

State Bar of New Mexico
Client Protection Fund

2025
Annual
Report

Presented to the
Supreme Court of New Mexico *and the*
State Bar of New Mexico Board of Bar Commissioners



State Bar of New Mexico
Client Protection Fund

2025 Commission
Scotty A. Holloman
Commission Chair
Don Anque
Vice-Chair
Andrew J. Cloutier
Secretary/Treasurer

Ex Officio Members
Richard B. Spinello
Stormy Ralstin



State Bar of New Mexico Client Protection Fund

Commissioners
Tonya Noonan Herring
Carolyn A. Wolf
Hon. Linda Vanzi
Ellen Leitzer
Lucy H. Sinkular
Elizabeth J. Travis
Commission Liaison
Anne L. Taylor

Dear Colleagues,

In 2025, I had the privilege of serving as Chair of the Client Protection Fund Commission. This annual report reflects the Commission's work over the past year in promoting public confidence in the legal profession and in the administration of justice in New Mexico.

The Client Protection Fund exists to reimburse clients who suffer financial losses due to the dishonest conduct of an attorney admitted to practice in this state. Eligible claims are assigned to a Commissioner, who is responsible for reviewing and investigating the matter to determine whether reimbursement is appropriate under the Fund's rules. Commissioners prepare written recommendations to approve or deny claims, in whole or in part, up to the statutory cap of \$50,000. Recommendations are then presented to the full Commission for a vote.

The number of claims received and the amount paid to claimants remained steady in 2025. In this, the Commission's twentieth full year of operation, Commissioners received a total of 33 claims and approved 19 claims, in whole or in part. A total of 9 attorneys were named in these matters. The Commission approved and paid \$116,993.10 in reimbursements during the year.

I would like to extend special appreciation to three individuals whose service has had a lasting impact on the Commission.

This past year was the final year of service for Commissioner Drew Cloutier. Over the years, Drew contributed immeasurably to the Commission's work through his deep understanding of the Fund's rules, his willingness to take on complex and unusual claims, and his consistently fair and thoughtful approach. His insight and dedication will be greatly missed.

The end of 2025 also marked the retirement of Tamma Williams, who served for many years as a paralegal with the Disciplinary Board. Tamma was, in many ways, the longstanding public face of the Client Protection Fund. She treated claimants and attorneys alike with dignity, professionalism, and care. The Fund has benefitted tremendously from her experience and commitment, and her absence will be felt. We wish her the very best in her retirement.

I would also like to thank Commissioner Lucy Sinkular for her service in 2025. Each year, the Secretary-Treasurer of the Board of Bar Commissioners serves on the Client Protection Fund Commission as an active commissioner, and Lucy embraced this responsibility fully. Despite an already demanding schedule, she went above and beyond in support of the Fund's mission.

Finally, on behalf of the Commission, I extend sincere thanks to the staff of both the Disciplinary Board and the State Bar of New Mexico. Their support is essential to the Commission's work and continued success.

Sincerely,

Scotty A. Holloman
Chair, Client Protection Fund 2025



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► Introduction



► History and Purpose

The purpose of the Client Protection Fund (CPF) is to promote public confidence in the administration of justice and the integrity of the legal profession by reimbursing losses caused by the dishonest conduct of lawyers admitted and licensed to practice law in the courts of this jurisdiction. The Client Protection Fund Commission was established by order of the New Mexico Supreme Court effective Dec. 13, 2005, as a permanent commission of the State Bar of New Mexico Board of Bar Commissioners. The Supreme Court adopted a modified version of the American Bar Association's model rules for client protection funds and codified them at Rules 17A-001 *et seq.* of the New Mexico Rules Annotated. The Commission oversees the CPF and is charged with receiving, holding, managing, and disbursing money from the Fund according to the rules. The State Bar is responsible for administering the Commission, developing and approving the budget, and managing operations and staffing. Between January 1, 2014 through January 31, 2026, the New Mexico Disciplinary Board assisted in the technical administration of the Commission's tasks, including the processing of claims under the Commission's direction.

► Revenues

The initial resources for the Fund were provided in 2005 by a Supreme Court order transferring funds from accumulated fines against lawyers who failed to comply with the Court's Minimum Continuing Legal Education requirements. In 2008 the Supreme Court ordered an additional transfer of funds from MCLE to the Fund. In 2009 the Supreme Court ordered a \$15 annual assessment of every active New Mexico attorney pursuant to Rule 17A-003 (B) NMRA. In 2010, 2012, 2016, and 2018 additional monies were also transferred from MCLE to the Fund by Supreme Court Orders. The State Bar provides in-kind support to the Fund and the Commission through staff support, office and meeting space, and fiscal administration. (See 2025 Financial Information, page 11). From time to time, the Fund receives monies from court-ordered sanctions directed to the fund at the discretion of the judge.

► Eligible Claims

To qualify for a reimbursement from the Fund, a client must have incurred a financial loss caused by the dishonest conduct of a New Mexico-licensed lawyer who was counseling, advising, or representing the client or serving in another fiduciary capacity such as a trustee. The claim must be filed no later than five years after the client knew or should have known of the lawyer's dishonest conduct. Dishonest conduct is specifically defined under the CPF rules as wrongful acts such as theft or embezzlement of money or the wrongful taking or conversion of money, property, or other things of value; e.g., failing to refund unearned fees or borrowing money from a client without the intention to repay or disregarding the lawyer's inability or reasonably anticipated inability to repay.

A typical CPF claim involves a lawyer who collected a retainer from a client, performed some legal work, and then became unable or unwilling to finish the work or refund the unearned amount.

The rules also include a hardship exception which allows the Commission, in cases of extreme hardship or special and unusual circumstances, to recognize a claim that was filed late or would not otherwise be reimbursable. This exception has only been used for 2 of the 247 claims approved in the Commission's thirteen-year history. The maximum reimbursable amount was increased in 2012 from \$10,000 to \$20,000 per individual claim, and, effective January 1, 2016 from \$20,000 to \$50,000.

► Processing a Claim

The claimant must complete a prescribed claim form. The claimant must provide a copy of any written agreement pertaining to the claim and copies of any checks, money orders, receipts, or other proof of payment. The claimant is responsible for completing the form and providing evidence of a reimbursable loss up to the maximum amount payable per claim.

The CPF gives notice of a claim to the lawyer against whom it is filed (or the lawyer's representative) and allows 20 days for a response. The Disciplinary Board is also notified of the claim. After the lawyer's response and other initial facts and documents are gathered, the claim is assigned to one of the CPF commissioners for investigation. The commissioner investigates and presents a recommendation to the full Commission. If appropriate under the circumstances, the recommendation includes the commissioner's estimate of any amount that should be allowed as a credit against the claim for the value of work the lawyer performed or costs the lawyer properly paid with client funds. The approval or denial of a claim requires the affirmative votes of at least five commissioners.

The claimant and the lawyer are then notified of the Commission's decision. Either party may request reconsideration in writing within 30 days of the denial or determination of the amount of a claim. If no request for reconsideration is received, the check for any approved reimbursement is sent after the notice period expires. If a timely request is received, the check for any approved reimbursement is sent after the Commission has reconsidered its decision. Rule 17A-013 NMRA provides that in either case the Commission's decision is final and there is no further right of appeal. Reimbursement is discretionary and no person has a legal right to reimbursement from the Fund. As part of the claim form, the claimant agrees to assign his/her claims against the lawyer to the fund if the CPF makes a payment, and the CPF may pursue reimbursement and recovery from the lawyer or the lawyer's successor (e.g., an estate).



► 2025 Annual Report Highlights and Commission Activities



The Client Protection Fund Commission finished its twentieth full year of operation in 2025, paying \$116,993.10 with 19 claims against 9 lawyers. To date, the Commission has paid \$1,645,953.44 in cumulative reimbursements for clients' financial losses involving 96 lawyers. Year-by-year and cumulative statistics appear later in this report.

The Commission met 4 times in 2025, with Commissioners appearing in person and via Zoom. The 2025 National Client Protection Fund Forum in Maine was attended by one member of our Commission.

The Commission reminds everyone that Rule 17A-018(A) protects the confidentiality of information on claims, claimants, and respondent lawyers with exceptions for approved claims and other limited purposes as set forth below:

- A. Publicizing awarded claims. Claims, proceedings and reports involving claims for reimbursement are confidential until the commission authorizes reimbursement to the claimant, except as provided below, or unless provided otherwise by law. After payment of the reimbursement, the commission shall publicize the nature of the claim, the amount of reimbursement, and the name of the lawyer. The name and the address of the claimant shall not be publicized by the commission unless specific permission has been granted by the claimant. The commission may provide a waiver to the claimant which authorizes disclosure.
- B. Exceptions. This rule shall not be construed to deny access to relevant information by the disciplinary board, other professional discipline agencies or other law enforcement authorities as the commission shall authorize, or the release of statistical information that does not disclose the identity of the lawyer or the parties, or the use of such information as is necessary to pursue the fund's subrogation rights under Rule 17A-015 NMRA.

► Visit the State Bar website at
www.sbnm.org/cpf
for further information on the
Client Protection Fund.



State Bar of New Mexico
Client Protection Fund

► 2025 Client Protection Fund Commission

From its inception in 2006 through 2012 the Commission consisted of seven lawyers—four appointed by the Supreme Court, two appointed by the Board of Bar Commissioners, and the Secretary-Treasurer of the BBC. In 2013, the number of Commissioners increased to nine. The 2025 commissioners and officers are listed here. All members except the BBC Secretary-Treasurer serve staggered three-year terms. The BBC Secretary-Treasurer serves for one year before advancing to become the State Bar president-elect. The six original commissioners were appointed for part of 2006 after the Commission was created and for staggered terms of one, two, and three years that began in 2007. Each of the six original commissioners were appointed to two full three-year terms. The CPF officers, elected annually by the Commission, consist of a chair, vice-chair and secretary/treasurer. Program assistance and administrative support is provided by the State Bar Office of General Counsel and the New Mexico Disciplinary Board.



Scotty A. Holloman, Chair
Supreme Court Appointee

Scotty A. Holloman is a shareholder, director, and president of Maddox, Holloman & Moran PC in Hobbs. He attended Texas Tech University (B.B.A., Accounting, 1980) and Texas Tech University School of Law (J.D., 1983). Mr. Holloman was admitted to practice law in Texas in 1983 and in New Mexico in 1984. He is a member of the State Bar Real Property, Trust and Estate Section and the State Bar Business Law Section. Mr. Holloman served as president of the Lea County Bar Association. From 2009-2012 he served as the out-of-state liaison to the State Bar of Texas Board of Directors. He and his wife, Terry, have three children: Aaron and wife Kelli; Emily; Jacob and wife Lacey; and three grandchildren: Simon, Owen and Annie of Roswell. Mr. Holloman also represents the Sixth Bar Commissioner District.



Don Anque, Vice-Chair
State Bar of New Mexico Appointee

Don Anque completed his undergraduate education at the University of California, Riverside (B.A. English and Graduates Address Speaker) and his legal education at Syracuse University (Law Ambassador and Pro Bono Award Recipient). Mr. Anque also obtained a certificate of study in Bioethics from Yale University, in contemplation of further doctorate studies. Before becoming a lawyer, Mr. Anque worked in politics for several years, and then, became a prosecutor in the Fourth Judicial District of New Mexico. In 2023, he was also selected to serve as an American Bar Association Young Lawyers Division Scholar.



Andrew J. (Drew) Cloutier, Secretary-Treasurer
Supreme Court Appointee

Drew Cloutier was appointed to the Commission by the Supreme Court of New Mexico effective Jan. 1, 2015. Mr. Cloutier previously served in the Commission ex officio as an officer of the State Bar of New Mexico in 2010 and 2011. He is partner in the Roswell office of Hinkle Shanor LLP. He practices primarily in the areas of oil and gas law and commercial litigation. Mr. Cloutier has litigated and tried a number of oil and gas issues in state and federal courts. He also assists oil and gas clients with a wide variety of issues with state and federal agencies. Mr. Cloutier served on the Board of Bar Commissioners of the State Bar of New Mexico from 2006 through 2014 and as its President in 2013. He has volunteered for the Conquistador Council of the Boy Scouts of America for many years and is serving as President of the Council's Executive Board. Mr. Cloutier is a Trustee of the Rocky Mountain Mineral Law Foundation. He was named "Member of the Year" by the Independent Petroleum Association of New Mexico.



Tonya Noonan Herring, Chair

Supreme Court Appointee

Tonya Herring is a 1988 graduate of the New Mexico School of Law and has been practicing law in New Mexico for over thirty years. After law school, Ms. Herring worked in the Regulation and Licensing Division of the U.S. Securities and Exchange Commission in Washington D.C. Upon her return to New Mexico, she was employed by the New Mexico State Bar to implement and manage a newly created program called the Client Attorney Assistance Program, which included administering the Client Protection Fund, the Fee Arbitration Panel, and the Unauthorized Practice of Law, and other attorney programs. Ms. Herring spent much of her legal career working for the State of New Mexico, in various departments. She worked for the New Mexico Department of Taxation and Revenue as a staff attorney and later as Acting Chief Counsel, and for the Office of the Attorney General in its Consumer Affairs Division and its Criminal Appeals Division. Ms. Herring retired from her position as Chief Counsel of the Office of the Secretary of State in 2020.



Ellen Leitzer

State Bar of New Mexico Appointee

Ellen Leitzer co-founded the Albuquerque-based Senior Citizens' Law Office, Inc. (SCLO) in 1983. She served as managing attorney for 22 years. After an eight-year hiatus, during which time she worked in Washington, D.C., Nepal, Cambodia and Burundi, she returned to SCLO as Executive Director until December 2021. She is now in private practice.



Lucy Sinkular

State Bar of New Mexico Secretary/Treasurer 2025

Lucy H. Sinkular is Of Counsel at Horton Mullins PC. Admitted to practice in 1994, Lucy comes from a family of lawyers and loves the law. Lucy is passionate about New Mexicans' access to justice and maintains an active pro bono case load in addition to her regular practice. Lucy enjoys her service on the board of the Family Law Section and the Domestic Relations Rules Committee. Her immediate family includes her husband Scott who is a scientist at NNSA, their daughter who is conducting post-doctoral research and their son who is a CPA. Lucy and Scott are also parents to two very spoiled black labs. Lucy serves as the Senior Warden for her Episcopal Church in Albuquerque. When not practicing law or volunteering for the Bar, Lucy can frequently be found pursuing outdoor hobbies of camping, running, cycling and hiking.



Elizabeth Travis

Supreme Court Appointee

Elizabeth J. Travis is a solo practitioner who represents civil clients, including small businesses, nonprofit organizations and boards, and provides ADR services as an arbitrator and mediator. She also volunteers as an arbitrator in the Bar's Fee Arbitration Program. Liz also is appointed to the City of Santa Fe's Independent Audit Committee. In addition to being the State Bar Foundation Board President, Liz serves on the State Bar Board of Bar Commissioners (1st Judicial District), the State Bar's Ethics Advisory Committee and Alternative Dispute Resolution Steering Committee, and the New Mexico Supreme Court's Disciplinary Board and Client Protection Fund Committee. Liz's other legal organization memberships include: the American Bar Association, Dispute Resolution and Professional Responsibility Sections and the Construction Industry Forum and the Oliver Seth American Inn of Court. Liz is licensed to practice in state and federal courts in New Mexico and California. She is a graduate of St. John's College, Santa Fe (BA), USC School of Engineering (MS), and University of the Pacific, McGeorge School of Law (JD).



Linda Vanzi

State Bar of New Mexico Appointee

Linda Vanzi joined the Rodey Law Firm's Complex and Commercial Litigation Group after retiring from the New Mexico Judiciary, where she served for 12 years as a judge on the New Mexico Court of Appeals, including two years as chief judge, following four years of service as a trial judge at the Second Judicial District Court, Civil Division.



Carolyn Wolf

Supreme Court Appointee

Carolyn Wolf, an attorney in Santa Fe, is a graduate of Rice University and the University of New Mexico School of Law. In more than 20 years in state government, she served as counsel for several agencies, including as general counsel for the Department of Finance and Administration and the Taxation and Revenue Department. After some years as a private practitioner, Carolyn retired from active practice in 2023. Carolyn served on the Board of Bar Commissioners for many years, representing the district for Santa Fe, Los Alamos and Rio Arriba counties, and was President of the State Bar in 2022.

EX OFFICIO MEMBERS



Richard B. Spinello

Appointed by Position, Executive Director, State Bar of New Mexico

Richard Spinello attended the University of New Mexico (B.A., 1989) and the Thomas M. Cooley Law School (J.D., 1997). Previously in private practice in Rio Rancho, Spinello assisted clients with family law, estate planning, probate and adult guardianships. He came to the State Bar in 2000 as a staff attorney for the Lawyer Referral for the Elderly Program. After three years as staff attorney and a year as managing attorney for the LREP program, Spinello was named director of the Public and Legal Services Department for the State Bar and Bar Foundation where he helped secure funding for and participated in the creation of the Client Protection Fund rules and CPF Commission, the statewide 10 Step Pro Bono Plan, and the 2007 State Plan for Providing Civil Legal Services to Low Income New Mexicans. In January 2007, Spinello was named general counsel for the State Bar and in 2018 was named the Executive Director of the State Bar.



Stormy K. Ralstin

Administrator and Staff Counsel, General Counsel, State Bar of New Mexico

Stormy Ralstin joined the State Bar of New Mexico in 2012 as the managing attorney for the Legal Resources for the Elderly Program. Ms. Ralstin was made the Director of Legal Services for the State Bar and Bar Foundation in 2014. In January 2018, Ms. Ralstin was named General Counsel for the State Bar, overseeing the policy and regulatory function of the State Bar and Bar Foundation. Ms. Ralstin is a graduate of the University of New Mexico School of Law.

2025 COMMISSION LIAISONS



Anne L. Taylor

Disciplinary Board Liaison

Anne L. Taylor is Chief Disciplinary Counsel for the Office of Disciplinary Counsel of the New Mexico Supreme Court Disciplinary Board where she has worked since January 2002. Anne has a J.D. from Vanderbilt University School of Law in Nashville, Tennessee. She has argued numerous disciplinary cases before the New Mexico Supreme Court and serves as the liaison between the Disciplinary Board and the Client Protection Fund. In addition, Anne is responsible for overseeing the Disciplinary Board's IOLTA.

► 2025 Financial Information

2025 Financial Information Balance Sheet As of December 31, 2025

Assets	
Cash and Equivalents	\$594,087.41
Certificates of Deposit	\$549,38.96
Due from State Bar	\$110,132.25
Prepaid Insurance	\$270.52
Total Assets	\$1,257,246.14
Liabilities and Net Assets	
Liabilities	
Deferred Revenues	\$38,760.00
Total Liabilities	\$118,328.51
Net Assets	
Fund Balance	\$1,128,591.99
Current Year Increase (De-crease) in Net Assets	\$10,325.64
Total Net Assets	\$1,138,917.63
Total Liabilities and Net Assets	\$1,257,246.14

**Statement of Revenues and Expenditures
For Year Ending
December 31, 2025**

	Actual	Budget	Variance
Revenue			
CPF Assessments	\$124,335.00	\$118,000.00	\$6,335.00
CPF Assessments (PHV)	\$6,015.00	\$8,000.00	(\$1,985.00)
Interest Earned	\$12,663.05	\$2,500.00	\$10,163.00
Contributions / Sanctions	\$30,071.84	\$500.00	\$29,572.00
Restitution	-0-	\$500.00	(\$500.00)
Total Revenues	\$173,084.89	\$129,500.00	\$43,584.89
Expenses			
Audit	\$1,200.00	\$1,200.00	-0-
Dues & Subscriptions	\$200.00	\$250.00	(\$50.00)
Insurance Allocation	\$1,070.29	\$1,400.00	(\$329.71)
Marketing / Advertising	-0-	\$1,000.00	(\$1,000.00)
Meetings & Governance	\$601.89	\$1,500.00	(\$898.11)
Mileage Reimbursement	-0-	\$2,000.00	(\$2,000.00)
Miscellaneous Fees	\$129.90	-0-	\$129.90
Office Supplies	\$463.05	-0-	\$463.05
Personnel	\$41,269.86	\$45,000.00	(\$3,730.14)
Postage Allocation	\$21.84	\$200.00	(\$178.16)
Professional Development	\$809.32	\$10,000.00	(\$9,190.68)
Supplies & Fees	-0-	\$500.00	(\$500.00)
Total Expenses	\$45,766.15	\$63,050.00	(\$16,783.85)
Change in Net Assets			
Operating Revenues Over Expenses	\$127,318.74	\$66,450.00	\$60,868.74
Less: Claims Approved	\$116,993.10	-0-	\$116,993.10
Total Increase (De-crease) in Net Assets	\$10,325.64	\$66,450.00	(\$56,124.36)

► 2025 Claims and Respondent Lawyers

2025 Claims and Respondent Lawyers

As required by Rule 17A-018, the Commission reports that 19 claims resolved in 2025 resulted in payments to the complaining party as a result of the actions of 9 lawyers. The following table summarizes those payments.

2025 Summary of Claims Approved by Lawyer

Lawyers	Lawyer's Status as of 12/31/2025	Claims Approved in 2025	Dollars Awarded in 2025	Reason
Jennie Behles	Deceased	1	\$50,000.00	Unearned Fees
Henry Castillo	Active	1	\$5,400.00	Unearned Fees
Sheila Garcia	Suspended	1	\$4,634.00	Unearned Fees
Donald Gilpin	Incapacitated	4	\$10,403.55	Unearned Fees
Glen Houston	Deceased	1	\$2,450.00	Unearned Fees
David Jordan	Disbarred	2	\$6,000.00	Unearned Fees
Thomas McLarty	Suspended	1	\$50,000.00*	Unearned Fees
Ruben Reyes	Disbarred	7	\$36,101.33	Unearned Fees
Tara Wood	Deceased	1	\$1,904.22	Unearned Fees

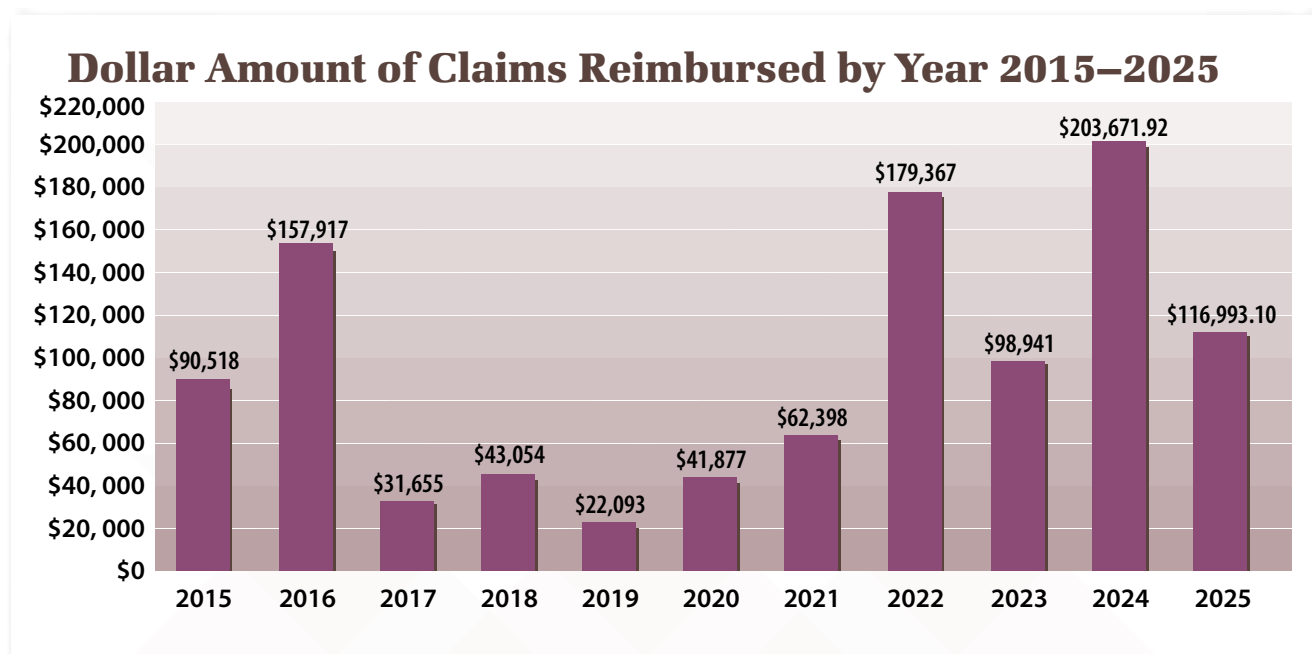
**Includes claims approved in 2025, paid out in 2026*

► Annual Statistics 2006-2025

2006-2025 Annual Statistics

CLAIMS APPROVED	2006-2020	2021	2022	2023	2024	2025	TOTALS
Total number of claims approved in whole or in part	260	10	48	11	29	19	348
<i>Total dollar amount of claims approved and paid (revised from prior annual reports after reconciliation of cumulative lawyer summary)</i>	\$984,581	\$62,398	\$179,367.99	\$98,941.43	\$203,671.92	\$116,993.10	\$1,645,953.44
CLAIMS DENIED							
Total number of claims denied in whole or part	271	7	13	14	13	13	331
Total dollar amount of denials	\$1,878,894	\$149,624	\$259,099.28	\$145,128.38	\$124,916.79	\$222,050.30	\$2,779,712.75
Claims made over limit	20	1	2	0	1	2	26
Total amount denied over limit	\$290,638	\$51,000	-----	-----	\$57,875.00	\$100,457.23	\$399,513.00
Total amount denied for other reasons	\$499,970.23	\$98,624	\$259,099.28	\$145,128.38	\$67,041.79	\$121,593.07	\$2,091,107.66
CLAIMS PENDING AT THE END OF THE YEAR							
Claims undecided and carried over to next year	146	34	26	13	4	12	-----
Claim amount pending at end of year	\$1,125,271	\$347,744	\$183,792.42	\$345,931.37	\$98,950.00	\$116,084.78	-----
ATTORNEY STATISTICS							
Total number of attorneys with claims filed	263	20	27	26	19	20	-----
CONTRIBUTIONS/ SANCTIONS/ RESTITUTION	\$70,809.80	\$12,991.03	\$16,465.18	\$32,205.53	\$97,819.79	\$30,072.00	\$132,481.54

► 2015–2025 Statistical History





State Bar of New Mexico
Client Protection Fund

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