

Supreme Court

Re: Amendments to Article V, Rule 1.15 of :
the Rules of Professional Conduct, :
Paragraphs (f), (g), and (h) :
(IOLTA) :

ORDER

Section 1. Pursuant to the amended petition of the Rhode Island Bar Foundation and the Rhode Island Bar Association (No. 08-227-M.P.), which amended petitions is hereby granted, Rule 1.15 of the Rules of Professional Conduct is hereby amended so as to delete the present paragraph (h); to designate present paragraph (i) the new paragraph (h); and to modify paragraphs (f) and (g) as follows:

Rule 1.15. Safekeeping property. (a) * * *

(f) A lawyer or law firm shall, ~~subject to paragraph (h) of this Rule,~~ deposit clients' funds, which are nominal in amount or to be held for a short period of time, in one or more interest bearing trust accounts in accordance with the following provisions. For purposes of this rule, such accounts are referred to as Interest on Lawyers' Trust Accounts (IOLTA):

(1) Earnings from such IOLTA accounts shall not be available to a lawyer or law firm.

(2) Whether clients' funds are nominal in amount or to be held for a short period of time shall be determined solely by each attorney or law firm.

(3) Notification to clients whose funds are deposited in ~~interest bearing trust~~ IOLTA accounts shall not be necessary.

(4) Such ~~interest bearing trust~~ IOLTA accounts may be established with any financial institution authorized by federal or state law to do business in Rhode Island, the deposits in which are insured by insurance entities regulated by the United States and/or the State of Rhode Island or any agency or instrumentality thereof. Funds

deposited in such accounts shall be available for withdrawal immediately upon demand.

~~(5) The rate of interest payable on any interest bearing trust account shall not be less than the rate paid by the depository institution on similar deposits. Lawyers or law firms making such deposits shall direct the depository institution:~~ The rate of interest payable on any IOLTA account shall not be less than the highest interest rate or dividend available from the financial institution to its non-IOLTA customers when the IOLTA account meets the same minimum balance or other eligibility qualifications. Lawyers or law firms making such deposits shall direct the depository institution:

(i) To remit interest or dividends on such deposits, net of any service or fees, at least quarterly, to the Rhode Island Bar Foundation (the "Foundation").

(ii) To transmit to the foundation and the depositor with each remittance statements showing the name of the depositor, the amount remitted, and rate(s) at which the interest was computed.

(g) Interest paid to the Foundation shall be used for any of the following purposes: providing legal services to the poor of Rhode Island; improving the delivery of legal services; promoting knowledge and awareness of the law; improving the administration of justice; and for the reasonable costs of administration of ~~interest earned on clients' trust~~ IOLTA accounts under this Rule.

~~(h) A lawyer or law firm may elect not to deposit clients' funds in an interest bearing account as authorized in paragraph (f) of this rule by notifying the Clerk of the Supreme Court in writing of such election during the month of January in each year.~~

(i) (h) Nothing in this rule shall preclude a lawyer or law firm from depositing any funds of a client other than those funds described in paragraph (f) of this rule in an interest bearing account and accounts for the interest to such client.

Section 2. Compliance with the provisions of Rule 1.15 as herein amended shall be required within ninety (90) days of the date of this Order.

Entered as an Order of this Court this *11th* day of *December 2008*.

By Order,

Clerk