



October 16, 2009

Dear Colleague:

The Tennessee Supreme Court recently announced important changes to the IOLTA (Interest On Lawyers' Trust Accounts) program. Acting on a petition from the Tennessee Bar Foundation, the Tennessee Bar Association, the Tennessee Association for Justice (formerly Tennessee Trial Lawyers Association) and the Tennessee Alliance for Legal Services, and joining 39 other jurisdictions, the Court approved conversion of the IOLTA program from opt-out to mandatory status.

Supreme Court Rule 8, RPC 1.15 and Rule 43 were amended to mandate that lawyers who hold IOLTA-eligible funds maintain those funds in IOLTA accounts. Participation by Tennessee lawyers is now required, not optional. Existing pooled trust accounts, as well as newly-opened accounts, must now be held as IOLTA accounts. In addition, IOLTA accounts may only be maintained at "eligible" financial institutions, certified by the Tennessee Bar Foundation as in compliance with the Rules' interest rate comparability and other provisions. **The deadline for compliance with these changes is January 1, 2010.**

If you/your law firm already place appropriate funds in IOLTA-participating accounts, no action is necessary at this time. However, if you/your firm maintain pooled trust accounts that do not currently participate in IOLTA, please complete the enclosed form and visit your bank to enroll the account in the IOLTA program. You may also use the form to open any new IOLTA account(s). Once your financial institution has converted a non-interest-bearing account or opened a new IOLTA account, please submit a copy of the form (one for each account – copies are acceptable) to the IOLTA program. Finally, retain a copy of the completed form for your records.

Certain lawyers, including those not in private practices, are exempt from IOLTA as described in Rule 43. If you have questions about your status under that rule, please contact the Foundation. Full texts of both Rules can be found at <http://tnbarfoundation.org/SupremeCourtruleasadopted.pdf>.

We expect that nearly all financial institutions currently participating in IOLTA will continue to do so. The Foundation will publish its initial list of eligible financial institutions on its website, <http://www.tnbarfoundation.org/banks.aspx>, in November 2009, so you can confirm your institution's eligibility status. If, for any reason, your financial institution chooses not to comply with the revised requirements for eligible institutions, you will be notified.

Since its inception, the IOLTA program has awarded almost \$16,000,000 in grants throughout the state. The Supreme Court's amendment of the Rules that govern the program insures that IOLTA will generate the maximum possible benefit for law-related organizations which serve Tennesseans.

Sincerely,

A handwritten signature in black ink that reads "B. Riney Green". The signature is written in a cursive, flowing style.

B. Riney Green
Chairman