuant to the rules are deposited into the Attorney Services Fund.

Gov.Bar R. VI imposes a biennial registration requirement on each attorney practicing law in the state of Ohio. Each attorney licensed to practice law in the state, except for attorneys who are on inactive or retired status, and each non-Ohio attorney registered for corporate counsel status, and military spouse attorneys, must register with the Court on or before the first day of September in each odd-numbered year and pay a \$350 registration fee for active or corporate counsel status. Emeritus *Pro Bono* status is available as a registration status for attorneys who wish to provide legal services solely on a *pro bono* basis with a qualified organization. The registration fee for Emeritus *pro bono* status is \$75. In addition, attorney spouses of active-duty members of the U.S. military stationed in Ohio may seek temporary admission to the practice of law in Ohio under certain conditions. The registration fee for military spouse attorneys is \$350. The \$350 registration fee was increased to \$400 for the 2023/2025 registration biennium. Attorneys were able to pre-register for the biennium effective June 29, 2023.

Registration fees are reduced or waived for attorneys who are admitted to practice in the second year of the registration biennium. Attorneys may, during the biennial attorney registration, participate in a \$50 voluntary “add on” fee to fund civil legal aid services for low-income populations in Ohio. Revenues from attorney registration fees are significantly lower in odd-numbered fiscal years because attorneys are required to register with the Supreme Court during even-numbered fiscal years.

The Supreme Court imposes monetary sanctions on attorneys who fail to register timely. Gov.Bar R. VI imposes a late registration fee of \$50 on any attorney who fails to register by the due date. An attorney who remains unregistered more than sixty days after the due date is



summarily suspended from the practice of law and must register, pay all outstanding registration fees, and pay a \$300 reinstatement fee in order to be reinstated to the practice of law. The \$50 late fee was increased to \$100 for the 2023/2025 registration biennium.

### Attorney Services Fund

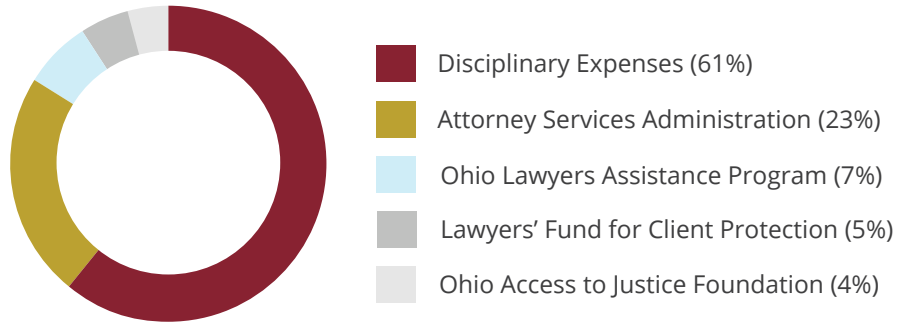
Gov.Bar R. VI registration, late registration, and reinstatement fees are paid into the fund. Gov.Bar R. I fees charged and collected by the Court for admissions-related services, are deposited in the Attorney Services Fund. The fund also receives revenue from other sources pursuant to the Rules for the Government of the Bar, including fees related to legal interns, the temporary certification program, foreign legal consultants, pro hac vice, cost reimbursements from disciplined attorneys, and civil penalties and costs assessed against persons who are found to have engaged in the unauthorized practice of law.

Pursuant to Gov.Bar R. VI, Section 14, the moneys in the fund are used to (1) investigate complaints alleging misconduct pursuant to Gov.Bar R. V or Gov.Jud. R. II and alleging unauthorized practice of law pursuant to Gov.Bar R. VII, (2) support the activities of the Lawyers' Fund for Client Protection, the Commission on Continuing Legal Education, and the Board on the Unauthorized Practice of Law; (3) fund any activity considered necessary by the Supreme Court for the government of the bar and the judiciary of Ohio; (4) fund matters approved by the Court and related to the admissions of applicants to the practice of law; and (5) support any activities related to the administration of justice considered necessary by the Supreme Court.

[SCHEDULE 1](#) of this Report contains a summary of fund expenditures for Fiscal Years 2022 and 2023 and allocations for Fiscal Year 2024.



Figure 1: Fiscal Year 2023 Expenditures



## II. Summary of Fund Activity in Fiscal Year 2023

### Disciplinary-Related Expenses

In Fiscal Year 2023, \$10,581,576 was expended from the Attorney Services Fund.

In Fiscal Year 2023, \$6,400,583 was used to fund the disciplinary process established by the Court in Gov. Bar R. V and no funds were used for Gov. Jud. R. II, “Disciplinary Procedure.” This is 61% of total fund expenditures in FY 2023. Of this amount, \$3,714,878 was expended by the Office of Disciplinary Counsel, which accounts for the entire operational budget of that office.

A total of \$748,976 was expended by the Board of Professional Conduct to fund the operations of the Board. An additional \$1,936,729 was expended by the Board to reimburse local bar association certified grievance committees for disciplinary-related activities.

### Lawyers' Fund for Client Protection

Since 1985, the Supreme Court has allocated moneys from the Attorney Services Fund to compensate clients who are victims of theft, embezzlement, or misappropriation by dishonest attorneys. The Lawyers’ Fund for Client Protection is established in Gov.Bar R. VIII and is administered by an independent Board of Commissioners appointed by the Court.

In Fiscal Year 2023, \$544,231 was expended by the Board of Commissioners of the Lawyers’ Fund for Client Protection for its operations. This amount represents 5% of Attorney Services Fund expenditures. The Supreme Court did not allocate any additional funds to the Lawyers’ Fund for Client Protection Trust Fund to replenish that fund in Fiscal Year 2023.

In Fiscal Year 2023, the Board awarded a total of \$808,142 from the Trust Fund to reimburse 40 eligible claims. As of June 30, 2023, there were 80 claims pending representing a potential liability to the fund of \$2,992,106. For more information regarding claims filed with the Lawyers' Fund for Client Protection, please see the most recent annual report prepared by the Board of Commissioners of the Lawyers' Fund for Client Protection.

### Attorney Services Administration

The Attorney Services Division of the Supreme Court is comprised of the Office of Attorney Services and the Office of Bar Admissions. These two offices are charged with supporting the Court in the exercise of its constitutional responsibility to regulate the practice of law in Ohio. The Office of Attorney Services has many responsibilities, including registering attorneys each biennium, verifying attorneys' statuses and issuing certificates of good standing, administering the Lawyer Mentoring Program, and maintaining attorney and judge attorney registration and continuing legal education records. The Office of Bar Admissions of the Supreme Court oversees the admissions process and supports the Board of Commissioners on Character and Fitness and the Board of Bar Examiners. The Office also administers Court rules that govern the Uniform Bar Examination, practice pending admission, the Ohio Law Component, admission of military spouse attorneys, the limited practice of law by legal interns, the temporary certification of non-Ohio attorneys to work in legal aid, public defender, or law school clinic programs, and the limited practice of law by foreign legal consultants.

A total of \$2,446,762 was expended for the Attorney Services Division in Fiscal Year 2023. These moneys, which represent 23% of total fund expenditures, supported the Office of Attorney Services (\$1,012,812); the Office of Bar Admissions (\$1,246,482); the Commission on Professionalism (\$110,037); and, the Board on the Unauthorized Practice of Law (\$2,320). Further, \$75,111 was expended on reimbursement of expenses related to investigation and prosecution of unauthorized practice of law matters. The fund also supports the Commission on Certification of Attorneys as Specialists; in 2023, no funds were expended for the Commission.



## Discretionary Grants

A total of \$1,190,000 in expenditures from the fund represented grants to nonprofit organizations that assist the Supreme Court in providing oversight of the Ohio bench and bar and in the administration of justice. In Fiscal Year 2023, the Court awarded grants of \$425,000 to the Ohio Access to Justice Foundation and \$765,000 to the Ohio Lawyers Assistance Program. These grants represent 4.0% and 7.0% respectively, of the expenditures from the fund.

The Ohio Access to Justice Foundation is established pursuant to statutory authority and has, as its primary responsibility, the duty of administering and allocating various funds for Ohio's legal aid programs. These programs provide direct civil legal assistance to low-income Ohioans who qualify for services. The moneys contributed from the fund to the foundation are used for pro bono development and enhancement, technology enhancement and support, and performance assessments of legal aid programs.

The Ohio Lawyers Assistance Program provides intervention and monitoring assistance to Ohio lawyers, judges, and law students who are suffering from alcoholism, substance abuse, or mental illness. In addition to moneys allocated from the fund, the program receives contributions from the Ohio State Bar Association, the Ohio Bar Liability Insurance Company, and other entities.

## Civil Justice Grant Program Fund

The annual pro hac vice registration fee for out-of-state attorneys is \$500, and \$150 of each registration is directed to help fund civil legal services for indigent Ohioans. There is also a \$50 voluntary add-on fee as part of the biennial attorney registration required of Ohio attorneys, which is also directed for this purpose. The funds generated from these two sources are deposited into the Civil Justice Grant Program Fund, which was established in Fiscal Year 2017. In Fiscal Year 2023, \$11,100 was voluntarily donated by attorneys and judges as part of the biennial attorney registration process. The fund's purpose is to provide grants to non-profit organizations and agencies dedicated to providing civil legal services to Ohio's indigent population through innovative programs aimed at increasing access to justice. This fund held \$889,825 as of June 30, 2023, of which \$407,177 was reserved for the balance of encumbered grants. The available fund balance was \$482,647 as of June 30, 2023.

During Fiscal Year 2023, the Supreme Court awarded grants totaling \$599,985 from the Civil Justice Grant Program to 11 different non-profit organizations or agencies.

## Fund Income and Balance

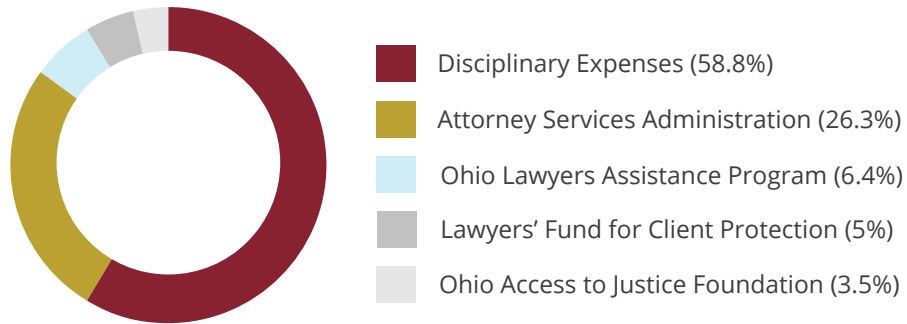
The fund realized income and revenue of \$4,292,769 in Fiscal Year 2023 from the following sources:

- Biennial registration fees, including late fees, reinstatement fees, and fees collected pursuant to Gov. Bar R. XIV (Certification of Attorneys as Specialists) (\$2,113,000).
- Reimbursement of costs in Gov. Bar R. V (Disciplinary Procedure) and reimbursement of costs and payment of civil penalties in Gov. Bar R. VII (Unauthorized Practice of Law) cases (\$44,294).
- Investment income of \$213. Increased credit card usage payment fees and associated bank fees totaled \$85,680, causing a total charge of (\$85,467) or reduction of income to the fund.
- Revenue collected pursuant to Gov. Bar R. X (Attorney Continuing Legal Education) (\$369,343).
- Revenue collected for Certificates of Good Standing (\$62,760).
- Revenue collected pursuant to Gov. Bar R. I (Bar Admissions) (\$1,158,939).
- Revenue collected pursuant to Gov. Bar R. XII, Sec. 2(A)(4) (Pro Hac Vice) (\$928,400) of which a portion of this total (\$298,500) was transferred to the Civil Justice Grant Program Fund and the remaining funds were kept in the Attorney Services Fund.
- Voluntary donations to the Civil Justice Grant Program Fund (\$11,100) by attorneys and judges as part of the biennial attorney registration process.

The fund had an estimated average monthly cash and investment balance of \$6,088,750 in Fiscal Year 2023.



Figure 2: Fiscal Year 2024 Allocations



### III. Report on Allocations for Fiscal Year 2024

#### Disciplinary-Related Allocations

The Supreme Court allocated \$12,026,479 from the Attorney Services Fund for the fiscal year beginning July 1, 2024. The allocations are made to nine entities representing 12 separate funds or activities.

The Court allocated \$7,073,526 (58.8%) of total fund allocations to support the operation of the disciplinary process. This figure includes separate allocations of \$4,156,057 to fund the Office of Disciplinary Counsel; \$917,469 to fund the operations of the Board on Professional Conduct; and \$2,000,000 to reimburse certified local grievance committees for their work in investigating and prosecuting disciplinary matters.

#### Lawyers' Fund for Client Protection

The operations of the Lawyers' Fund for Client Protection are funded by an allocation of \$601,349. These allocations represent 5% of the total fund allocations.

#### Attorney Services Administration

A total of \$3,161,604 (26.2% of total fund allocations) was allocated to fund the activities of the Attorney Services Division of the Supreme Court. This allocation includes: (1) \$1,249,393 to the Office of Attorney Services; (2) \$1,651,967 to the Office of Bar Admissions (3) \$9,000 to support the operation of the Board on the Unauthorized Practice of Law and an additional \$90,000 to reimburse bar associations for costs incurred in investigating and prosecuting allegations of the unauthorized practice of law; (4) \$158,494 to support the activities of Commission on Professionalism; and (5) \$2,750 to support the activities of the Commission on Certification of Attorneys as Specialists.

## Discretionary Grants

The Court approved a grant of \$425,000 to the Ohio Access to Justice Foundation for its work in supporting the delivery of civil legal services to indigent persons. The Court also awarded a grant of \$765,000 to the Ohio Lawyers Assistance Program for alcohol, substance abuse, and mental health intervention programs. Together, these grants represent 3.5% and 6.4% respectively, of the fund allocations for Fiscal Year 2024.

## IV. Fund Balance and Projections

On June 30, 2023, the fund had a balance of \$4,851,157. In Fiscal Year 2024, the fund is projected to realize income of \$17,926,641 (including fees, reimbursements, and interest income) and expend an estimated \$11,728,904. On June 30, 2024, the fund will have an estimated balance of \$11,048,894.

## V. Audit

The Auditor of State conducts a complete audit of the Attorney Services Fund on a regular basis. The audit occurs at the same time as the audit of other funds that are appropriated to or collected by the Supreme Court. The most recent audit was conducted in the summer of 2023 for the fiscal year ending June 30, 2023. At this point we are not aware of any findings or instances of noncompliance or internal control weaknesses reported for the Attorney Services Fund. The audit report is not expected to be released by the Auditor of the State until December 2023.

## VI. Investment Policy

Attorney registration fees were deposited directly into a bank lockbox account maintained by U.S. Bank in Fiscal Year 2023. U.S. Bank was selected to maintain the fund's lockbox account through a previously competitive bid process.

The fund's moneys are managed in a conservative, risk-averse manner through investments made in compliance with the Uniform Depository Act, as set forth in Ohio Revised Code Chapter 135, and amended by the Investment Reform Act of 1996. These and other state and federal laws require that the fund's moneys not be placed at risk in the marketplace through investments in derivatives, reverse purchase agreements, or any method of leveraging.

The fund's investments are primarily in federal money market accounts avoiding high bank insurance charges. The fund continues to seek more optimal investment options, as permitted by statute.



## VII. Summary

The Attorney Services Fund allows the Supreme Court to maintain an effective and efficient system for licensing attorneys and regulating post-admission aspects of the practice of law, consistent with its responsibility under the Ohio Constitution. The fund also provides important financial resources to organizations that aid in the provision of legal services to the poor and assist lawyers who are suffering from alcoholism, substance abuse, or mental illness. All activities supported by the fund are invaluable in ensuring the public's continued trust and confidence in our legal system.

The fund is currently in a solid financial position, and it is expected that it will maintain that position throughout Fiscal Year 2024.

## VIII. Comments and Inquiries

Any comments and inquiries regarding this report or the fund may be directed to:

**Robert W. Horner, III**

*Administrative Director, or*

**Gina White Palmer**

*Director of Attorney Services*

The Supreme Court of Ohio  
65 South Front Street  
Columbus, Ohio 43215-3431





## Schedule 1

## Fund Expenditures FY 2023 and Allocations FY 2024

Office, Board, Commission	FY 2022 Expenditures	FY 2023 Allocations	FY 2023 Expenditures	% of FY 2023 Allocations Expended	FY 2024 Allocations	% of Total FY 2024 Allocations
<b>Office of Disciplinary Counsel</b>						
Operations Budget	\$3,628,919	\$3,905,401	\$3,714,878	95.1%	\$4,156,057	34.6%
<b>Board on Professional Conduct</b>						
Operations Budget	\$694,015	\$894,506	\$748,976	83.7%	\$917,469	7.6%
Reimbursement of Expenses	\$1,925,054	\$2,000,000	\$1,936,729	96.8%	\$2,000,000	16.6%
<b>Lawyers' Fund for Client Protection</b>						
Operations Budget	\$381,959	\$580,915	\$544,231	93.7%	\$601,349	5.0%
Trust Fund	\$0		\$0	0.0%	\$0	0.0%
<b>Office of Attorney Services</b>						
Operations Budget	\$1,043,492	\$1,175,784	\$1,012,812	86.1%	\$1,249,393	10.4%
<b>Office of Bar Admissions</b>						
Operations Budget	\$1,302,934	\$1,618,834	\$1,246,482	77.0%	\$1,651,967	13.7%
<b>Board on the Unauthorized Practice of Law</b>						
Operations Budget	\$1,114	\$14,000	\$2,320	16.6%	\$9,000	0.1%
Reimbursement of Expenses	\$70,163	\$90,000	\$75,111	83.5%	\$90,000	0.7%
<b>Commission on Professionalism</b>						
Operations Budget	\$111,481	\$156,700	\$110,037	70.2%	\$158,494	1.3%
<b>Commission on Certification of Attorneys as Specialists</b>						
Operations Budget	\$760	\$3,950	\$0	0.0%	\$2,750	0.0%
<b>Ohio Access to Justice Foundation</b>						
Grant	\$425,000	\$425,000	\$425,000	100.0%	\$425,000	3.5%
<b>Ohio Lawyers Assistance Program</b>						
Grant	\$765,000	\$765,000	\$765,000	100.0%	\$765,000	6.4%
<b>General/Miscellaneous</b>						
Judicial Gov. Rule II	\$0	\$0	\$0	0.0%	\$0	0.0%
<b>TOTAL</b>	<b>\$10,349,890</b>	<b>\$11,630,090</b>	<b>\$10,581,576</b>	<b>91.0%</b>	<b>\$12,026,479</b>	<b>100.0%</b>







PUBLISHED BY

THE SUPREME COURT *of* OHIO

November 2023