Supplement to Agenda Item

MAR 163
Interest on Lawyers' Trust Accounts (IOLTA) Proposed Rule of Court and/or Legislative Amendment to IOLTA Statute – Proposed Approval following Public Comment Period
ATTACHMENT 8

Summary of Public Comment

The proposed rule, released for public comment on November 21, 2008, was posted on the State Bar website and sent to the California Bankers Association. The chart below summarizes the comments that were received prior to the January 6 deadline to submit. The written comments all support the Rule in order to enable financial institutions besides banks to hold IOLTA accounts; to require all IOLTA accounts be held at a financial institution that carries FDIC insurance; and, to reflect that accounts can earn dividends as well as interest. Copies of the letters are provided in "Jan 112 Supplement A-1."

Date	Author	Organization	Position	Summary of Comments
December 18, 2008	Maria Herrera		Supports proposed rule	Ms. Herrara supports the proposed Supreme Court Rule: to enable financial institutions besides banks to hold IOLTA accounts; to require all IOLTA accounts be held at a financial institution that carries FDIC insurance; and, to reflect that accounts can earn dividends as well as interest
December 18, 2008	Catherine Blakemore	Disability Rights California	Supports proposed rule	Disability Rights California, a nonprofit agency that works with people with disabilities to protect, advocate for and advance their human and legal rights, supports the proposed Supreme Court Rule
December 19, 2008	Leslie Alexander	Legal Aid Association of California (LAAC)	Supports proposed rule	LAAC, a statewide membership legal aid organization founded to ensure effective delivery of legal services to low-income people throughout California, supports the proposed Supreme Court Rule
December 29, 2008	Alice Bussiere	Youth Law Center	Supports proposed rule	Youth Law Center, a public interest law firm that works to protect children in the foster care and juvenile justice systems, supports the proposed Supreme Court Rule
January 5, 2009	Amy Fitzpatrick	San Diego Volunteer Lawyer Program	Supports proposed rule	San Diego Volunteer Lawyer Program, a private nonprofit, charitable law firm which provides pro bono assistance for civil legal issues to indigent residents of San Diego County, supports the proposed Supreme Court Rule
January 5, 2009	Richard Konda	Asian Law Alliance	Supports proposed rule	ALA a non profit legal services organization has provided legal services in Santa Clara county since 1977, supports the proposed Supreme Court Rule
January 5, 2009	Laine Lawrence	Contra Costa Senior Legal Services	Supports proposed rule	Contra Costa Senior Legal Services, a nonprofit organization dedicated to providing free legal civil legal services to Contra Const residents who are 60 or older, supports the proposed Supreme Court Rule
January 5, 2009	Irene Morales	Inland Counties Legal Services	Supports proposed rule	Inland Counties Legal Services, a nonprofit organization providing free civil legal assistance to indigent and elderly persons in Riverside & San Bernardino Counties, supports the proposed Supreme Court Rule
January 6, 2009	Eric Cohen	Immigrant Legal Resource Center	Supports propose rule	ILRC, a nonprofit support center that provides technical assistance, and direct training on immigration law and procedure to qualified legal services projects that are a part of the Legal Service Trust Fund Program, supports the proposed Supreme Court Rule
January 6, 2009	Hellen Hong	Los Angeles Center for Law and Justice	Supports propose rule	LACLJ, which provides free legal representation, education and advocacy to low-income residents of Los Angeles to improve their living conditions, supports the proposed Supreme Court Rule
January 6, 2009	Robert J. Cohen	Legal Aid Society of Orange County	Supports propose rule	LASOC, a non-profit organization whose mission is to provide civil legal services to low income individuals and seniors and to promote equal access to the justice system, supports the proposed Supreme Court Rule.

Margaret Gouveia
The State Bar of California
Legal Services Trust Fund
180 Howard Street
San Francisco, CA 94105

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Sent via facsimile to (415) 538-2529

Re: Proposed Supreme Court Rule authorizing "Eligible Institutions" under Business and Professions Code section 6213(k) – Support

Dear Ms. Gouveia:

I am writing in support of the proposed Supreme Court Rule authorizing "Eligible Institutions" under Business and Professions Code section 6213(k).

The Legal Services Trust Fund Program has proposed a new Rule of Court to clarify the types of financial institutions that are eligible to hold IOLTA accounts. Currently, B&P Code § 6213(k) defines "eligible institution" as a "bank or any other type of financial institution authorized by the Supreme Court." The Code does not explicitly authorize any financial institution except banks to hold IOLTA accounts. Moreover, it does not require financial institutions that hold IOLTA accounts to carry federal deposit insurance.

Before IOLTA comparability was enacted, other financial institutions besides banks were qualified to hold IOLTA accounts. The new proposed Rule will clarify that financial institutions such as savings & loans, savings banks, and credit unions remain eligible to hold IOLTA accounts.

In addition, the new proposed Rule will require that all IOLTA accounts be held at a financial institution that carries federal insurance for its deposit accounts. The new Rule will also refer to "interest or dividends," to reflect the fact that cash-management overnight "sweep" accounts earn dividends rather than interest.

These proposed changes to the Code will help protect and enhance the IOLTA Program, which provides essential funding for legal services programs. Therefore, I support the adoption of the proposed Rule.

Sincerely,

Maria Herrera

cc: Leslie Alexander, Legal Aid Association of California, via fax to 415-834-0202

Disability Rights California

California's protection and advocacy system

ADMINISTRATION
100 Howe Avenue, Suite 185N
Sacramento, CA 95825
Tel: (916) 488-9955
TTY: (800) 719-5798
Fax: (916) 488-2635
www.disabilityrightsca.org

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December 17, 2008

Margaret Gouveia
The State Bar of California
Legal Services Trust Fund
180 Howard Street
San Francisco, CA 94105

Sent via facsimile to (415) 538-2529

Re: Proposed Supreme Court Rule authorizing "Eligible Institutions" under Business and Professions Code section 6213(k) – Support

Dear Ms. Gouveia:

Disability Rights California is writing in support of the proposed Supreme Court Rule authorizing "Eligible Institutions" under Business and Professions Code section 6213(k).

Disability Rights California began protecting the rights of Californians with disabilities in 1978. We are a nonprofit agency that works with people with disabilities to protect, advocate for and advance their human and legal-rights. We strive to create a barrier free, inclusive society that values diversity and each individual.

The Legal Services Trust Fund Program has proposed a new Rule of Court to clarify the types of financial institutions that are eligible to hold IOLTA accounts. Currently, B&P Code § 6213(k) defines "eligible institution" as a "bank or any other type of financial institution authorized by the Supreme Court." The Code does not explicitly authorize any financial institution except banks to hold IOLTA accounts. Moreover, it does not require

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These proposed changes to the Code will help protect and enhance the IOLTA Program, which provides essential funding for legal services programs. Therefore, I support the adoption of the proposed Rule.

Sincerely,

Catherine Blakemore
Executive Director

cc: Leslie Alexander, Legal Aid Association of California, via fax to 415-834-0202

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LAAC
Legal Aid Association
of California

December 19, 2008

Margaret Gouveia
The State Bar of California
Legal Services Trust Fund
180 Howard Street
San Francisco, CA 94105

Re: Proposed Supreme Court Rule authorizing "Eligible Institutions" under Business and Professions Code section 6213(k) – Support

Dear Ms. Gouveia:

I am writing on behalf of the Legal Aid Association of California (LAAC) and its legal services member organizations in support of the proposed Supreme Court Rule authorizing "Eligible Institutions" under Business and Professions Code section 6213(k).

LAAC is a non-profit organization founded in 1984 for the purpose of ensuring the effective delivery of legal services to low-income people throughout California. LAAC is the statewide membership organization for legal services programs. Our 2008 membership represents over 80 legal services nonprofits, as well as many individual attorneys working at such programs.

Our members provide high-quality legal services to our state's most vulnerable populations. These services to low-income and other underrepresented individuals form an essential safety net in California and often ensure that the programs' clients have access to life's basic necessities, such as food, safe and affordable housing, freedom from violence, health care, employment, economic self-sufficiency, and access to the legal system.

The Legal Services Trust Fund Program has proposed a new Rule of Court to clarify the types of financial institutions that are eligible to hold IOLTA accounts. Currently, B&P Code § 6213(k) defines "eligible institution" as a "bank or any other type of financial institution authorized by the Supreme Court." The Code does not explicitly authorize any financial institution except banks to hold IOLTA accounts. Moreover, it does not require financial institutions that hold IOLTA accounts to carry federal deposit insurance.

47 Kearny Street, Suite 705| San Francisco, CA 94108 | (415) 834-0100 | (415) 834-0202 (Fax)

www.CALegalAdvocates.org

Before IOLTA comparability was enacted, other financial institutions besides banks were qualified to hold IOLTA accounts. The new proposed Rule will clarify that financial institutions such as savings & loans, savings banks, and credit unions remain eligible to hold IOLTA accounts.

In addition, the new proposed Rule will require that all IOLTA accounts be held at a financial institution that carries federal insurance for its deposit accounts. The new Rule will also refer to "interest or dividends," to reflect the fact that cash-management overnight "sweep" accounts earn dividends rather than interest.

These proposed changes to the Code will help protect and enhance the IOLTA Program, which provides essential funding for legal services programs. Therefore, LAAC supports the adoption of the proposed Rule.

Sincerely yours,

Leslie Alexander
Staff Attorney & Program Manager

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December 29, 2008

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Administrative Assistant
ROBIN BISHOP

Margaret Gouveia
The State Bar of California
Legal Services Trust Fund
180 Howard Street
San Francisco, CA 94105
Via Facsimile (415) 538-2529

Re: Proposed Supreme Court Rule 9 Defining "Eligible Institution" Pursuant to Bus. & Prof. Code § 6213(k) – Support

Dear Ms. Gouveia:

We write in support of proposed Supreme Court Rule 9, which will describe financial institutions that are authorized by the Supreme Court to hold IOLTA funds pursuant to Bus. & Prof. Code § 6213(k). The proposed rule will help protect and maximize IOLTA funds which provide essential support for free civil legal assistance for people who are indigent.

The Youth Law Center is a public interest law firm that works to protect children in the foster care and juvenile justice systems from abuse and neglect, and ensure children receive the support and services they need to become healthy and productive adults. As an IOLTA funded support center, the Youth Law Center provides legal training, technical assistance, and advocacy support to Qualified Legal Services Projects (QLSPs) and pro bono attorneys who represent these children and their families.

State law requires attorneys and law firms to establish and maintain IOLTA accounts with eligible institutions. Bus. & Prof. Code § 6212(a). The Code defines "eligible institution" as "a bank or any other type of financial institution authorized by the Supreme Court. Bus. & Prof. Code § 6213(k). The proposed rule will specify that federally insured financial institutions able to pay interest or dividends are authorized by the Supreme Court to hold IOLTA funds. This will allow attorneys to establish IOLTA accounts in financial institutions other than banks, such as savings and loans and credit unions; include accounts that earn dividends as well as those that earn interest; and ensure that authorized institutions carry federal deposit insurance. We encourage you to promulgate this rule.

Very truly yours,

Alice Bussiere, Staff Attorney

cc. Leslie Alexander, Legal Aid Association of California
Via Facsimile 415-834-0202

SAN DIEGO VOLUNTEER LAWYER PROGRAM

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January 5, 2009

Margaret Gouveia
The State Bar of California
Legal Services Trust Fund
180 Howard Street
San Francisco, CA 94105

Sent via facsimile to (415) 538-2529

Re: Proposed Supreme Court Rule authorizing "Eligible Institutions" under Business and Professions Code section 6213(k) – Support

Dear Ms. Gouveia:

I am writing on behalf of the San Diego Volunteer Lawyer Program, Inc. in support of the proposed Supreme Court Rule authorizing "Eligible Institutions" under Business and Professions Code section 6213(k).

SDVLP is a private, not for profit, charitable law firm which provided *pro bono* legal assistance for a wide variety of civil legal issues to indigent residents of San Diego County.

The Legal Services Trust Fund Program has proposed a new Rule of Court to clarify the types of financial institutions that are eligible to hold IOLTA accounts. Currently, B&P Code § 6213(k) defines "eligible institution" as a "bank or any other type of financial institution authorized by the Supreme Court." The Code does not explicitly authorize any financial institution except banks to hold IOLTA accounts. Moreover, it does not require financial institutions that hold IOLTA accounts to carry federal deposit insurance.

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In addition, the new proposed Rule will require that all IOLTA accounts be held at a financial institution that carries federal insurance for its deposit accounts. The new Rule will also refer to "interest or dividends," to reflect the fact that cash-management overnight "sweep" accounts earn dividends rather than interest.

These proposed changes to the Code will help protect and enhance the IOLTA Program, which provides essential funding for legal services programs. Therefore, I support the adoption of the proposed Rule.

Sincerely,

Amy J. Fitzpatrick, Esq.
Executive Director

cc: Leslie Alexander, Legal Aid Association of California, via fax to 415-834-0202

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Asian Law Alliance
184 East Jackson Street • San Jose, California 95112-5153
(408) 287-9710
Fax (408) 287-0864
E-Mail: SCCALA@pacbell.net

January 5, 2009

Margaret Gouveia
The State Bar of California
Legal Services Trust Fund
180 Howard Street
San Francisco, CA 94105

Sent via facsimile to (415) 538-2529

Re: Proposed Supreme Court Rule authorizing "Eligible Institutions" under Business and Professions Code section 6213(k) – Support

Dear Ms. Gouveia:

I am writing on behalf of the Asian Law Alliance (ALA) in support of the proposed Supreme Court Rule authorizing "Eligible Institutions" under Business and Professions Code section 6213(k).

ALA is a non profit legal services organization located in San Jose, California. ALA has provided legal services in Santa Clara County since 1977.

The Legal Services Trust Fund Program has proposed a new Rule of Court to clarify the types of financial institutions that are eligible to hold IOLTA accounts. Currently, B&P Code § 6213(k) defines "eligible institution" as a "bank or any other type of financial institution authorized by the Supreme Court." The Code does not explicitly authorize any financial institution except banks to hold IOLTA accounts. Moreover, it does not require financial institutions that hold IOLTA accounts to carry federal deposit insurance.

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In addition, the new proposed Rule will require that all IOLTA accounts be held at a financial institution that carries federal insurance for its deposit accounts. The new Rule will also refer to "interest or dividends," to reflect the fact that cash-management overnight "sweep" accounts earn dividends rather than interest.

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United Way Silicon Valley
Partner Agency

Partially funded by CDBG
(County of Santa Clara & City of San Jose)

These proposed changes to the Code will help protect and enhance the IOLTA Program, which provides essential funding for legal services programs. Therefore, I support the adoption of the proposed Rule.

Sincerely,

Richard Konda
Executive Director

cc: Leslie Alexander, Legal Aid Association of California, via fax to 415-834-0202

SENIOR SLS LEGAL SERVICES

LAW OFFICES OF
CONTRA COSTA SENIOR LEGAL SERVICES

A PRIVATE NON-PROFIT CORPORATION SERVING CONTRA COSTA COUNTY RESIDENTS AGE 60 AND OVER SINCE 1976

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January 5, 2009

Margaret Gouveia
The State Bar of California
Legal Services Trust Fund
180 Howard Street
San Francisco, CA 94105

Sent via facsimile to (415) 538-2529

Re: Proposed Supreme Court Rule authorizing "Eligible Institutions" under Business and Professions Code section 6213(k) – Support

Dear Ms. Gouveia:

I am writing for Contra Costa Senior Legal Services in support of the proposed Supreme Court Rule authorizing "Eligible Institutions" under Business and Professions Code section 6213(k).

Contra Costa Senior Legal Services is NON-PROFIT ORGANIZATION DEDICATED TO PROVIDING FREE LEGAL CIVIL LEGAL SERVICES TO Contra Costa County residents who are 60 or older.

The Legal Services Trust Fund Program has proposed a new Rule of Court to clarify the types of financial institutions that are eligible to hold IOLTA accounts. Currently, B&P Code § 6213(k) defines "eligible institution" as a "bank or any other type of financial institution authorized by the Supreme Court." The Code does not explicitly authorize any financial institution except banks to hold IOLTA accounts. Moreover, it does not require financial institutions that hold IOLTA accounts to carry federal deposit insurance.

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In addition, the new proposed Rule will require that all IOLTA accounts be held at a financial institution that carries federal insurance for its deposit accounts. The new Rule will also refer to "interest or dividends," to reflect the fact that cash-management overnight "sweep" accounts earn dividends rather than interest.

These proposed changes to the Code will help protect and enhance the IOLTA Program, which provides essential funding for legal services programs. Therefore, I support the adoption of the proposed Rule.

Sincerely,

Laine Lawrence
Executive Director

cc: Leslie Alexander, Legal Aid Association of California, via fax to 415-834-0202

Inland Counties Legal Services

Executive Office
1040 Iowa Avenue, Suite 101 / Riverside, CA 92507-2106
(951) 368-2530 / (951) 368-2542 Fax

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Irene C. Morales
Attorney at Law
Executive Director
(951) 368-2540
imorales@icls.org

Housing Law Services Center - Housing Hotline

Eligibility screening and legal help over the phone.
(951) 368-2570
(888) 455-4257 - Toll Free
(951) 368-2550 - Fax

Branch Offices

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(951) 368-2555
(951) 320-7500 - Seniors
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(951) 684-1901 - TTY
(951) 368-2550 - Fax

82632-C Highway 111
Indio, CA 92201-5632
(760) 342-1591
(760) 347-5303 - Seniors
(800) 226-4257 - Toll Free
(760) 775-3114 - TTY
(760) 342-9400 - Fax

715 N. Arrowhead Ave., #113
San Bernardino, CA 92401-1150
(909) 884-8615
(909) 888-3889 - Seniors
(800) 677-4257 - Toll Free
(909) 381-0274 - TTY
(909) 884-8281 - Fax

10601 Civic Center Dr., # 260
Rancho Cucamonga, CA 91730-7604
(909) 980-0982
(909) 476-9252 - Seniors
(800) 977-4257 - Toll Free
(909) 476-7875 - TTY
(909) 980-4871 - Fax

14196 Amargosa Rd., # K
Victorville, CA 92392-2429
(760) 241-7073
(760) 241-7072 - Seniors
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(760) 843-9814 - TTY
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January 5, 2009

Margaret Gouveia
The State Bar of California
Legal Services Trust Fund
180 Howard Street
San Francisco, CA 94105

Sent via facsimile to (415) 538-2529

Re: Proposed Supreme Court Rule authorizing "Eligible Institutions" under Business and Professions Code section 6213(k) – Support

Dear Ms. Gouveia:

I am writing Inland Counties Legal Services, Inc. in support of the proposed Supreme Court Rule authorizing "Eligible Institutions" under Business and Professions Code section 6213(k).

Inland Counties Legal Services is a non-profit organization providing free civil legal assistance to indigent and elderly persons in Riverside and San Bernardino Counties. ICLS has branch offices in Riverside, Indio, San Bernardino, Rancho Cucamonga and Victorville. Our organization is an IOLTA recipient and uses IOLTA funds to target services to those segments of our community whose members are especially underserved, such as senior citizens, victims of domestic violence, disabled individuals and families in need of advocacy to establish their right to entitlement programs for cash aid, food stamps and medical insurance.

The Legal Services Trust Fund Program has proposed a new Rule of Court to clarify the types of financial institutions that are eligible to hold IOLTA accounts. Currently, B&P Code § 6213(k) defines "eligible institution" as a "bank or any other type of financial institution authorized by the Supreme Court." The Code does not explicitly authorize any financial institution except banks to hold IOLTA accounts. Moreover, it does not require financial institutions that hold IOLTA accounts to carry federal deposit insurance.

LSC

Margaret Gouveia
State Bar of California
Legal Services Trust Fund Program
"Eligible Institutions" Proposed Supreme Court Rule

Before IOLTA comparability was enacted, other financial institutions besides banks were qualified to hold IOLTA accounts. The new proposed Rule will clarify that financial institutions such as savings & loans, savings banks, and credit unions remain eligible to hold IOLTA accounts.

In addition, the new proposed Rule will require that all IOLTA accounts be held at a financial institution that carries federal insurance for its deposit accounts. The new Rule will also refer to "interest or dividends," to reflect the fact that cash-management overnight "sweep" accounts earn dividends rather than interest.

These proposed changes to the Code will help protect and enhance the IOLTA Program, which provides essential funding for the type of legal services projects described above. Therefore, I support the adoption of the proposed Rule.

Sincerely,

Irene Morales
Executive Director

ilrc
IMMIGRANT LEGAL RESOURCE CENTER

TEACHING, INTERPRETING AND CHANGING LAW SINCE 1979

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San Francisco
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Nora Privitera
Special Projects Attorney

Byron Spicer
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Shellie Stortz
Finance Manager

Sayako Suzuki
Marketing Coordinator

Tim Sheehan
Tim Wilkins
Program Assistants

Sent via facsimile to (415) 538-2529

Margaret Gouveia
The State Bar of California
Legal Services Trust Fund
180 Howard Street
San Francisco, CA 94105

Re: Proposed Supreme Court Rule authorizing "Eligible Institutions" under Business and Professions Code section 6213(k) – Support

Dear Ms. Gouveia:

I am writing on behalf of the Immigrant Legal Resource Center (ILRC) in support of the proposed Supreme Court Rule authorizing "Eligible Institutions" under Business and Professions Code section 6213(k).

For 20 years, the ILRC has been providing various types of technical assistance, such as case consultations, legal publications and resources, and direct training, on immigration law and procedure to qualified legal services projects that are part of the Legal Service Trust Fund Program. Additionally, the ILRC offers technical assistance on immigrant organizing, advocacy, and leadership training projects.

The Legal Services Trust Fund Program has proposed a new Rule of Court to clarify the types of financial institutions that are eligible to hold IOLTA accounts. Currently, B&P Code § 6213(k) defines "eligible institution" as a "bank or any other type of financial institution authorized by the Supreme Court." The Code does not explicitly authorize any financial institution except banks to hold IOLTA accounts. Moreover, it does not require financial institutions that hold IOLTA accounts to carry federal deposit insurance.

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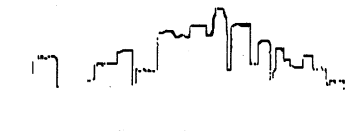
These proposed changes to the Code will help protect and enhance the IOLTA Program, which provides essential funding for legal services programs. Therefore, I support the adoption of the proposed Rule.

Sincerely,

Eric Cohen
Executive Director

cc: Leslie Alexander, Legal Aid Association of California, via fax to 415-834-0202



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United Way of California

Adam Pines, Esq.
Manatt, Phelps & Phillips, LLP

Nancy Ramirez, Esq.
Mexican American Legal
Defense and Educational Fund

Laura Rodriguez
The Raben Group

Mary Ann Todd, Esq.
Munger, Tolles, & Olson LLP

Jonathan M. Zasloff, Esq.
UCLA School of Law

January 6, 2009

Via facsimile to (415) 538-2529
Margaret Gouveia
The State Bar of California
Legal Services Trust Fund
180 Howard Street
San Francisco, CA 94105

Re: Proposed Supreme Court Rule authorizing "Eligible Institutions" under Business and Professions Code section 6213(k) – Support

Dear Ms. Gouveia:

I am writing on behalf of the Los Angeles Center for Law and Justice ("LACLJ") in support of the proposed Supreme Court Rule authorizing "Eligible Institutions" under Business and Professions Code section 6213(k).

For the past 35 years, LACLJ has provided high quality free legal representation, education and advocacy to low-income residents of East, Northeast and Southeast Los Angeles. Our staff of nine attorneys specialize in family, housing, and government benefits law. We perform these services for our clients to improve their fundamental living conditions and to empower them to achieve self-sufficiency.

The Legal Services Trust Fund Program has proposed a new Rule of Court to clarify the types of financial institutions that are eligible to hold IOLTA accounts. Currently, B&P Code § 6213(k) defines "eligible institution" as a "bank or any other type of financial institution authorized by the Supreme Court." The Code does not explicitly authorize any financial institution except banks to hold IOLTA accounts. Moreover, it does not require financial institutions that hold IOLTA accounts to carry federal deposit insurance.

Before IOLTA comparability was enacted, other financial institutions besides banks were qualified to hold IOLTA accounts. The new proposed Rule will clarify that financial institutions such as savings & loans, savings banks, and credit unions remain eligible to hold IOLTA accounts.

In addition, the new proposed Rule will require that all IOLTA accounts be held at a financial institution that carries federal insurance for its deposit accounts. The new Rule will also refer to "interest or dividends," to reflect the fact that cash-management overnight "sweep" accounts earn dividends rather than interest.

These proposed changes to the Code will help protect and enhance the IOLTA Program, which provides essential funding for legal services programs. Therefore, I support the adoption of the proposed Rule.

Sincerely,

Hellen Hong, Esq.
Executive Director

cc: Leslie Alexander, Legal Aid Association of California, via fax to 415-834-0202

LEGAL AID SOCIETY OF ORANGE COUNTY

2101 North Tustin Avenue, Santa Ana, California 92705
(714) 571-5200 • FAX (714) 571-5270

January 6, 2009

Ms. Margaret Gouveia
The State Bar of California
Legal Services Trust Fund
180 Howard Street
San Francisco, CA 94105

Sent via facsimile to (415) 538-2529

Re: Proposed Supreme Court Rule authorizing "Eligible Institutions" under Business and Professions Code section 6213(k) – Support

Dear Ms. Gouveia:

I am writing for Legal Aid Society of Orange County in support of the proposed Supreme Court Rule authorizing "Eligible Institutions" under Business and Professions Code section 6213(k).

Founded in 1958 by the Orange County Bar Association, Legal Aid Society of Orange County (LASOC) is a 501(c)(3) non-profit organization whose mission is to provide civil legal services to low-income individuals and seniors and to promote equal access to the justice system through advocacy, legal counseling, innovative self-help services, in-depth legal representation, economic development and community education.

LASOC's client community consists of individuals whose incomes fall below 200% of the federal poverty threshold and those over the age of 60. In 1984, LASOC expanded its service area to include southeast Los Angeles County, where it is known as Community Legal Services.

The Legal Services Trust Fund Program has proposed a new Rule of Court to clarify the types of financial institutions that are eligible to hold IOLTA accounts. Currently, B&P Code § 6213(k) defines "eligible institution" as a "bank or any other type of financial institution authorized by the Supreme Court." The Code does not explicitly authorize any financial institution except banks to hold IOLTA accounts. Moreover, it does not require financial institutions that hold IOLTA accounts to carry federal deposit insurance.

Before IOLTA comparability was enacted, other financial institutions besides banks were qualified to hold IOLTA accounts. The new proposed Rule will clarify that financial institutions such as savings & loans, savings banks, and credit unions remain eligible to hold IOLTA accounts.

In addition, the new proposed Rule will require that all IOLTA accounts be held at a financial institution that carries federal insurance for its deposit accounts. The new Rule will also refer to "interest or dividends," to reflect the fact that cash-management overnight "sweep" accounts earn dividends rather than interest.

These proposed changes to the Code will help protect and enhance the IOLTA Program, which provides essential funding for legal services programs. Legal Aid Society of Orange County strongly supports the adoption of the proposed Rule.

Sincerely,

Robert J. Cohen
Executive Director

cc: Leslie Alexander, Legal Aid Association of California, via fax to 415-834-0202

DREDF
Advocating for disability civil rights since 1979

RECEIVED
JAN - 8 2009
LEGAL SERVICES
TRUST FUND PROGRAM

Via Facsimile (415) 538-2529 & U.S. Mail

January 7, 2009

Margaret Gouveia
The State Bar of California
Legal Services Trust Fund Program
180 Howard Street
San Francisco, CA 94105

Re: Support for Proposed Supreme Court Rule Regarding "Eligible Institutions" Under Cal. Bus. & Prof. Code § 6213(k)

Dear Ms. Gouveia:

On behalf of the Disability Rights Education and Defense Fund (DREDF), I write in support of currently proposed Supreme Court rule changes related to California Business & Professions Code Section 6213(k). DREDF's support in this instance follows up on our active involvement in AB 2301, AB 1723, and other developments aimed at preserving and strengthening the California legal services system.

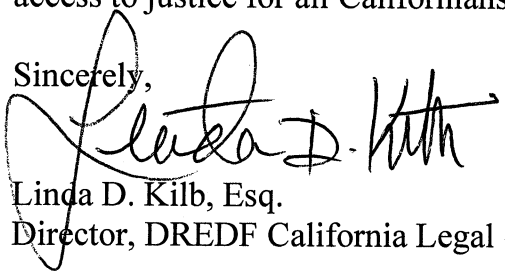
Headquartered in Berkeley, DREDF has been dedicated to protecting and advancing the civil rights of people with disabilities and parents of children with disabilities since our founding in 1979. For over two decades, DREDF has received IOLTA Support Center funding, providing consultation, information, training and representation services to front-line legal aid offices throughout the state as to disability civil rights issues.

As we have noted in previous correspondence with California elected officials and key state institutions, the California legal services system is chronically underfunded, and consistently struggles to meet the critical needs of the vulnerable populations it is mandated to serve. DREDF is thus profoundly appreciative of the successful collective efforts of many — including the critical contributions of the State Bar — to address this resource deficit through IOLTA comparability, the Justice Gap Fund, and various updates to modernize the banking options for IOLTA accounts.

The proposed rule changes continue this encouraging trend by clarifying that financial institutions such as savings & loans, savings banks and credit unions remain eligible to hold IOLTA accounts. The proposal also requires that IOLTA accounts be maintained as federally insured deposits, and adopts other provisions matching IOLTA account requirements to the realities of modern banking practices.

Again, we commend The State Bar for its active and thoughtful role in furthering the work of the California legal services system as a whole, and — through that support — our clients and our shared societal interest in full and equal access to justice for all Californians.

Sincerely,



Linda D. Kilb, Esq.
Director, DREDF California Legal Services Support Center Program

cc: Leslie Alexander, Legal Aid Association of California