

2014 IOLTAs Made Simple(r)

Notification

Rule 1.15(a)(1)(B) requires that upon receiving funds or other property in which a client or third person has an interest, a lawyer shall promptly notify the client or third person in writing.

Where do I establish an IOLTA?

- Approved repositories in accordance with Section 25 of Procedures Governing the Professional Conduct of Attorneys at Law.
- A least 100 banks, S&Ls, ASAs, and Investment CAs voluntarily offer the product.

Record Keeping Practice

Complete records for all trust accounts, including IOLTAs, shall be kept by the lawyer and shall be preserved for a period of five years after final disposition of the underlying matter. See Section 26 of the Procedures of the Supreme Court Regulating the Professional Conduct of Attorneys at Law.

*checkbooks, canceled checks, stubs, vouchers, ledgers, journals, statements, accountings or other statements of disbursements referred to trust funds.

What is an IOLTA?

IOLTA: Interest on Lawyers' Trust Account



Accounting

Rule 1.15(b) requires that "upon request by the client or third person, the lawyer shall promptly render a full accounting regarding the client or third party's funds or property."

Arkansas Rule of Professional Conduct 1.15, Safeguarding Property and Trust Accounts

From Rule 1.15(b)(4) states:
 (4) Upon request of the client or lawyer's firm, the lawyer shall promptly render a full accounting regarding the client or third party's funds or property.

Who is exempt?

Attorneys who do not handle client or third-party funds



Notable Decisions

In a ruling of the Arkansas Supreme Court, the court held that a lawyer who receives funds on behalf of a client or third party must maintain a separate trust account for those funds. The court held that a lawyer who commingles client or third party funds with the lawyer's own funds in a single bank account is in violation of the Arkansas Rule of Professional Conduct 1.15(b)(1). The court held that a lawyer who commingles client or third party funds with the lawyer's own funds in a single bank account is in violation of the Arkansas Rule of Professional Conduct 1.15(b)(1).

Today's CLE

- 2 hours
- 1st Hour: navigating the labyrinth...the Who, What, When, Where, Why & How of IOLTAs
- BREAK
- 2nd Hour: Ethical Responsibilities



Ethical Responsibilities

"The foundation of every lawyer-client relationship is trust. Whether trust is necessary for an efficient legal system or whether it flows from the moral autonomy of the individual client, lawyers and lawyer codes embrace it as the foundation of legal ethics. However, it is this trust that is most important and most abused when lawyers handle their clients' money." CLEPPE, "Lawyers, Clients & Money," 18 J.A.L.S. 47, 48 (1995).

Dealing with the Bank

- New IOLTA Account Agreement
- Attorney Trust Account Overdraft Reporting Agreement
- Error Report Form



Purpose of IOLTAs

- Protection
- Fulfillment of ethical obligations
- Opportunity to benefit others
- Legal aid to the poor
- Student loans and scholarship
- Projects to improve the administration of justice

How to Set Up an IOLTA

- Complete a New IOLTA Account Agreement
- Complete an IOLTA Compliance Statement, annually
- Display an IOLTA Sign Hotline
- Complete an Attorney Change of Status Form



History of IOLTAs

- Established in 1984 by the Arkansas Supreme Court. In re ABA, 201 Ark. 252, 575 S.W.2d 215 (1998).
- Voluntary until October 1994.
- Originally administered by the Arkansas IOLTA Foundation, Inc., which merged into the Arkansas Access to Justice Foundation in 2014.

IOLTA Transaction Rules

Debitors only allow payment due to the payee's account by check or wire only (no cash cards). If an attorney or firm needs to make payment on the client's behalf out of IOLTA, the firm's payment should be made from attorney's assets and not from IOLTA.

Debitors up to \$25K per client per bank in trust accounts only. NB: If deposit client funds into attorney's account, even if an immediate transfer, attorney or attorney's bank account assets and insurance have been usually waived. If not, ABA's comes obligatory fees only. ABA funds waived in Arkansas to fund an law writing up attorney.

Why are IOLTAs necessary?

- Duty not to commingle client funds
- ABA & CASL some 144 already
- Ability to pool and capture interest on nominal/short term funds, where no practical income opportunity otherwise exists
- Majority of 88% in grants to nonprofit providers of legal services



Delivery

Rule 1.15(b)(1)(B) also requires that a lawyer "shall promptly deliver to the client or third person any funds or other property that the client or third person is entitled to receive... upon request by the client or third person, shall promptly render a full written accounting regarding such property to the client or third persons."

Who must maintain an IOLTA?

Attorneys and clerks that receive, hold or distribute client or third party funds and are not exempt or are expected to be held for a long enough period of time to warrant the use of maintaining an individual account for the benefit of the client.



Ethical Responsibilities

- Professional rules make lawyers ethically bound to open the not an owner of accounts to be ethically a fiduciary
- Lawyer's duties regarding client funds generally arise from binding law or ethics regarding ownership of property of the principal.

Ethical Decision: Segregation

The decision to use the pooled IOLTA or the non-IOLTA individual client trust account falls solely within the discretion of the lawyer...but remember, it's one or the other.



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 - 1st Hour: navigating the labrynth...the **Who, What, When, Where, Why & How** of IOLTAs
-----BREAK-----
 - 2nd Hour: Ethical Responsibilities

Useful Links & Resources

- <http://www.arkansasjustice.org/iolta>
- <https://courts.arkansas.gov/administration/iolta>
- <http://www.arkansasjustice.org/iolta>
- Arkansas Access to Justice Foundation
 - contact@arkansasiolta.org
 - (501) 682-9421

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What is an IOLTA?

- IOLTA. Interest on Lawyers' Trust Account

The Banking Product

An *interest or dividend-bearing trust account* benefiting the Arkansas Access to Justice Foundation, Inc., established in an eligible institution for the deposit of nominal or short-term funds of clients or third persons, which may be withdrawn upon request as soon as permitted by law.

Ark. R. Prof. C. 1.15(c)(1).

Arkansas Access to Justice Foundation, Inc.
A limited liability company, organized under the laws of the State of Arkansas, and a subsidiary of the Arkansas Access to Justice Foundation, Inc. (AAJF). AAJF is a not-for-profit organization established to provide legal services to the poor and indigent in Arkansas. AAJF is a 501(c)(3) organization.

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Ark. R. Prof. C. 1.15(c)(1).

"Interest or Dividend-bearing Trust Account" defined...

A federally insured checking account or an investment product, including a sweep product and a daily (overnight) financial-institution repurchase agreement or an open-end market fund. The funds covered by this rule shall be subject to withdrawal upon request and without delay.

IOLTAs subject to a \$250k limit per client, per bank

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- Opportunity to benefit others
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- Voluntary, until October 1994
- Originally administered by the Arkansas IOLTA Foundation, Inc., which merged into the Arkansas Access to Justice Foundation in 2014.

Who must maintain an IOLTA?

- Arkansas lawyers and law firms that receive, retain or disburse client or third-party funds that are not large enough or not expected to be held for a long enough period of time to warrant the cost of administering an individual account for the benefit of the client.

Rule of Thumb

Arkansas lawyers who hold funds on which potential liabilities exist

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Who is exempt?

Attorneys who do not handle
client or third-party funds

Likely candidates...

- Full-time judges
- Government and military attorneys
- In-house counsels
- Licensed, non-practicing attorneys
- Licensed attorneys who practice primarily in other states
- Retired or inactive attorneys

Likely candidates...

Full-time judges

Government and military attorneys

In-house counsels

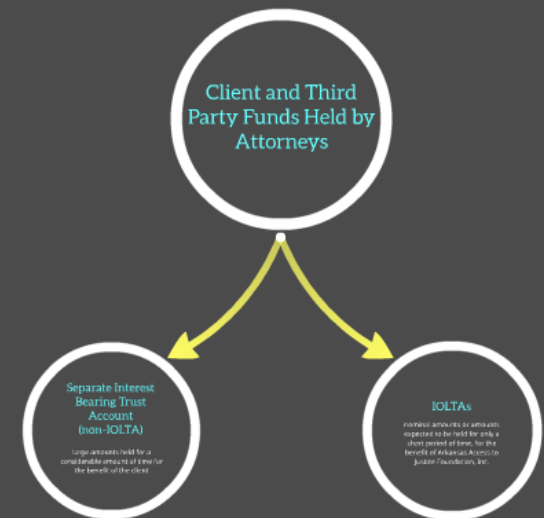
Licensed, non-practicing attorneys

Licensed attorneys who practice primarily in other states

Retired or inactive attorneys

Why are IOLTAs necessary?

- Duty not to commingle client funds
- LAA & CALS serve ~14k, annually
- Ability to pool and capture interest on nominal/short term funds where no practical income opportunity otherwise exists
- Majority of \$8M in grants to nonprofit providers of civil legal services



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graph TD; A((Client and Third Party Funds Held by Attorneys)) --> B((Separate Interest Bearing Trust Account (non-IOLTA))); A --> C((IOLTAs));
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Client and Third Party Funds Held by Attorneys

Separate Interest Bearing Trust Account (non-IOLTA)

large amounts held for a considerable amount of time for the benefit of the client

IOLTAs

nominal amounts or amounts expected to be held for only a short period of time, for the benefit of Arkansas Access to Justice Foundation, Inc.

New IOLTA Account Agreement

NEW IOLTA ACCOUNT AGREEMENT

In order to establish a new IOLTA account, the Attorney and a representative of the Financial Institution must complete this form in its entirety and submit it to the IOLTA Program of the Arkansas Access to Justice Foundation at the address below. This form will be in addition to any forms that the Financial Institution requires the attorney to complete, such as a signature card.

TO BE COMPLETED BY ATTORNEY		TO BE COMPLETED BY FINANCIAL INSTITUTION	
Attorney Name _____	Bar Number _____	Name of Financial Institution _____	
Firm Name _____		Financial Institution Representative _____	
Address _____		Address _____	
City, State, Zip _____		City, State, Zip _____	
Phone Number _____	Fax Number _____	Phone Number _____	Fax Number _____
Email Address _____		Email Address _____	

By completing and submitting this form, the undersigned Attorney acknowledges that:

- The Attorney has confirmed that the Financial Institution is an "eligible institution" as defined by Ark. Model R. Prof'l Conduct 1.15 and is approved by the Arkansas Supreme Court Office of Professional Conduct as a depository for lawyer trust accounts;
- The Attorney authorizes the Financial Institution to remit the interest on this account to the Arkansas Access to Justice Foundation by ACH pre-authorized debit or by check or by any other method approved by the Federal Reserve System; and
- The names and bar numbers of all attorneys who will use this account in the ordinary course of their practice are attached.

By completing and submitting this form, the undersigned representative acknowledges on behalf of the Financial Institution that:

- The IOLTA account established under this agreement is an interest-bearing checking or money-market account subject to a negotiable order of withdrawal (NOW Account);
- The IOLTA account has been established using the tax identification number of the Arkansas Access to Justice Foundation, Inc. (71-0611874) with interest creditable to the Foundation and NOT to the attorney or firm listed on the account. The bank is NOT required to report the interest income (IRS Form 1099); and
- Effective as of the date below, interest on this account, computed in accordance with the institution's standard accounting practice, will be reported and remitted to the Arkansas Access

New Account ATF 101
(01-2014)

to Justice Foundation on a monthly basis using ACH or other electronic transfer. At this time, wire transfers are NOT permitted.

IOLTA Account Confirmation (to be completed by Financial Institution)	
Account Name: The Arkansas IOLTA Account of _____	(Name of Attorney or Firm)
Trust Account Number: _____	Routing Number: _____
Date Account Opened: _____	

Attorney: Please list the names and bar numbers of all other attorneys who will use this account in the course of their practice (attach additional page(s) if needed):

_____ (Name)	_____ (Bar Number)
_____ (Name)	_____ (Bar Number)
_____ (Name)	_____ (Bar Number)
_____ (Name)	_____ (Bar Number)
_____ (Name)	_____ (Bar Number)
_____ (Name)	_____ (Bar Number)

Attorney Signature _____ Date _____ Bank Representative Signature _____ Date _____

Please fax, mail, or email this completed form to the Arkansas Access to Justice Foundation, Inc., 1300 W. 6th St., Room 113, Little Rock, AR 72201, (501) 682-9415, or update@arkansasiolta.org. For more information about the IOLTA Program of the Arkansas Access to Justice Foundation, including a comprehensive *Guidebook for Attorneys and Financial Institutions* that provides definitions and further guidance on proper setup and maintenance of IOLTA accounts, please visit www.arkansasjustice.org/iolta.

New Account ATF 101
(01-2014)

Attorney's responsibility to ensure that form is completed/submitted to the Foundation

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TO BE COMPLETED BY ATTORNEY	
_____ Attorney Name	_____ Bar Number
_____ Firm Name	
_____ Address	
_____ City, State, Zip	
_____ Phone Number	_____ Fax Number
_____ Email Address	

TO BE COMPLETED BY FINANCIAL INSTITUTION	
_____ Name of Financial Institution	
_____ Financial Institution Representative	
_____ Address	
_____ City, State, Zip	
_____ Phone Number	_____ Fax Number
_____ Email Address	

By completing and submitting this form, the undersigned Attorney acknowledges that:

- The Attorney has confirmed that the Financial Institution is an "eligible institution" as defined by Ark. Model R. Prof'l Conduct 1.15 and is approved by the Arkansas Supreme Court Office of Professional Conduct as a depository for lawyer trust accounts;
- The Attorney authorizes the Financial Institution to remit the interest on this account to the Arkansas Access to Justice Foundation by ACH pre-authorized debit or by check or by any other method approved by the Federal Reserve System; and
- The names and bar numbers of all attorneys who will use this account in the ordinary course of their practice are attached.

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New Account ATJF 101
(01-2014)

to Justice Foundation on
wire transfers are NOT p

IOLTA Account Confirmation
Account Name: The Arkansas Access to Justice Foundation
Trust Account Number: _____
Date Account Opened: _____

Attorney: Please list the names of all attorneys who have used this account in the course of their practice:

- _____
(Name)
- _____
(Name)
- _____
(Name)
- _____
(Name)
- _____
(Name)
- _____
(Name)

Attorney Signature

Please fax, mail, or email this form to the Arkansas Access to Justice Foundation, Inc., 1300 W. 13th Street, Little Rock, AR 72202, or update@arkansasiolta.org . For more information, visit www.arkansasjustice.org .

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representative of the Financial
the IOLTA Program of the
will be in addition to any
such as a signature card.

BY FINANCIAL

Institution _____

Representative _____

Fax Number _____

They acknowledges that:

“able institution” as defined
as Supreme Court Office of

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IOLTA Compliance Statement

2014 IOLTA COMPLIANCE STATEMENT

All lawyers licensed to practice law in Arkansas must check ONE of the appropriate statements regarding IOLTA below. Print and sign your name, and provide the number assigned to you by the Supreme Court of Arkansas. Please also complete and return the attached statement regarding your pro bono activities this past year.

- I am an Arkansas lawyer who receives or disburses client funds in Arkansas, and, in order to comply with the Model Rules of Professional Conduct Rule 1.15, I have (my law firm has, or the public or private entity for which I work has) established one or more pooled client trust account(s), all of which are interest-bearing for the benefit of the IOLTA Program of the Arkansas Access to Justice Foundation. **Information regarding my IOLTA account is provided below. (Please attach additional pages listing account information for any additional IOLTA accounts.)**

Print the Firm Name as it appears on the account _____ City where Firm is located _____

Print the Bank Name as it appears on the account _____ Account number _____

- I am licensed to practice law in Arkansas, but I do not handle client or third-party funds subject to rule 1.15 (includes government and military attorneys, judges, in-house counsel, and attorneys who maintain an active law license but do not practice).
- I am licensed to practice law in Arkansas, but I primarily practice in another state and I am in compliance with that state's IOLTA rules.
- I am retired or inactive.

I hereby certify that the above information is true and correct to the best of my knowledge and belief.

Signature of Lawyer _____ Date _____

Print Full Name _____ Supreme Court Bar Number _____

Your responses below will not be maintained on an identifiable basis. Aggregate data will be provided to the Arkansas Access to Justice Commission for the purpose of assessing the provision of pro bono legal services in Arkansas.

I provided a total ____ hours of pro bono public service, as defined in Rule 6.1 of the Rules of Professional Conduct, during calendar year 2013. My activities included the following (check all applicable):

- Provided legal services to persons of limited means
- Provided legal services to charitable, religious, civic, community, governmental, or educational organizations in matters designed primarily to address the needs of persons of limited means, or in matters in furtherance of their organizational purposes
- Provided legal services to individuals, groups, or organizations seeking to secure or protect civil rights, civil liberties, or public rights
- Participated in activities for improving the law, legal system, or legal profession

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I am retired or inactive.

I hereby certify that the above information is true and correct to the best of my knowledge and belief.

Signature of Lawyer

Date

Print Full Name

Supreme Court Bar Number

Your responses below will be provided to the Arkansas Access to Justice Foundation for the provision of pro bono services.

I provided a total ____ hours of pro bono service (including Professional Conduct, during the reporting period, if applicable):

Provided legal services to the underserved.

Provided legal services to charitable, educational, or other organizations in matters deemed to be in the public interest in matters in furtherance of the public interest.

Provided legal services to the underserved in matters involving civil rights, civil liberties, or other public interest matters.

Participated in activities designed to increase the public's understanding of the legal system.

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ONE of the appropriate and provide the number complete and return the year.

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Firm is located

umber

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IOLTA Post Notice

NOTICE TO CLIENTS



ARKANSAS
ACCESS TO
JUSTICE
REPRESENTING HOPE

In conformity with the Arkansas Code of Professional Conduct, this law firm maintains an interest-bearing trust account where client funds that are nominal in amount or to be held for a short time are deposited.

If funds belonging to you are deposited in this firm's trust account, any interest earned therefrom will be forwarded by the depository bank to a nonprofit organization that will dispense the funds to support programs that provide legal aid to the poor, that promote and support access to the civil justice system, that educate the public regarding the need for access to justice, that provide loans and scholarships for the education of lawyers, that improve the administration of justice, or that carry out other purposes approved by the Arkansas Supreme Court.

For more information, visit www.arkansasjustice.org/iolta.

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Attorney Change of Status Form

ATTORNEY CHANGE OF STATUS

This form should be submitted to the IOLTA Program of the Arkansas Access to Justice Foundation when an attorney's contact information or participation status in the IOLTA Program changes. If closing an IOLTA account, please note that it is the attorney's responsibility to ensure that any interest accrued on the account is remitted to the Arkansas Access to Justice Foundation before the account is closed.

I am submitting this form to (check all that apply):

- Notify the IOLTA Program of a change of address or employment (Complete Section A)
- Close an IOLTA account (Complete Sections A and B)
- Notify the IOLTA Program that I no longer participate because I now qualify for an exemption (Complete Section A and, if applicable, Section B AND attach updated Annual IOLTA Compliance Statement)

Section A – REQUIRED	<input type="checkbox"/> Check here if this is NEW information
Name: _____	Bar #: _____
Employer: _____	Phone: _____
Address: _____	
City, State, Zip: _____	Email: _____

Section B – Notice of Closed Account
I am closing the following account (please attach a list of names and bar numbers of any additional attorneys who are associated with this account):
Bank Name: _____
Account Name: _____
Account Number: _____ Date Closed: _____
In closing this account, I am (choose one of the following):
<input type="checkbox"/> Opening a new IOLTA Account and providing a completed IOLTA Participation Agreement
<input type="checkbox"/> Using another IOLTA Account in my/my firm's name (acct #): _____
<input type="checkbox"/> Joining a firm that has an IOLTA Account (acct #): _____
<input type="checkbox"/> No longer participating in the IOLTA Program because I satisfy an exemption on the attached and completed Annual IOLTA Compliance Statement

For additional information, please visit our website at www.arkansasjustice.org/iolta and consult our FAQs or download the *IOLTA Program Guidebook for Attorneys and Financial Institutions*.

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Section A – REQUIRED	<input type="checkbox"/> Check here if this is NEW information
Name: _____	Bar #: _____
Employer: _____	Phone: _____
Address: _____	
City, State, Zip: _____	Email: _____

Section B – Notice of Closed Account
I am closing the following account (please attach a list of names and bar numbers of any additional attorneys who are associated with this account):
Bank Name: _____
Account Name: _____
Account Number: _____ Date Closed: _____
In closing this account, I am (choose one of the following):
<input type="checkbox"/> Opening a new IOLTA Account and providing a completed IOLTA Participation Agreement
<input type="checkbox"/> Using another IOLTA Account in my/my firm's name (acct #): _____
<input type="checkbox"/> Joining a firm that has an IOLTA Account (acct #): _____
<input type="checkbox"/> No longer participating in the IOLTA Program because I satisfy an exemption on the attached and completed Annual IOLTA Compliance Statement

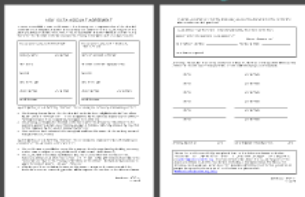
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How to Set Up an IOLTA

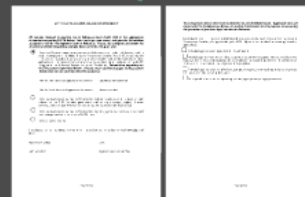
- Complete a New IOLTA Account Agreement
- Complete an IOLTA Compliance Statement, annually
- Display an IOLTA Post Notice
- Complete an Attorney Change of Status Form

New IOLTA Account Agreement

The image shows a two-page document titled "NEW IOLTA ACCOUNT AGREEMENT". The left page contains a header with the text "NEW IOLTA ACCOUNT AGREEMENT" and "IOLTA ACCOUNT AGREEMENT" followed by a large block of text. The right page contains a header with the text "IOLTA ACCOUNT AGREEMENT" and "IOLTA ACCOUNT AGREEMENT" followed by a large block of text. The document is presented as a preview of a form.

Attorney's responsibility to ensure that form is completed/submitted to the Foundation

IOLTA Compliance Statement

The image shows a two-page document titled "IOLTA COMPLIANCE STATEMENT". The left page contains a header with the text "IOLTA COMPLIANCE STATEMENT" and "IOLTA COMPLIANCE STATEMENT" followed by a large block of text. The right page contains a header with the text "IOLTA COMPLIANCE STATEMENT" and "IOLTA COMPLIANCE STATEMENT" followed by a large block of text. The document is presented as a preview of a form.

IOLTA Post Notice

The image shows a single-page document titled "NOTICE TO CLIENTS". The page contains a header with the text "NOTICE TO CLIENTS" and a large block of text. The document is presented as a preview of a form.

Attorney Change of Status Form

The image shows a single-page document titled "ATTORNEY CHANGE OF STATUS FORM". The page contains a header with the text "ATTORNEY CHANGE OF STATUS FORM" and a large block of text. The document is presented as a preview of a form.

Where do I establish an IOLTA?

- Approved depositories in accordance with Section 28 of Procedures Governing the Professional Conduct of Attorneys at Law.
- Almost 100 banks, S&L Assocs., and Investment Cos. voluntarily offer the product

Preferred Banks/Institutions

1st Bank Community First Bank
First State Bank Warren Heritage Bank
Petit Jean State Bank Smackover State Bank
Southern Bancorp Summit Bank

For a list of participating banks...
<http://www.arkansasjustice.org/ioltabanks>



Preferred Banks/Institutions

1st Bank Community First Bank
First State Bank Warren Heritage Bank
Petit Jean State Bank Smackover State Bank
Southern Bancorp Summit Bank

For a list of participating banks...

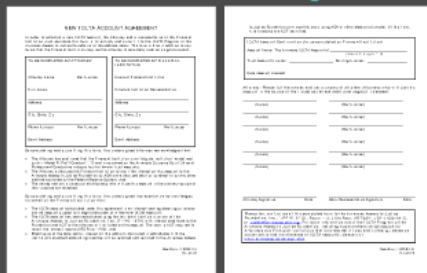
<http://www.arkansasjustice.org/ioltabanks>



Dealing with the Bank

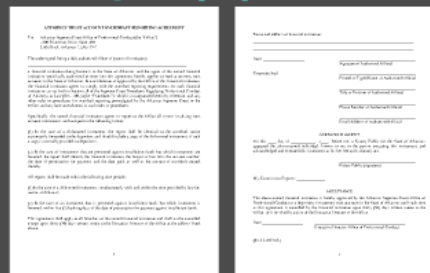
- New IOLTA Account Agreement
- Attorney Trust Account Overdraft Reporting Agreement
- Error Report Form

New IOLTA Account Agreement



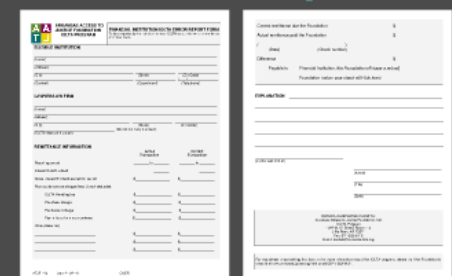
The image shows two pages of a "NEW IOLTA ACCOUNT AGREEMENT" form. The first page includes a title, a "TERMS AND CONDITIONS" section, and a table for "ACCOUNT INFORMATION" with columns for "ACCOUNT TYPE", "ACCOUNT NUMBER", "ACCOUNT BALANCE", "ACCOUNT STATUS", "ACCOUNT CURRENCY", "ACCOUNT COUNTRY", "ACCOUNT CURRENCY CODE", "ACCOUNT COUNTRY CODE", "ACCOUNT CURRENCY CODE", "ACCOUNT COUNTRY CODE", "ACCOUNT CURRENCY CODE", "ACCOUNT COUNTRY CODE". The second page contains a "SIGNATURE" section with fields for "ATTORNEY SIGNATURE", "DATE", "NOTARY SIGNATURE", "DATE", and "NOTARY PUBLIC".

Attorney Trust Account Overdraft Reporting Agreement



The image shows two pages of an "ATTORNEY TRUST ACCOUNT OVERDRAFT REPORTING AGREEMENT" form. The first page includes a title, a "TERMS AND CONDITIONS" section, and a "SIGNATURE" section with fields for "ATTORNEY SIGNATURE", "DATE", "NOTARY SIGNATURE", "DATE", and "NOTARY PUBLIC". The second page contains a "SIGNATURE" section with fields for "ATTORNEY SIGNATURE", "DATE", "NOTARY SIGNATURE", "DATE", and "NOTARY PUBLIC".

IOLTA Error Report



The image shows a "IOLTA ERROR REPORT" form. It includes a title, a "TERMS AND CONDITIONS" section, and a "SIGNATURE" section with fields for "ATTORNEY SIGNATURE", "DATE", "NOTARY SIGNATURE", "DATE", and "NOTARY PUBLIC". The form also includes a "REMARKS" section with a table for "REMARKS" and "DATE".

New IOLTA Account Agreement

NEW IOLTA ACCOUNT AGREEMENT

In order to establish a new IOLTA account, the Attorney and a representative of the Financial Institution must complete this form in its entirety and submit it to the IOLTA Program of the Arkansas Access to Justice Foundation at the address below. This form will be in addition to any forms that the Financial Institution requires the attorney to complete, such as a signature card.

TO BE COMPLETED BY ATTORNEY		TO BE COMPLETED BY FINANCIAL INSTITUTION	
Attorney Name _____	Bar Number _____	Name of Financial Institution _____	
Firm Name _____		Financial Institution Representative _____	
Address _____		Address _____	
City, State, Zip _____		City, State, Zip _____	
Phone Number _____	Fax Number _____	Phone Number _____	Fax Number _____
Email Address _____		Email Address _____	

By completing and submitting this form, the undersigned Attorney acknowledges that:

- The Attorney has confirmed that the Financial Institution is an "eligible institution" as defined by Ark. Model R. Prof'l Conduct 1.15 and is approved by the Arkansas Supreme Court Office of Professional Conduct as a depository for lawyer trust accounts;
- The Attorney authorizes the Financial Institution to remit the interest on this account to the Arkansas Access to Justice Foundation by ACH pre-authorized debit or by check or by any other method approved by the Federal Reserve System; and
- The names and bar numbers of all attorneys who will use this account in the ordinary course of their practice are attached.

By completing and submitting this form, the undersigned representative acknowledges on behalf of the Financial Institution that:

- The IOLTA account established under this agreement is an interest-bearing checking or money-market account subject to a negotiable order of withdrawal (NOW Account);
- The IOLTA account has been established using the tax identification number of the Arkansas Access to Justice Foundation, Inc. (71-0611874) with interest creditable to the Foundation and NOT to the attorney or firm listed on the account. The bank is NOT required to report the interest income (IRS Form 1099); and
- Effective as of the date below, interest on this account, computed in accordance with the institution's standard accounting practice, will be reported and remitted to the Arkansas Access

New Account ATF 101
(01-2014)

to Justice Foundation on a monthly basis using ACH or other electronic transfer. At this time, wire transfers are NOT permitted.

IOLTA Account Confirmation (to be completed by Financial Institution)	
Account Name: The Arkansas IOLTA Account of _____	(Name of Attorney or Firm)
Trust Account Number: _____	Routing Number: _____
Date Account Opened: _____	

Attorney: Please list the names and bar numbers of all other attorneys who will use this account in the course of their practice (attach additional page(s) if needed):

_____ (Name)	_____ (Bar Number)
_____ (Name)	_____ (Bar Number)
_____ (Name)	_____ (Bar Number)
_____ (Name)	_____ (Bar Number)
_____ (Name)	_____ (Bar Number)
_____ (Name)	_____ (Bar Number)

Attorney Signature _____ Date _____ Bank Representative Signature _____ Date _____

Please fax, mail, or email this completed form to the Arkansas Access to Justice Foundation, Inc., 1300 W. 6th St., Room 113, Little Rock, AR 72201, (501) 682-9415, or update@arkansasiolta.org. For more information about the IOLTA Program of the Arkansas Access to Justice Foundation, including a comprehensive *Guidebook for Attorneys and Financial Institutions* that provides definitions and further guidance on proper setup and maintenance of IOLTA accounts, please visit www.arkansasjustice.org/iolta.

New Account ATF 101
(01-2014)

NEW IOLTA ACCOUNT AGREEMENT

In order to establish a new IOLTA account, the Attorney and a representative of the Financial Institution must complete this form in its entirety and submit it to the IOLTA Program of the Arkansas Access to Justice Foundation at the address below. This form will be in addition to any forms that the Financial Institution requires the attorney to complete, such as a signature card.

TO BE COMPLETED BY ATTORNEY	
_____ Attorney Name	_____ Bar Number
_____ Firm Name	
_____ Address	
_____ City, State, Zip	
_____ Phone Number	_____ Fax Number
_____ Email Address	

TO BE COMPLETED BY FINANCIAL INSTITUTION	
_____ Name of Financial Institution	
_____ Financial Institution Representative	
_____ Address	
_____ City, State, Zip	
_____ Phone Number	_____ Fax Number
_____ Email Address	

By completing and submitting this form, the undersigned Attorney acknowledges that:

- The Attorney has confirmed that the Financial Institution is an "eligible institution" as defined by Ark. Model R. Prof'l Conduct 1.15 and is approved by the Arkansas Supreme Court Office of Professional Conduct as a depository for lawyer trust accounts;
- The Attorney authorizes the Financial Institution to remit the interest on this account to the Arkansas Access to Justice Foundation by ACH pre-authorized debit or by check or by any other method approved by the Federal Reserve System; and
- The names and bar numbers of all attorneys who will use this account in the ordinary course of their practice are attached.

By completing and submitting this form, the undersigned representative acknowledges on behalf of the Financial Institution that:

- The IOLTA account established under this agreement is an interest-bearing checking or money-market account subject to a negotiable order of withdrawal (NOW Account);
- The IOLTA account has been established using the tax identification number of the Arkansas Access to Justice Foundation, Inc. (71-0611874) with interest creditable to the Foundation and NOT to the attorney or firm listed on the account. The bank is NOT required to report the interest income (IRS Form 1099); and
- Effective as of the date below, interest on this account, computed in accordance with the institution's standard accounting practice, will be reported and remitted to the Arkansas Access

New Account ATJF 101
(01-2014)

to Justice Foundation on
wire transfers are NOT p

IOLTA Account Confirmation
Account Name: The Arkansas Access to Justice Foundation
Trust Account Number: _____
Date Account Opened: _____

Attorney: Please list the names of all attorneys who have used this account in the course of their practice:

	(Name)
	(Name)
	(Name)
	(Name)
	(Name)
	(Name)

Attorney Signature

Please fax, mail, or email this form to the Arkansas Access to Justice Foundation, Inc., 1300 W. 13th Street, Little Rock, AR 72202, or update@arkansasiolta.org . For more information, visit www.arkansasjustice.org .

ENT

representative of the Financial
the IOLTA Program of the
will be in addition to any
such as a signature card.

BY FINANCIAL

Institution _____

Representative _____

Fax Number _____

They acknowledge that:

able institution" as defined
as Supreme Court Office of

st on this account to the
or by check or by any other

nt in the ordinary course of

entative acknowledges

bearing checking or money-
ccount);

on number of the
th interest creditable to the
he bank is NOT required to

accordance with the
ted to the Arkansas Access

to Justice Foundation on a monthly basis using ACH or other electronic transfer. At this time,
wire transfers are NOT permitted.

IOLTA Account Confirmation (to be completed by Financial Institution)

Account Name: The Arkansas IOLTA Account of _____
(Name of Attorney or Firm)

Trust Account Number: _____ Routing Number: _____

Date Account Opened: _____

Attorney: Please list the names and bar numbers of all other attorneys who will use this
account in the course of their practice (attach additional page(s) if needed):

_____	_____
(Name)	(Bar Number)
_____	_____
(Name)	(Bar Number)
_____	_____
(Name)	(Bar Number)
_____	_____
(Name)	(Bar Number)
_____	_____
(Name)	(Bar Number)

_____	_____	_____	_____
Attorney Signature	Date	Bank Representative Signature	Date

Please fax, mail, or email this completed form to the Arkansas Access to Justice
Foundation, Inc., 1300 W. 6th St., Room 113, Little Rock, AR 72201, (501) 682-9415,
or update@arkansasiolta.org. For more information about the IOLTA Program of the
Arkansas Access to Justice Foundation, including a comprehensive *Guidebook for
Attorneys and Financial Institutions* that provides definitions and further guidance on
proper setup and maintenance of IOLTA accounts, please visit
www.arkansasjustice.org/iolta.

Attorney Trust Account Overdraft Reporting Agreement

ATTORNEY TRUST ACCOUNT OVERDRAFT REPORTING AGREEMENT

To: Arkansas Supreme Court Office of Professional Conduct (the "Office")
2100 Riverfront Drive, Suite 200
Little Rock, Arkansas 72202-1747

The undersigned, being a duly authorized officer of (name of institution) _____,

a financial institution doing business in the State of Arkansas, and the agent of the named financial institution specifically authorized to enter into this agreement, hereby applies to receive attorney trust accounts in the State of Arkansas. In consideration of approval by the Office of this financial institution, the financial institution agrees to comply with the overdraft reporting requirements for such financial institutions as set forth in Section 28 of the Supreme Court Procedures Regulating Professional Conduct of Attorneys at Law (Rev. 2002) (the "Procedures"), which is incorporated herein by reference, and any other rules or procedures for overdraft reporting promulgated by the Arkansas Supreme Court or the Office, and any later amendments to such rules or procedures.

Specifically, the named financial institution agrees to report to the Office all events involving trust account instruments, and to report in the following format:

(1) In the case of a dishonored instrument, the report shall be identical to the overdraft notice customarily forwarded to the depositor, and should include a copy of the dishonored instrument, if such a copy is normally provided to depositors;

(2) In the case of instruments that are presented against insufficient funds but which instruments are honored, the report shall identify the financial institution, the lawyer or law firm, the account number, the date of presentation for payment, and the date paid, as well as the amount of overdraft created thereby.

All reports shall be made within the following time periods:

(1) In the case of a dishonored instrument, simultaneously with, and within the time provided by law for, notice of dishonor;

(2) In the case of an instrument that is presented against insufficient funds but which instrument is honored, within five (5) banking days of the date of presentation for payment against insufficient funds.

This agreement shall apply to all branches of the named financial institution and shall not be cancelled except upon thirty (30) days written notice to the Executive Director of the Office at the address listed above.

1

Name and address of financial institution:

Date: _____

Signature of Authorized Official

Corporate Seal

Printed or Typed Name of Authorized Official

Title or Position of Authorized Official

Phone Number of Authorized Official

Email Address of Authorized Official

ACKNOWLEDGMENT

On this ____ day of _____, 2____, before me, a Notary Public for the State of Arkansas, appeared the above-named individual, known to me to be the person executing this instrument, and acknowledged and executed this instrument as his/her free and voluntary act.

Notary Public (signature)

My Commission Expires: _____

ACCEPTANCE

The above-named financial institution is hereby approved by the Arkansas Supreme Court Office of Professional Conduct as a depository for attorney trust accounts in the State of Arkansas until such time as this agreement is cancelled by the financial institution upon thirty (30) days written notice to the Office, or is revoked by action of the Executive Director of the Office.

Date _____

Executive Director, Office of Professional Conduct

(02-11-2013 ed.)

2

ATTORNEY TRUST ACCOUNT OVERDRAFT REPORTING AGREEMENT

To: Arkansas Supreme Court Office of Professional Conduct (the "Office")
2100 Riverfront Drive, Suite 200
Little Rock, Arkansas 72202-1747

The undersigned, being a duly authorized officer of (name of institution)

_____,
a financial institution doing business in the State of Arkansas, and the agent of the named financial institution specifically authorized to enter into this agreement, hereby applies to receive attorney trust accounts in the State of Arkansas. In consideration of approval by the Office of this financial institution, the financial institution agrees to comply with the overdraft reporting requirements for such financial institutions as set forth in Section 28 of the Supreme Court Procedures Regulating Professional Conduct of Attorneys at Law (Rev. 2002) (the "Procedures"), which is incorporated herein by reference, and any other rules or procedures for overdraft reporting promulgated by the Arkansas Supreme Court or the Office, and any later amendments to such rules or procedures.

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This agreement shall apply to all branches of the named financial institution and shall not be cancelled except upon thirty (30) days written notice to the Executive Director of the Office at the address listed above.

Name and address of financial institution

Date: _____

Corporate Seal

On this ____ day of _____
appeared the above-named _____
acknowledged and executed

My Commission Expires _____

The above-named financial institution is licensed by the Arkansas
Professional Conduct as a _____
as this agreement is cancelled, amended, or
Office, or is revoked by a _____

Date _____

(02-11-2013 ed.)

AGREEMENT

Name and address of financial institution:

Date: _____

Signature of Authorized Official

Corporate Seal

Printed or Typed Name of Authorized Official

Title or Position of Authorized Official

Phone Number of Authorized Official

Email Address of Authorized Official

ACKNOWLEDGMENT

On this ____ day of _____, 2____, before me, a Notary Public for the State of Arkansas, appeared the above-named individual, known to me to be the person executing this instrument, and acknowledged and executed this instrument as his/her free and voluntary act.

Notary Public (signature)

My Commission Expires: _____

ACCEPTANCE

The above-named financial institution is hereby approved by the Arkansas Supreme Court Office of Professional Conduct as a depository for attorney trust accounts in the State of Arkansas until such time as this agreement is cancelled by the financial institution upon thirty (30) days written notice to the Office, or is revoked by action of the Executive Director of the Office.

Date _____

Executive Director, Office of Professional Conduct

(02-11-2013 ed.)

IOLTA Error Report



**ARKANSAS ACCESS TO JUSTICE FOUNDATION
IOLTA PROGRAM**

FINANCIAL INSTITUTION IOLTA ERROR REPORT FORM
To be completed by the institution for each IOLTA account for which a remittance error was made.

ELIGIBLE INSTITUTION

(Name) _____
 (Address) _____
 (City) _____ (State) _____ (Zip Code) _____
 (Contact) _____ (Department) _____ (Telephone) _____

LAWYER/LAW FIRM

(Name) _____
 Address) _____
 (City) _____ (State) _____ (Zip Code) _____
 (IOLTA Account Number) _____ (Do not omit any numbers)

REMITTANCE INFORMATION

	Actual Transaction	Correct Transaction
Reporting period	_____ to _____	_____ to _____
Interest Rate/Dividend	_____	_____
Gross interest/dividend earned for period	\$ _____	\$ _____
Permissible service charges/fees (if any) deducted:		
IOLTA Handling fee	\$ _____	\$ _____
Per check charge	\$ _____	\$ _____
Per deposit charge	\$ _____	\$ _____
Fee in lieu of minimum balance	\$ _____	\$ _____
Other (describe):	_____	_____
	\$ _____	\$ _____
	\$ _____	\$ _____
	\$ _____	\$ _____

Correct remittance due the Foundation \$ _____
 Actual remittance paid the Foundation \$ _____
 (_____) (Check number)
 (Date)
 Difference \$ _____
 Payable to _____ Financial Institution (the Foundation will issue a refund)
 _____ Foundation (return your check with this form)

EXPLANATION

(Authorized official) _____

 (Name)

 (Title)

 (Date)

RETURN COMPLETED FORM TO:
 Arkansas Access to Justice Foundation, Inc.
 IOLTA Program
 1300 W. 6th Street, Room 113
 Little Rock, AR 72201
 Fax: 501-682-9415
 Email: contact@arkansasiolta.org

For assistance in completing this form, or for more information about the IOLTA program, please visit the Foundation's website at www.arkansasjustice.org/iolta or call (501) 682-9421.



**ARKANSAS ACCESS TO JUSTICE FOUNDATION
IOLTA PROGRAM**

FINANCIAL INSTITUTION IOLTA ERROR REPORT FORM

To be completed by the institution for each IOLTA account for which a remittance error was made.

ELIGIBLE INSTITUTION

(Name) _____
 (Address) _____
 (City) _____ (State) _____ (Zip Code) _____
 (Contact) _____ (Department) _____ (Telephone) _____

LAWYER/LAW FIRM

(Name) _____
 Address) _____
 (City) _____ (State) _____ (Zip Code) _____
 (IOLTA Account Number) _____ (Do not omit any numbers)

REMITTANCE INFORMATION

	Actual Transaction	Correct Transaction
Reporting period	_____ to _____	_____ to _____
Interest Rate/Dividend	_____	_____
Gross interest/dividend earned for period	\$ _____	\$ _____
Permissible service charges/fees (if any) deducted:		
IOLTA Handling fee	\$ _____	\$ _____
Per check charge	\$ _____	\$ _____
Per deposit charge	\$ _____	\$ _____
Fee in lieu of minimum balance	\$ _____	\$ _____
Other (describe):		
_____	\$ _____	\$ _____
_____	\$ _____	\$ _____
_____	\$ _____	\$ _____

Correct remittance due the

Actual remittance paid the

(_____)
(Date)

Difference

Payable to _____ Fin

_____ Fou

EXPLANATION _____

(Authorized official)

For assistance in completing this form, visit the website at www.arkansasjustice.org.

TA ERROR REPORT FORM

IOLTA account for which a remittance

_____ (Zip Code)

_____ (Telephone)

_____ (Zip Code)

Correct Transaction

_____ to _____

\$ _____

\$ _____

\$ _____

\$ _____

\$ _____

\$ _____

\$ _____

\$ _____

Correct remittance due the Foundation \$ _____

Actual remittance paid the Foundation \$ _____

(_____)
(Date) (Check number)

Difference \$ _____

Payable to _____ Financial Institution *(the Foundation will issue a refund)*

_____ Foundation *(return your check with this form)*

EXPLANATION _____

_____ (Authorized official)

_____ (Name)

_____ (Title)

_____ (Date)

RETURN COMPLETED FORM TO:
 Arkansas Access to Justice Foundation, Inc.
 IOLTA Program
 1300 W. 6th Street, Room 113
 Little Rock, AR 72201
 Fax: 501-682-9415
 Email: contact@arkansasiolta.org

For assistance in completing this form, or for more information about the IOLTA program, please visit the Foundation's website at www.arkansasjustice.org/iolta or call (501) 682-9421.

IOLTA Transaction Rules

Withdraw only after payment due (no pre-payment/credit) by check or wire only (no cash/card). If an attorney or firm needs to make payment on the client's behalf out of IOLTA, e.g. filing fee, payment should be made from attorney's account and reimbursed from IOLTA.

Deposit up to \$250k per client per bank in *trust* accounts only. NEVER deposit client funds into operating accounts, even if for immediate transfer. \$500 max of attorney's funds to cover costs and minimums.

Bank fees usually waived, if not AAJF covers customary fees only

AAJF sends interest requests to bank on last working day of month

Record Keeping Practice

Complete records* [of all trust accounts, including IOLTAs] shall be kept by the lawyer and shall be preserved for a period of five years after final disposition of the underlying matter. *See* Section 28 of the Procedures of the Supreme Court Regulating the Professional Conduct of Attorneys at Law

*checkbooks, canceled checks, stubs, vouchers, ledgers, journals, statements, accountings or other statements of disbursements rendered w/ regard to trust funds.

2014 IOLTAs Made Simple(r)

Notification

Rule 1.15(a)(1)(B) requires that upon receiving funds or other property in which a client or third person has an interest, a lawyer shall promptly notify the client or third person in writing.

Where do I establish an IOLTA?

- Approved repositories in accordance with Section 25 of Procedures Governing the Professional Conduct of Attorneys at Law.
- A least 100 banks, S&Ls, ASAs, and Investment CAs voluntarily offer the product.

Record Keeping Practice

Complete records for all trust accounts, including IOLTAs, shall be kept by the lawyer and shall be preserved for a period of five years after final disposition of the underlying matter. See Section 26 of the Procedures of the Supreme Court Regulating the Professional Conduct of Attorneys at Law.

*checkbooks, canceled checks, stubs, vouchers, ledgers, journals, statements, accountings or other statements of disbursements referred to trust funds.

What is an IOLTA?

IOLTA: Interest on Lawyers' Trust Account



Accounting

Rule 1.15(b) requires that "upon request by the client or third person, the lawyer shall promptly render a full accounting regarding his client or third party's funds or property."

Arkansas Rule of Professional Conduct 1.15, Safeguarding Property and Trust Accounts

Upon notice of a client or third person's request, the lawyer shall promptly render a full accounting regarding his client or third party's funds or property.

Who is exempt?

Attorneys who do not handle client or third-party funds



Notable Decisions

In a ruling of the Arkansas Supreme Court, the court held that a lawyer who receives funds from a client or third person in which the client or third person has an interest, and who does not promptly notify the client or third person in writing, is in violation of Rule 1.15(a)(1)(B) of the Arkansas Rules of Professional Conduct. The court held that the lawyer's failure to notify the client or third person in writing was a violation of the rule, and that the lawyer was liable for the amount of the funds received.

Today's CLE

- 2 hours
- 1st Hour: navigating the labyrinth...the Who, What, When, Where, Why & How of IOLTAs
- BREAK—
- 2nd Hour: Ethical Responsibilities



Ethical Responsibilities

"The foundation of every lawyer-client relationship is trust. Whether trust is necessary for an efficient legal system or whether it flows from the moral autonomy of the individual client, lawyers and lawyer codes embrace it as the foundation of legal ethics. However, it is this trust that is important and more elusive than when lawyers handle their clients' money." CLEPPE, "Lawyers, Clients & Money," 18 J.A.L.M. 95, 96 (1995).

Dealing with the Bank

- New IOLTA Account Agreement
- Attorney Trust Account Overdraft Reporting Agreement
- Error Report Form



Purpose of IOLTAs

- Protection
- Fulfillment of ethical obligations
- Opportunity to benefit others
- Legal aid to the poor
- Student loans and scholarship
- Projects to improve the administration of justice

How to Set Up an IOLTA

- Complete a New IOLTA Account Agreement
- Complete an IOLTA Compliance Statement, annually
- Display an IOLTA Sign Hotline
- Complete an Attorney Change of Status Form



History of IOLTAs

- Established in 1984 by the Arkansas Supreme Court. In re ABA, 201 Ark. 252, 575 S.W.2d 215 (1998).
- Voluntary until October 1994.
- Originally administered by the Arkansas IOLTA Foundation, Inc., which merged into the Arkansas Access to Justice Foundation in 2014.

IOLTA Transaction Rules

Debitors only allow payment due to payees/creditors by check or wire only (no cash cards). If an attorney or firm needs to make payment on the client's behalf out of IOLTA, the firm's payment should be made from attorney's assets and not from IOLTA.

Debitors up to \$250 per client per bank in trust accounts only. NBOD deposit client funds into operating accounts, even if an immediate transfer. Attorney or attorney firm's account must be used.

Bank fees usually waived. If not, ABA comes obligatory fees only. ABA funds waived. No funds to bank on last working day of the year.

Why are IOLTAs necessary?

- Duty not to commingle client funds
- S&Ls & C&S since 1/14, already
- Ability to pool and capture interest on nominal/short term funds, where no practical income opportunity otherwise exists
- Majority of 88% in grants to nonprofit providers of legal services



Delivery

Rule 1.15(b)(1)(B) also requires that a lawyer "shall promptly deliver to the client or third person any funds or other property that the client or third person is entitled to receive... upon request by the client or third person, shall promptly render a full written accounting regarding such property to the client or third persons."

Who must maintain an IOLTA?

Attorneys and law firms that receive, hold or distribute client or third party funds and are not exempt or are expected to be held for a long enough period of time to warrant the use of maintaining an individual account for the benefit of the client.



Ethical Responsibilities

- Professional rules make lawyers ethically bound to open the not an owner of accounts to be ethically fiduciary.
- Lawyer's duties regarding client funds generally arise from existing law or principles regarding ownership of property of the principal.

Ethical Decision: Segregation

The decision to use the pooled IOLTA or the (non-IOLTA) individual client trust account falls solely within the discretion of the lawyer...but remember, it's one or the other.



Ethical Responsibilities

"The foundation of every lawyer-client relationship is trust. Whether trust is necessary for an efficient legal system or whether it flows from the moral autonomy of the individual client, lawyers and lawyer codes enshrine it as the foundation of legal ethics. Nowhere is this trust more important and more abused than when lawyers handle their clients' money." DiPippa, "Lawyers, Clients & Money," 18 U.A.L.R.L.J. 95, 96 (1995).

Ethical Responsibilities

- Professional rules aside, lawyers still would be required to meet the highest standards of accountability by acting as a fiduciary.
- Lawyers' duties regarding client funds generally arises from agency law principles regarding possession of property of the principal.

Arkansas Rule of Professional Conduct 1.15. Safekeeping Property and Trust Accounts

Four basic fiduciary duties:

- (1) **segregation** of client and lawyer funds
- (2) **notification** the client in writing of the receipt of money or property
- (3) **delivery** of client funds to client, and
- (4) **accounting** to client

Ethical Decision: Segregation

The decision to use the pooled IOLTA or the (non-IOLTA) individual client trust account falls solely within the discretion of the lawyer...but remember, it's one or the other.

Factors to Consider...

The lawyer should consider "[t]he amount of interest which the funds would earn during the period they are expected to be deposited; and ...[t]he cost of establishing and administering the account, including the cost of the lawyer's or law firm's expenses." *In re Arkansas IOLTA*, 885 S.W.2d 846, 848-49 (1994).

Factors to Consider...

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Notification

Rule 1.15(a)(1)(5) requires that "upon receiving funds or other property in which a client or third person has an interest, a lawyer shall promptly notify the client or third person in writing."

Delivery

Rule 1.15(a)(1)(5) also requires that a lawyer "shall promptly deliver to the client or third person any funds or other property that the client or third person is entitled to receive and, upon request by the client or third person, shall promptly render a full written accounting regarding such property to the client or third persons."

Accounting

Rule 1.15(d) requires that "upon request by the client or third person, [a lawyer] shall promptly render a full accounting regarding [a client or third party's funds or property]."

Notable Decisions

- It is the duty of an attorney collecting money for a principal to notify him thereof within a reasonable time. *Jett v. Hempstead*, 25 Ark. 462 (1869).
- Lawyers may voluntarily participate in program promulgated by Supreme Court for collection of interest on lawyers' trust accounts. *Matter of IOLTA*, 283 Ark. 252 (1984).
- Rule governing participation in IOLTA program is modified to provide for enforcement, increased revenue for community-spirited legal purposes that enhance client confidence that attorneys are acting properly with regard to client funds. *Petition of Arkansas IOLTA Foundation, Inc.*, 885 S.W.2d 846 (1994).
- An attorney is not permitted to commingle his funds with that of his client in trust, and if he does, he has committed an unethical act. An attorney may not temporarily use clients' funds for any purpose. *U.S. v. Reed*, 851 F.Supp. 1296 (1994).
- An attorney who did not have an IOLTA and instead deposited unearned flat fees into what attorney described as a "separate, segregated account," violated rule requiring client funds to be deposited and maintained in an identifiable trust account. *Ligon v. Price*, 200 S.W.3d 417 (2004).
- In issues of misuse or misappropriation of clients' funds, a lawyer's slightest divergence from rectitude breaches an attorney's oath, trust between the attorney and client, and the confidence of the public. *Ligon v. McCullough*, 2009 Ark. 165A, 303 S.W.3d 78 (2009).