



**MASSACHUSETTS
IOLTA
COMMITTEE**

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Dear Colleague:

In 1989, acting under its power to regulate the practice of law, the Massachusetts Supreme Judicial Court (SJC) adopted a comprehensive Interest on Lawyers' Trust Account (IOLTA) Program. Mass. R. Prof. C. Rule 1.15 requires all lawyers who hold client funds to deposit such funds in one of two types of interest-bearing accounts: either a pooled account ("IOLTA account") for all client funds which, in the judgment of the lawyer, are nominal in amount or are to be held for a short period of time; or an individual account, with the interest payable as directed by the client.

The IOLTA account(s) lawyers are required to establish are interest-bearing client fund accounts which pay the interest earned to the Massachusetts IOLTA Committee, established by the SJC to oversee the IOLTA program. The IOLTA Committee then distributes the interest among three charitable entities: the Boston Bar Foundation, the Massachusetts Bar Foundation and the Massachusetts Legal Assistance Corporation. These three entities use the funds received from the IOLTA program to support the delivery of civil legal services to indigent clients and to improve the administration of justice.

The SJC has recently revised Rule 1.15 on Safekeeping Property. As of July 1, 2004, Rule 1.15 requires all lawyers who hold client funds to comply with new record-keeping requirements for client and trust funds maintained by lawyers. The new rule identifies the records that must be maintained, describes the operational requirements for maintaining proper trust accounts, and requires lawyers to regularly reconcile client funds accounts, including the balance held for each client.

The new Rule 1.15 has several basic elements. First, there is a clear description of the records that must be created and maintained with respect to lawyers' trust accounts, including check registers, individual client ledgers, ledgers for bank fees, and reconciliation reports completed every 60 days verifying that funds are being properly maintained in the trust accounts. Second, the rule sets forth some operational requirements, including the use of pre-numbered checks and a prohibition against making withdrawals from trust accounts by ATM card or by checks payable to cash. By writing or calling the IOLTA Committee, you can request, free of charge, a copy of the Guidelines for Client Fund Accounts. These guidelines, and forms to open a new account, are also available on the IOLTA Committee web site listed below.

Any attorney who fails to fill out the enclosed IOLTA Compliance statement is subject to suspension. Instructions are on the back of this letter.

Thank you for your assistance in implementing this important program.

Respectfully yours,

Anthony M. Doniger, Chair
IOLTA Committee

*For further information, please contact the IOLTA Committee
Eleven Beacon Street, Suite 820
Boston, Massachusetts 02108-3009
(617) 723-9093
www.maiolta.org

Attorney Annual Registration IOLTA Instructions

Please follow the instructions which describe your situation to complete the Attorney Compliance Statement on the reverse side of your BBO Annual Registration Statement. If you have questions about the instructions, write, call or access our web site: 11 Beacon Street, Suite 820, Boston, MA 02108, (617) 723-9093, www.maiolta.org

1. If you practice in Massachusetts, and if you or your firm have one or more IOLTA accounts, please fill out: the IOLTA account name; IOLTA account number; and the bank name for each account. Attach a separate piece of paper if needed.

If you are exempt for one of the reasons listed below (numbers 2-9) you are required to note the reason why you are exempt. Without that information **your registration is incomplete.**

2. If your law office is outside of Massachusetts, you are exempt from Mass. R. Prof. C., Rule 1.15. Place an X beside "Number 1" OR "Number 3" and please write below: "I maintain my law office in _____ [name of state in which your office is located]."
3. If you are admitted to practice in Massachusetts but do not engage in the practice of law, you are exempt. Place an X beside "Number 1" and please write below: "I do not engage in the private practice of law and do not receive client funds."
4. If you are in a business which holds client funds AND you do not hold yourself out as an attorney, you are exempt. Place an X beside "Number 1" and please write below: "I am in the _____ [type of business]."

NOTE: Checking the space beside "Number 1" will not change your status to inactive. Your status is determined by what is checked on the front of the registration statement.

5. If you are employed in a legal or law-related field, such as a government employee, professor or corporation employee, AND do not receive client funds, you are exempt. Place an X beside "Number 2" and please write below: "I am employed as a _____ [type of work]."
6. If you are in a business which holds client funds AND you DO hold yourself out as an attorney, you may need to have a client funds account. Please call (617) 723-9093 for further clarification.
7. If you are semi-retired or handle a few cases a year and do not accept advanced fees or other types of client monies, you are exempt. Place an X beside "Number 3" and please write below: "I have a limited law practice and do not accept advanced attorney's fees or client monies."
8. If you are starting a private practice or plan to and have not collected any client monies yet, you are exempt. Place an X beside "Number 3" and please write below: "I will open an IOLTA account when I receive client funds."
9. If your practice is specialized in a specific area of law which in the past has not required you accept client monies or advanced attorneys fees, you are exempt. Place an X beside "Number 3" and please write below: "I specialize in _____ [type of law] and do not accept advanced attorney's fees or client monies."