



2009-2010 IOLTA PARTICIPATION AGREEMENT FAQ's for LAWYERS

WHERE CAN I FIND THE NEW IOLTA AGREEMENT?

You can read the entire 2009-2010 IOLTA Participation Agreement at

<http://www.azflse.org/download.cfm?filename=IOLTA%20AGREEMENT%202009%2D20101&type=pdf&loc=azflse>

WHY IS THERE A NEW PARTICIPATION AGREEMENT?

The 2009 Participation Agreement, which became effective June 1st, reflects the care taken to explicitly spell out the concept and nature of IOLTA accounts as well as the specification of the service fees that may be taken from the interest.

Under the new agreement, the Foundation has set the participating financial institution's service fee at 10% of the interest earned on the aggregate principal balances of the IOLTA accounts. Perhaps most importantly, this 2009-2010 Participation Agreement acts as a blanket request on behalf of all attorneys to assure that related ethical obligations and compliance with Rule 43 are met.

WHY IS THE STATE BAR REQUIRING MEMBERS TO MAKE THIS CHANGE?

The State Bar is required to uphold the rules of the Arizona Supreme Court. Rule 43 states that all lawyers handling client money must maintain a trust account and that accounts shall be "invested to the extent practicable in the higher earning return . . ."

WHAT ABOUT THE OUTSTANDING CHECKS I HAVE IN MY CURRENT ACCOUNT? IF I MOVE IT AND HAVE OUTSTANDING CHECKS, THEY MAY BOUNCE.

Before closing an existing IOLTA account, be sure to reconcile the account, make certain every check has cleared, and if there are any outstanding checks leave sufficient funds in the account to cover them.

I HAVE BEEN CHECKING THE FOUNDATION WEB SITE AND NOTICE THAT MY BANK HAS NOT SIGNED THE IOLTA PARTICIPATION AGREEMENT. WHAT CAN I DO?

The deadline for banks to return and sign the IOLTA Participation Agreement is June 15. You may want to talk to your banker to see if he/she is aware of the need for their organization to sign the Participation Agreement. Some local branch offices may not know if their bank plans to be a participating IOLTA bank. Ask the branch manager to contact the appropriate person to see if the agreement will be signed. Some banks require their legal department to review the agreement, which may result in the return of their agreement nearer to the deadline.

WILL I BE DISCIPLINED IF I KEEP MY IOLTA ACCOUNT AT A NON-PARTICIPATING BANK?

Under Rule 43(h), any active member who fails to comply is subject to summary suspension. A lawyer who has been suspended for failure to comply with this rule may be reinstated by compliance.

WHERE CAN I GO FOR ADDITIONAL INFORMATION?

Call the Trust Account Hotline at 602-340-7305.