

HAWAII JUSTICE FOUNDATION
P. O. Box 1230
Honolulu, Hawaii 96807-1230

(tel) 808•537-3886 (fax) 808•528-1974
E-Mail: [hjfhawaii.rr.com](mailto:hjf@hawaii.rr.com)

TO: Attorneys Considering Opening an IOLTA Account

FROM: Robert J. LeClair / Executive Director, HJF
[hjfhawaii.rr.com](mailto:hjf@hawaii.rr.com)

RE: Establishing an Interest on Lawyers' Trust
Accounts (IOLTA) Account

Enclosed for your information and use is a two-page information sheet entitled "Complying with Rule 11" that describes the basic requirements of Rule 11 of the Rules of Supreme Court of Hawaii. This information sheet lists the various banks in Hawaii that offer IOLTA accounts, and we think you will find the process easier than you probably now imagine. Enclosed also is "Form 2," which is the form you should give to your bank regarding establishing your trust account. Your IOLTA account is commonly referred to as your "trust account," since the funds in the IOLTA account are held by you in trust for your client until fees and costs are earned and billed to the client, at which time they can then be transferred to another appropriate location. **Please work directly with your bank to establish your IOLTA account. Please fax or mail to HJF a copy of a voided check or deposit slip, once you have your new IOLTA account established. Please note that under HRPC 1.15(b), the title of the account should be "Client Trust Account" and not "Clients Trust Account" or "Client's Trust Account."**

All typical monthly service fees (other than special fees charged for cashier's checks, insufficient funds, etc.) are paid by your bank and/or HJF. The net monthly interest from your trust account is paid over to HJF, and HJF uses this to fund various legal services projects and related activities. All fifty states have similar programs.

We realize that it will take some of your valuable time to establish this IOLTA account, and we appreciate your efforts. The Office of Disciplinary Counsel does require that unearned client fees be handled appropriately, either

through your IOLTA account or through a special trust account set up for a particular transaction. You should contact the Office of Disciplinary Counsel if you have specific questions, or you can read Rule 11 of the Rules of the Supreme Court of Hawaii. Rule 11 outlines in detail the requirements of IOLTA accounts.

Each year in November or early December, the Hawaii State Bar Association (HSBA) will send you your HSBA Dues Notice for the following year. Part of that dues information package will be your "IOLTA Certification," which is a simple two-sided form. To meet your IOLTA reporting requirements, all you do is complete and sign that two-sided form and attach a void check or deposit slip from your IOLTA Account. You return the form to the HSBA with your dues payment. Thus, once you have the IOLTA account set up, maintenance of your IOLTA account is relatively easy. You are of course required to report to HJF any changes in the location of your IOLTA trust account. We wish you the very best in your practice of law, and thank you again for your cooperation.

(Form Dated: 9/18/07)