



Chambers of
Eric T. Washington
Chief Judge

District of Columbia Court of Appeals
Washington, D.C. 20001

July 1, 2010

Re: Changes to the Rules Governing the D.C. Interest on Lawyers' Trust Account (IOLTA) Program

Dear D.C. Bar Member:

Effective August 1, 2010, as ordered by the District of Columbia Court of Appeals, the D.C. Rules Governing Interest on Lawyers Trust Accounts (IOLTA) will change. Under the new rules, a D.C. Bar member or law firm possessing client funds that are nominal in amount or are to be held for a short period of time, and that would not likely earn net interest in a separate account, with certain limited exceptions, must deposit these funds in a District of Columbia IOLTA account, which is a pooled client trust account. Additionally, Bar members may only deposit IOLTA funds in approved banks that offer certain interest rates on IOLTA accounts (rate comparability). The changes amend Rule of Professional Conduct 1.15, delete in its entirety Rule 1.19, and create a new Section 20 of Rule XI of the D.C. Court of Appeals Rules Governing the Bar.

The amended rules are intended to increase attorney participation in the D.C. IOLTA program, and to secure more even-handed interest rates on D.C. IOLTA accounts. These changes are designed to increase revenue for the charitable purposes of the IOLTA Program established by this Court. The interest generated by IOLTA is forwarded to the D.C. Bar Foundation, which uses these funds to support civil legal services providers in the District of Columbia.

The amendments are also intended to provide Bar members greater clarity regarding the client trust account rules, as well as to enable members to comply with the new IOLTA rules more easily.

Under the new rules, a lawyer who is licensed in both the District of Columbia and any other jurisdiction is exempt from certain District trust rules, including participation in the D.C. IOLTA program if he or she is participating in, and compliant with, trust accounting rules and the IOLTA program of the jurisdiction where the lawyer is licensed and principally practices. Lawyers continue to be exempt from participation in the D.C. IOLTA program if subject to a contrary mandate of a tribunal.

D.C. Bar members are encouraged to use the many excellent free or low-cost educational resources provided by the D.C. Bar and the D.C. Bar Foundation to learn how to comply with the new IOLTA rules:

Members who have questions about compliance and the exemption under the revised rules should contact the D.C. Bar's Legal Ethics Counsel, Hope Todd at (202) 737-4700, ext. 3231 or Saul Singer at ext. 3232, or at ethics@dcbar.org. All inquiries to the D.C. Bar's legal ethics counsel are confidential.

For information about D.C. IOLTA compliant banks, and general information about the D.C. IOLTA program, including questions about opening an IOLTA account or converting your existing IOLTA account, contact Katia Garrett, Executive Director of the D.C. Bar Foundation, at (202) 467-3750 ext 12, or iolta@dcbarfoundation.org or visit www.dcbarfoundation.org/iolta.html.

For information about setting up and operating trust accounts, including a D.C. IOLTA account, contact Dan Mills, the manager of the D.C. Bar's Practice Management Advisory Service (PMAS), at (202) 737-4700, ext. 3212, or at dmills@dcbar.org. All inquiries to the D.C. Bar's PMAS manager are confidential.

To find out about continuing legal education courses on the D.C. IOLTA and trust account rules, call (202) 626-3488 or visit www.dcbar.org/cle.

I thank the D.C. Bar Foundation and the D.C. Bar for their extensive work and joint efforts in studying and proposing amendments to the D.C. IOLTA rules.

Sincerely,

A handwritten signature in black ink, appearing to read "Eric T. Washington". The signature is fluid and cursive, with a long vertical stroke at the beginning and a horizontal line at the end.

Eric T. Washington