

FINANCIAL INSTITUTION COMPLIANCE AGREEMENT

THIS AGREEMENT, made this _____ day of _____, 20___, by and between **THE MARYLAND LEGAL SERVICES CORPORATION**, 15 Charles Plaza, Suite 102, Baltimore, Maryland 21201 (hereinafter “MLSC”), and _____, whose principal office is located at: _____ (hereinafter “Financial Institution”),

WITNESS TO:

The undersigned, an officer of the Financial Institution executing this Agreement, being duly authorized to bind said institution by this Agreement, hereby applies to **THE ATTORNEY GRIEVANCE COMMISSION OF MARYLAND** (hereinafter “AGC”), 200 Harry S. Truman Parkway, Annapolis, MD 21401, to be approved to receive attorney escrow, trust or client’s fund accounts, as defined in Rule 19-411 of the Maryland Rules of Procedure, attached hereto, from attorneys for the deposit of clients’ or third parties’ funds, hereinafter referred to as “Trust Accounts.” In consideration of AGC’s approval of the Financial Institution, it agrees to comply with the reporting and other requirements as set forth in Rule 19-411 as amended from time to time.

Specifically, the named Financial Institution agrees as follows:

1. Notification to Attorney or Law Firm. To notify the attorney or law firm promptly of an overdraft in any Trust Account or the dishonor for insufficient funds of any instrument drawn on any Trust account held by it.
2. Notification to Bar Counsel. To report the overdraft or dishonor to Bar Counsel of the AGC as provided by Rule 19-411(b)(1)(C), unless the Financial Institution determines from its records that the overdraft was in error or no longer exists or that the full amount of the dishonored instrument has been paid to the person entitled by the instrument to payment. The report may be

made by mailing to Bar Counsel a copy of the overdraft notice or notice of dishonor if the copy identifies the attorney or law firm and the account number.

3. Rates of Return and Allowable Fees on Interest on Lawyer Trust Accounts (hereinafter “IOLTA”). To pay interest on IOLTA deposits at a rate no less than the highest non-promotional rate generally available to non-IOLTA customers in accordance with Rule 19-411(b)(1)(D)(i) or otherwise comply by agreeing to an option provided in Rule 19-411(b)(1)(D)(ii), and deduct from IOLTA revenue only “Allowable Reasonable Fees,” if any, as defined in Rule 19-411(b)(1)(D)(iii), as certified in the attached “IOLTA Addendum” to this agreement, incorporated by reference and made a part hereof.
4. Audit of Trust Account. To allow reasonable access to all records of the Trust Accounts if an audit of such account is ordered pursuant to Rule 19-731 (Audit of Attorney’s Accounts and Records), in compliance with the provisions of Md. Code Ann., Financial Institutions, 1-301, et seq., as amended from time to time.
5. Form of Reports. That all such reports shall be substantially in the following format:
 - (a) in the case of a dishonored instrument, the report shall be identical to the overdraft notice customarily forwarded to the institution’s other regular account holders;
 - (b) if an instrument is honored but at the time of presentation the total funds in the account, both collected and uncollected, do not equal or exceed the amount of the instrument, the report shall identify the financial institution, the attorney or law firm maintaining the account, the account name, the account number, the date of presentation for payment, and the payment date of the instrument, as well as the amount of the overdraft created.
6. Consent of Attorneys of Law Firm. The Financial Institution agrees to obtain, with respect to each Trust Account, the written consent of the attorney or law firm opening such account to the notification to Bar Counsel set forth in paragraph 2 of this Agreement.

7. Service Charges. Nothing in this Agreement shall preclude the Financial Institution from charging any attorney or law firm maintaining a Trust Account, a reasonable fee for providing any notice or record required pursuant to this Agreement.
8. Termination of Agreement. This Agreement shall terminate only if:
 - (a) The Financial Institution files a petition under any applicable insolvency law or makes an assignment for the benefit of creditors; or
 - (b) The Financial Institution gives thirty (30) days notice in writing to Bar Counsel that the Institution intends to terminate this Agreement on a stated date and that copies of the termination notice have been mailed to all attorneys and law firms that maintain Trust Accounts with the Financial Institution or any branch thereof; or
 - (c) After a complaint is filed by MLSC or on its own initiative, the AGC finds, after prior notice to the Financial Institution and after an adequate opportunity to be heard, that the Financial Institution has failed or refused, without justification, to perform a duty required by this Agreement. The AGC shall notify the Institution that the agreement and the Commission's approval of the institution are terminated; or An amendment to this Agreement is requested by the AGC or is mandated by rule of court or binding statute in the State of Maryland and the Financial Institution declines or fails to agree to such amendment within thirty (30) days after written notice by the AGC.
9. Exceptions. Within 15 days after service of the notice of termination pursuant to Paragraph 8(c) of this Agreement, the Institution may file with the Court of Appeals exceptions to the decision of the Commission. The Institution shall file eight copies of the exceptions which shall conform to the requirements of Maryland Rule 8-112. The Court shall set a date for oral argument, unless oral argument is waived by the parties. Oral argument shall be conducted in accordance with

Maryland Rule 8-522. The decision of the Court of Appeals is final and shall be evidenced by an order of the Court.

10. Binding Effect. This Agreement shall be binding upon the Financial Institution and any branch thereof receiving Trust Accounts.

IN WITNESS WHEREOF, the Financial Institution has executed the within Agreement on the day and year first above written.

MARYLAND LEGAL SERVICES CORPORATION

ATTEST:

Secretary

By: _____
Susan M. Erlichman
Executive Director
Maryland Legal Services Corporation

(Name of Financial Institution)

ATTEST:

Secretary

By: _____
Officer's Signature

Officer's Name (print)

Title: _____

**Maryland Legal Services Corporation
Rule 19-411 IOLTA Addendum**

I. Declaration of the Financial Institution

Upon reviewing the revised Rule 19-411 (b)(1)(D), the financial institution shall (Please check and complete **one** of the following from A-C below):

- A. Pay a "safe harbor" variable interest rate on high balance IOLTA accounts no less than 55% of the Federal Funds Target Rate, which is deemed to be net of all allowable reasonable fees, as described in section 19-411 (b)(1)(D) (ii) of the Rule.
- B. Match the interest rate paid on IOLTA accounts to equal the rate paid on the following account/product: _____, currently at an interest rate of: _____%, which is the highest non-promotional interest rate for which IOLTA accounts qualify.
- C. Other (please describe or attach addendum):

_____.

Please review and/or complete **all** of the following (D-G):

- D. Review our service charge policy to insure it complies with "allowable reasonable fees" as described in 19-411 (b)(1)(D)(iii) of the Rule.
- E. The effective date of the changes above will be: ____/____/____
- F. On a monthly or quarterly basis (please check one), net income from IOLTA accounts and a detailed remittance report will be issued to MLSC, in a form and manner directed by MLSC.
- G. Financial Institution Name: _____.

II. Documentation Requirement

Required for Certification: Please attach substantiating documentation for all financial institution deposit/investment products noted below. However, no further documentation is required for institutions choosing I.A above, the safe harbor interest rate.

- Internal rate sheet on ALL deposit/investment accounts.
- Explanatory product literature and disclosures in support of Part I, above.
- Any analysis or explanation in support of Part I above.
- All documentation and disclosures for business sweep products.

Please Note: Submissions are incomplete without the above documentation and may delay approval and certification under this agreement.

III. Reporting Institution

Name of financial institution: _____

Name of person executing this form: _____

Title: _____

Contact Person (if different): _____

Address : _____

Telephone: _____ Email: _____

Fax: _____ Web Address: _____

I certify that the above statements are true and accurate and that the information requested in sections I and II has been provided.

Signature: _____

Date: _____

Please mail, fax or email this form to:

Maryland Legal Services Corporation
15 Charles Plaza, Suite 102
Baltimore, MD 21201
Attn: Financial Institution Compliance
Fax: (410) 385-1831
Phone: (410) 576-9494
Email: iolta@mlsc.org

Thank you. We will review your information and contact your institution if we require additional information or if further action on your part is required.

September 2016

Form may be downloaded at <http://mlsc.org/financial-institutions/letter-of-agreement/>.