

LOW BALANCE ACCOUNTS:

Usually, trust accounts of new sole practitioners (and, almost always, those of part time and occasional practitioners) fall into IOLTA's low balance category. This means that the balance and activity in the account are low, and the accounts would cost the IOLTA Fund more in service charges than would be generated in interest. These accounts are NOT converted to interest bearing IOLTA accounts. You will be designated an inactive IOLTA participant until these circumstances change.

If your account falls into this category indicate this on the Registration Form and return the form to IOLTA. You will then be in compliance with Rule 1:28A. You must register your Low Balance account annually with the IOLTA Fund.

IOLTA ACCOUNTS:

If you have determined that your trust account will have an adequate balance to earn enough interest for IOLTA, fill out the Participation Form and return it to the IOLTA Fund. The Fund's staff will then contact the bank to convert it to an interest bearing IOLTA account.

Once you have filed the Participation Form with the IOLTA Fund, you will be in compliance with Rule 1:28A. You must register your IOLTA account annually with the Fund.

A publication of this nature cannot answer questions that are particular to individual circumstances. Please do not hesitate to contact the IOLTA Fund if you have specific questions concerning IOLTA compliance or would like more detailed information about the purpose of the Fund.

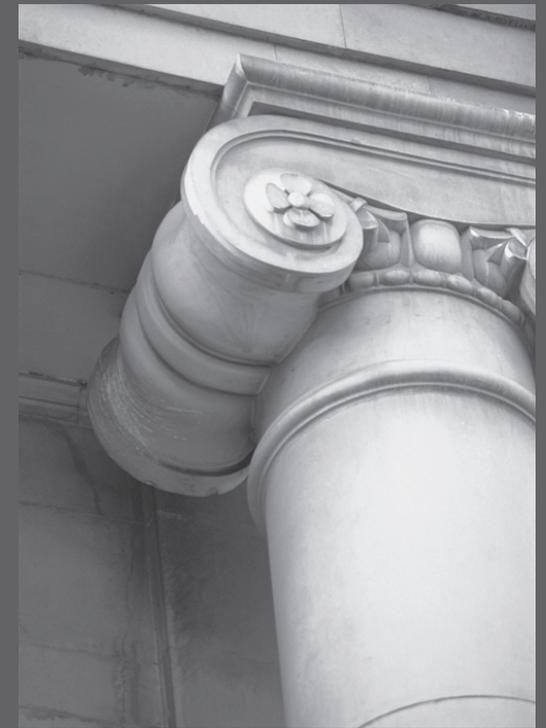
IOLTA FUND of the Bar of New Jersey

The New Jersey Law Center
One Constitution Square
New Brunswick, NJ 08901

Phone: (732) 247-8222

Fax: (732) 247-6868

www.ioltanj.org



AN ATTORNEY'S GUIDE TO COMPLYING WITH THE IOLTA RULE

RULE 1:28A

The IOLTA Fund of the Bar of New Jersey

The IOLTA Rule (Rule 1:28A) applies to attorneys admitted to the Bar of New Jersey who must maintain attorney trust accounts pursuant to Rule 1:21-6.

Complying with the IOLTA Rule

You must comply with the IOLTA Rule if:

- You are a sole practitioner.
- You are employed by a law firm of any size *even if you are not a signatory on a trust account.*
- You have a part time or occasional practice.

The IOLTA Rule does NOT apply if:

- You are employed as a government attorney and cannot, as a condition of employment, have a separate practice.
- You are employed as in house counsel to a corporation and cannot, as a condition of employment, have a separate practice.
- You are not practicing law.
- You are otherwise exempt from the requirements of R.1: 21-6 (i.e. not required to maintain a trust account).

Steps for Associates (or Partners) of Law Firms

1 Even if you are not a signatory on a trust account, you must have a registered trust account. Usually, this trust account is maintained by the firm for the use of all of its attorneys.

2 All law firms register their trust accounts annually with the IOLTA Fund and are asked to submit a list of all attorneys in the firm. These attorneys are then in compliance with Rule 1:28A. *It is, however, the responsibility of individual attorneys to ensure that they are in compliance.*

You should check with the firm's administrator to be sure the firm has complied

and that your name has been submitted as part of the firm. (If you join the firm after the forms have been submitted for the year, write us a letter on firm letterhead and tell us that you are now part of the firm.)

3 If you prefer to check with us on the status of your firm's compliance with IOLTA, please call.

4 If you are part of an out-of- state law firm that has a branch office in New Jersey, but you are not assigned to the New Jersey office, please call us.

The list of approved trust account depositories is available online at www.ioltanj.org/lawyers OR www.njcourtsonline.com

Steps for Sole Practitioners

(Including part time and occasional practitioners):

1 Establish a trust account in an approved trust account depository. Initially, this should be a non-interest bearing account. *Do not open the trust account as an interest bearing IOLTA account.*

2 Contact the IOLTA Fund to obtain the necessary forms for registering your trust account.

3 Determine whether your trust account should be designated a Low Balance account or an IOLTA account. *Both types of accounts must be registered with the IOLTA Fund.*