



IOLTA

MASSACHUSETTS
INTEREST ON
LAWYERS TRUST
ACCOUNTS
COMMITTEE

Annual Report
2018



Statement from the Chair

On behalf of the Massachusetts Interest on Lawyers' Trust Accounts (IOLTA) Committee, I am pleased to present the Committee's 2018 Annual Report to the Supreme Judicial Court.

In 2018, the Committee collected and distributed \$9.6 million to the Boston Bar Foundation, the Massachusetts Bar Foundation and the Massachusetts Legal Assistance Corporation to fund critically needed civil legal services and administration of justice initiatives in matters such as foreclosure, eviction, elder care, domestic violence, child custody, employment, food stamps, veterans' benefits as well as other issues impacting housing, health care, and other basic human needs.

These funds came from IOLTA accounts maintained by Massachusetts lawyers, registration fees paid by out-of-state attorneys pursuant to SJC Rule 3:15, and amounts voluntarily contributed by lawyers to support access to justice.

In addition, the Committee received \$673,000 from designation as a cy pres beneficiary in several lawsuits.

Since its creation by the Supreme Judicial Court in 1985, the IOLTA Committee has collected and distributed more than \$327 million to support the state access to justice delivery system. The Committee expresses its deep appreciation to the Supreme Judicial Court for the Court's continuing dedication to improving access to justice for all of Massachusetts' citizens and its efforts to increase the financial support given to legal services across the Commonwealth.

We note with pride that Massachusetts was recognized as the best state for access to justice for the second consecutive time by the National Center for Access to Justice.

The Committee will take advantage of anticipated increases in the Federal Funds target interest rate to bolster IOLTA revenues and will continue to explore ways to develop new funding mechanisms.

Lawyers and law firms can help support legal service programs by choosing to bank with one of the Leadership Banks listed in this Report who guarantee to pay a net interest rate on all IOLTA funds of at least seventy percent (75%) above the Federal Funds target interest rate. We extend our sincere thanks to Leadership Banks for their demonstrated commitment to access to justice.

Hannah L. Kilson

MASSACHUSETTS IOLTA PROGRAM OVERVIEW

The Supreme Judicial Court created the Interest on Lawyers' Trust Accounts (IOLTA) program in 1985 by adding DR 9-102 (C) under Rule 3:07. On January 1, 1998 DR 9-102 (C) was replaced by Rule 1.15 (e) of the Massachusetts Rules of Professional Conduct. Originally voluntary, the SJC converted IOLTA to a "comprehensive" program in 1990. As a result, lawyers holding funds on a client's behalf must place the funds either in an account which pays interest to the client or in an IOLTA account. An IOLTA account is selected if the funds are relatively modest, or will be held by the lawyer for only a short period: in either of these situations, the interest that might be earned for the client would be less than the cost of establishing and maintaining an account for the benefit of the client.

MISSION STATEMENT

The mission of the IOLTA Committee is to increase access to justice for all residents of the Commonwealth by funding and supporting programs that provide legal services for low and moderate income residents and initiatives that improve the administration of justice.

THE CHARITABLE ENTITIES

The Boston Bar Foundation is governed by a board of trustees composed of thirty members. The Massachusetts Bar Foundation is governed by a twenty member board of trustees. Both bar foundations have a long tradition of supporting a variety of public service activities. They have directed IOLTA funds toward activities such as alternative dispute resolution projects, legal clinics and the development of educational and informational brochures for special needs populations, as well as towards direct support of legal services programs. The Massachusetts Legal Assistance Corporation was established in 1983 by the Legislature to provide funds for civil legal assistance to poor people throughout Massachusetts. It is governed by an eleven member board of directors appointed by the Supreme Judicial Court and distributes, in addition to IOLTA funds, state appropriated funds to legal services providers.

IMPORTANCE OF THE PROGRAM

For the past few years, the legal needs of low income people have grown in both scope and complexity. The nature of poverty has also changed. The number of people receiving welfare has dropped, and most poor families have at least one person who is working. But for many, employment has not necessarily been an escape from poverty. An increasing number of low-income people work at low-paying jobs with no health insurance, and they lack childcare and adequate transportation resources. A disproportionate slice of their income goes to housing that, because of short supply, is often both costly and substandard. These difficult circumstances are now compounded by new problems associated with an uncertain economy. In addition, federal and state budget cuts are significantly affecting programs that protect the poor. As the characteristics of poverty have changed and the state faces challenging economic times, legal services are increasingly needed to protect those who are most vulnerable. IOLTA funds are essential because they provide nearly 30% of revenues for legal aid programs in the Commonwealth.

IOLTA AND THE COMMUNITY REINVESTMENT ACT STATEMENT

In 1977, the Community Reinvestment Act (CRA) was established to encourage financial institutions to help meet the credit needs of the communities in which they operate, especially low-to-moderate income neighborhoods. A financial institution's CRA statement is assessed by many factors. If a financial institution wishes to achieve an outstanding record of meeting community needs as rated by federal and state regulators, it is essential that the institution's activities foster local community revitalization. Increasing IOLTA proceeds available for disbursement can benefit the local community through increased contributions to community development organizations and programs. The Committee has designed and distributed a pamphlet explaining how banks can support IOLTA under the CRA Act.

SUPPORT OF THE BANKING COMMUNITY

As important as the IOLTA program is to its many thousands of beneficiaries, it would not be possible without the participation and support of Massachusetts financial institutions. Again this year, almost 200 banking institutions maintained an average of 16,000 IOLTA accounts across the state.

According to U.S. Census Bureau figures, the number of families who struggle daily to make ends meet continues to increase. In recent years, increases in the interest paid by banks on other types of accounts greatly exceeded increases in IOLTA interest rates. In response, Massachusetts and eight other states updated their IOLTA guidelines in 2006 to require more parity between IOLTA and non-IOLTA account rates. In July of 2006, the Supreme Judicial Court approved the Massachusetts changes. Implementation of the revised guidelines went very smoothly, with the IOLTA Committee, participating Massachusetts banks and the Massachusetts Bankers Association working closely together.

With the new guidelines for interest rate comparability it truly makes a difference in which bank an attorney keeps his or her IOLTA account. The IOLTA Committee continues to encourage attorneys to seek out the most "IOLTA-friendly" institution when selecting a bank.

The Massachusetts banking institutions continue to be important partners with lawyers and law firms in making the IOLTA program a success. The IOLTA Committee would like to once again thank the participating Massachusetts financial institutions, and in particular this year's Leadership Banks.

PARTICIPATING FINANCIAL INSTITUTIONS

More than 95 percent of the banks in the Commonwealth participate in IOLTA and many waive service fees as part of their public service commitment. The IOLTA Committee gratefully acknowledges the participation and cooperation of all the financial institutions and offers its very special thanks to those institutions which have waived their normal service fees to the IOLTA program to show their support of this worthy community program

IOLTA Institutions

IOLTA institutions include all financial institutions that are eligible to maintain IOLTA accounts, having been certified as in compliance with the interest rate comparability and other provisions of the IOLTA Guidelines revised in 2006. “Leadership Institutions” are those that go above and beyond the eligibility requirements of the Rule by paying a net interest rate on all IOLTA funds of at least 1.00% APR. Leadership institutions play an important role in supporting the IOLTA program in its mission to ensure that low-income Massachusetts residents have access to critically needed legal aid.

Attorneys may establish IOLTA accounts with the following Massachusetts institutions:

| | | |
|--------------------------------------|-------------------------------------|-------------------------------------|
| Abington Bank * | Crescent Credit Union * | Main Street Bank * |
| Adams Community Bank * | Dean Bank | Mansfield Bank |
| Admirals Bank * | Dedham Savings | Marblehead Bank |
| Alden Credit Union | Direct Federal Credit Union | Martha's Vineyard Savings Bank * |
| Athol Savings Bank * | Eagle Bank | Mass Bay Credit Union |
| Avidia Bank * | East Boston Savings Bank | Mechanics Cooperative Bank |
| Bank of America | East Cambridge Savings Bank | Melrose Bank |
| Bank of Canton | East West Bank | Methuen Cooperative Bank |
| Bank of Easton | Eastern Bank | Middlesex Savings Bank |
| Bank of New England * | Easthampton Savings Bank | Milford Federal Bank |
| BankFive | Enterprise Bank | Milford National Bank & Trust |
| BankGloucester | Envision Bank * | Millbury Federal Credit Union |
| bankHometown | Equitable Bank * | Millbury Savings Bank |
| Bay State Savings Bank | Everett Bank * | Monson Savings |
| BayCoast Bank * | Family Federal Saving | MountainOne Bank |
| Belmont Savings Bank | Farmington Bank | Mutual Bank |
| Berkshire Bank | Fidelity Bank | MutualOne Bank * |
| Beverly Bank | First American Trust | National Grand Bank |
| Blue Hills Bank | First Citizens Federal Credit Union | Naveo Credit Union * |
| Boston Private Bank & Trust Company | First Interstate Bank | NBT Bank |
| Bridgewater Credit Union | First Ipswich Bank | Needham Bank * |
| Bridgewater Savings | First Priority Credit Union | Newburyport Five Cents Savings Bank |
| Bristol County Savings Bank * | First Republic Bank | North Brookfield Savings Bank * |
| Brookline Bank | Florence Bank | North Cambridge Co-Operative Bank * |
| Brotherhood Credit Union | Freedom Credit Union * | North Easton Savings Bank |
| Cambridge Savings Bank * | GFA Federal Credit Union | North Shore Bank |
| Cambridge Trust Company | Greenfield Cooperative Bank | NorthEast Community Bank |
| Canton Co-operative Bank | Greenfield Savings Bank | Northern Bank |
| Cape Cod Five | Greylock Federal Credit Union * | Northern Trust Company |
| Central One Federal Credit Union * | HarborOne Bank | Northmark Bank |
| Century Bank * | Haverhill Bank | Norwood Bank |
| Charles River Bank | Hingham Institution for Savings | OneUnited Bank |
| Citibank | Holyoke Credit Union * | Patriot Community Bank |
| Citizens Bank | Homefield Credit Union | PCT Federal Credit Union |
| Clinton Savings Bank | Institution for Savings * | Pentucket Bank |
| Coastal Heritage Bank | Jeanne D'Arc Credit Union | People's United Bank |
| Colonial Federal Savings Bank | JP Morgan Chase N.A. | PeoplesBank * |
| Community Bank NA * | KeyBank | Pilgrim Bank |
| Cooperative Bank (The) | Leader Bank | Pittsfield Cooperative Bank (The) |
| Cooperative Bank of Cape Cod (The) * | Lee Bank * | Polish National Credit Union |
| Cornerstone Bank | Leominster Credit Union * | Provident Bank |
| Country Bank | Lowell Five Bank | Radius Bank |

* Leadership Institution

Reading Cooperative Bank
River Works Credit Union *
Rockland Trust
Rollstone Bank & Trust *
Sage Bank
Salem Co-operative Bank
Salem Five Cents Savings Bank
Salisbury Bank & Trust Co
Santander Bank
Savers Bank
Savings Bank (The)
Seamen's Bank
Sharon Credit Union *

Shrewsbury Federal Credit Union
Somerset Federal Credit Union
South Coast Federal Credit Union *
South Shore Bank
St. Jean's Credit Union *
St. Mary's Credit Union *
StonehamBank
Stoughton Co-operative Bank
Taunton Federal Credit Union
TD Bank
UniBank *
United Bank
Village Bank (The)

Wakefield Co-operative Bank
Walpole Co-operative Bank
Washington Savings Bank *
Watertown Savings Bank
Webster Bank
Webster First Federal Credit Union
Webster Five
Wellesley Bank
Westfield Bank *
Winchester Co-operative Bank
Winchester Savings Bank
Winter Hill Bank
Workers Credit Union
Wrentham Cooperative Bank

IOLTA GRANTS AND PROGRAM OVERVIEWS

BARNSTABLE COUNTY

\$412,206 to four organizations

Barnstable County Bar Association: \$7,920

The Barnstable County Pro Bono Conciliation Project mediates appropriate cases from the Barnstable County Probate & Family Court trial docket.

Barnstable County Bar Association: \$12,000

The Lawyer of the Day Program places volunteers in probate court on a daily basis to help pro se litigants, and provides reduced fee attorneys for indigent or near indigent litigants who require ongoing representation.

Cape Cod Dispute Resolution Center: \$18,000

The Cape Cod District Court Mediation Program provides no-fee mediation services in Barnstable and Nantucket Counties. Funds will be used to provide summary process mediation in Falmouth and Orleans District Courts, and small claims mediation in Falmouth and Nantucket District Courts.

South Coastal Counties Legal Services: \$358,586

Funds support the general operations of SCCLS in Barnstable County.

WE CAN: \$15,700

The Legal Assistance Program supports monthly pro bono legal clinics for low income Cape Cod women in the areas of family law including divorce, child support, and custody issues.

BERKSHIRE COUNTY

\$386,741 to three organizations

Berkshire County Regional Housing Authority: \$ 30,000

Housing Counseling and Mediation Program provides legal counseling, educational workshops housing searches, stabilization services, informal mediation/negotiation services, and in-court mediation services.

Community Legal Aid: \$309,741

Funds support the general operation of CLA in Berkshire County.

Community Legal Aid: \$28,000

Family Law Advocacy Project funds two experienced attorneys to provide advice, representation, and community legal education to individuals and their families who have experienced domestic violence or other family problems.

Massachusetts Immigrant and Refugee Advocacy Coalition: \$19,000

The Berkshire Immigrant Center provides advice, information, advocacy, referral and support on issues related to immigration, employment, citizenship, housing, and social services.

BRISTOL COUNTY

\$ 1,540,864 to four organizations

Bristol County Bar Association: \$10,000

The Pro Bono Conciliation Project mediates appropriate cases in the Bristol County Probate & Family Court trial docket.

Catholic Social Services of Fall River, Inc.: \$110,000

The Immigrant Legal Services Program represents immigrant victims of domestic violence and other crimes covered in visa applications.

South Coastal Counties Legal Services: \$1,302,864

Funds support the general operations of SCCLS in Bristol County.

South Coastal Counties Legal Services: \$20,000

The Elder Law Project provides direct representation to elders on matters including housing, health insurance, Social Security, disability, pensions, abuse, consumer, guardianship, nursing home or other institutional problems.

South Coastal Counties Legal Services: \$33,000

The Homelessness Prevention Project keeps low income families in their present homes.

The Women's Center: \$30,000

The Legal Advocacy Project provides legal assistance to victims of domestic violence through their pro bono legal project.

DUKES COUNTY

\$29,882 to one organization

South Coastal Counties Legal Services: \$29,882

Funds support the general operations of SCCLS in Dukes County.

ESSEX COUNTY

\$2,248,920 to six organizations

Children's Law Center: \$60,000

Funds support the general operation of CLC in Essex County

Essex County Bar Association: \$17,000

The Probate and Family Court Lawyer for the Day program places volunteers in probate court on a daily basis.

Essex County Bar Association: \$15,000

The Pro Bono Conciliation Project recruits lawyers who act as pro bono conciliators in the district and superior courts of Essex County.

Jeanne Geiger Crisis Center: \$18,500

Domestic Violence Family Law Program provides legal advocacy, direct representation, and support to low income victims of domestic violence in ten communities. Staff attorneys and pro bono attorneys assist clients with the full range of family law matters.

Northeast Legal Aid: \$1,996,920

Funds support the general operation of NLA in Essex County.

Northeast Legal Aid: \$55,000

Funds support the Northeast Housing Court Lawyer for the Day Program.

Northeast Legal Aid: \$16,000

Consumer Law Project stabilizes neighborhoods and prevents homelessness and deepening poverty among low-income homeowners.

Northeast Legal Aid: \$47,500

The Immigrants Victims of Domestic Violence Project and Helpline Project provides low income individuals representation in matters involving immigration, domestic violence, and family law.

North Shore Community Action Programs Inc.: \$18,000

The Housing Law Project serves low income clients by providing direct legal assistance in court-based evictions, family, and housing matters.

North Shore Community Mediation, Inc. \$5,000

The Court and Community Mediation Program will provide pre-screening and mediation services for small claims, summary process, juvenile and complex divorce cases throughout Essex County.

FRANKLIN COUNTY

\$214,870 to four organizations

Community Action: \$10,000

The Divorce & Family Mediation Program provides mediation to address issues related to married and non-married separating couples, as well as small claims and other complex civil issues.

Community Legal Aid: \$154,870

Funds support the general operation of CLA in Franklin County.

Franklin County Bar Association Advocates: \$45,000

To support reduced-fee attorneys to provide legal services to low-income children, elders, and victims of domestic violence who are at risk of exploitation, abuse, homelessness, and continued poverty.

Quabbin Mediation: \$5,000

Mediation in Rural Courts in Central MA Program provides free mediation services for small claims cases and intake in the Franklin County Probate and Family Courts.

HAMPDEN COUNTY

\$1,334,746 to two organizations

Community Legal Aid: \$1,200,246

Funds support the general operation of CLA in Hampden County.

Community Legal Aid: \$50,000

The Housing Court Intervention Project prevents homelessness by placing an attorney in the Western MA Housing Court each week on summary process day to assist tenants who appear in court without representation in eviction proceedings.

Community Legal Aid: \$7,500

Volunteers for Justice Program is an eviction advocacy and referral program that utilizes trained volunteers to screen, educate and advocate for pro se tenant litigants.

Community Legal Aid: \$ 17,000

Seniors Partners for Justice recruits and coordinates pro bono attorneys who will represent low income clients in family law cases.

Hampden County Bar Association: \$50,000

The Children's Law Project provides reduced fee legal representation for children involved in family law cases in Probate Court.

HAMPSHIRE COUNTY

\$384,241 to four organizations

Center for New Americans: \$16,500

Provides immigration legal services to low-income immigrants at low or no cost. Funds are used to provide informational workshops, legal counsel, and application assistance.

Community Legal Aid: \$309,741

Funds support the general operation of CLA in Hampshire County.

Community Legal Aid: \$15,000

Family Law Advocacy Project provides direct family law representation for families in crisis and serves as a resource to other legal services programs and professionals.

Hampshire County Bar Association: \$18,000

The Domestic Relations Program for Children provides advocacy for children in contested matters involving their abuse or custody in Probate Court, restraining orders, contempt or other domestic relations matters.

Hampshire County Bar Association: \$5,000

Hampshire Elder Law Program funds reduced fee cases requiring direct representation of (60+) elders.

Safe Passage: \$20,000

Legal Referral Program provides stipends to attorneys for offering legal consultation, advice and representation to battered women.

MIDDLESEX COUNTY

\$1,969,157 to eight organizations

Community Dispute Settlement Center: \$15,000

The Divorce and Paternity Mediation Program provides mediation for disputants of low/moderate income involved in civil/criminal matters in Cambridge District Court and family conflicts in divorce/paternity cases served by Middlesex Probate and Family Court.

Community Legal Services and Counseling Center: \$25,809

Funds support the general operations of Community Legal Services and Counseling Center in Middlesex County.

Community Legal Services and Counseling Center: \$33,000

The Domestic Violence and Child Support Project helps victims of domestic violence and their children secure long-term protection from abuse, financial security, health care, custody and safe visitation.

Community Legal Services and Counseling Center: \$8,500

The Homeless Prevention Program helps prevents homelessness of low income families and individuals.

Community Legal Services and Counseling Center: \$49,500

The Immigration Law Program helps immigrant victims of domestic violence and immigrants in need of humanitarian relief obtain legal status in the U.S.

Greater Boston Legal Services: \$1,176,973

Funds support the general operations of the former Cambridge and Somerville Legal Services Program and GBLS.

Housing Families, Inc: \$30,000

Assists low income clients at risk of becoming homeless by staffing the Lawyer for the Day Program at Malden District Court and provides weekly Eviction Defense Clinics.

Metro West Legal Services: \$423,295

Funds support the general operations of MWLS in Middlesex County.

Metro West Legal Services: \$22,000

The Children's Education Advocacy Project provides representation, advice or brief service to students in special education, suspension, expulsion, access to education, and bilingual issues.

Metro West Legal Services: \$45,000

The Domestic Violence Project provides full representation, advice or brief service to low income victims of domestic violence in contested Probate and Family Court cases.

Metro West Legal Services: \$20,000

The Eviction Defense Project provides advice, brief services and full representation to low-income tenants in their summary process cases.

Metro West Mediation Services, Inc.: \$12,500

Provides mediation services to individuals referred by the Framingham, Natick, Concord, Marlborough District Courts, as well as the Middlesex County Juvenile and Probate and Family Courts.

Middlesex County Bar Association: \$10,000

The Pro Bono Conciliation Program mediates appropriate cases in the Middlesex Probate and Family Court using pro bono conciliators.

Northeast Legal Aid: \$82,580

Funds support the general operations of NLA in Middlesex County.

Somerville Community Corporation: \$15,000

The Somerville Mediation Court Project provides alternative dispute resolution services at the Somerville District Court for low-income and minority adolescents and adults.

NANTUCKET COUNTY

\$15,539 to one organization

South Coastal Counties Legal Services: \$15,539

SCCLS provides civil legal services to indigent persons living in Nantucket County.

NORFOLK COUNTY

\$815,612 to four organizations

Dove, Inc.: \$18,000

The Legal Advocacy Program provides for legal counseling and court accompaniment and also coordinates a monthly series of legal workshops for shelter residents. The program operates a private bar pro bono evening legal clinic.

Greater Boston Legal Services: \$479,507

GBLS receives general support funding to represent indigent persons living in Norfolk County.

Metro West Legal Services: \$270,293

Provides representation, advice, legal service, and general support funding for MWLS.

South Coastal Counties Legal Services: \$47,812

Funds provide quality legal services to persons living at or below 125% of the national poverty level in Norfolk County

PLYMOUTH COUNTY

\$779,953 to five organizations

Greater Boston Legal Services: \$43,592

Funds support the general operations of GBLS in Plymouth County.

Greater Brockton Center for Dispute Resolution: \$5,000

The funds support a pro bono conciliation project that mediates appropriate cases from the Brockton District Court civil division.

Pilgrim Advocates, Inc.: \$12,000

The Probate Court Project runs a Lawyer-of-the-Day program, a lawyer referral program and assists pro se litigants in Plymouth and Brockton.

Plymouth County Bar Association: \$ 5,000

Probate and Family Court Conciliation Program trains pro bono conciliators and supports a program coordinator.

South Coastal Counties Legal Services: \$669,361

Funds support the general operation of SCCLS in Plymouth County.

South Coastal Counties Legal Services: \$45,000

The Immigration Law Project provides direct representation legal services to eligible clients in the Greater Brockton area.

SUFFOLK COUNTY

\$3,656,879 to 15 organizations

Boston CASA, Inc.: \$12,500

Expands the capacity of CASA's training program to increase the number of CASA's available to assist children aged 7 - 17 gain better access to social services agencies.

Casa Myrna Vazquez: \$57,000

Provides legal representation, information and referral, legal counseling, accompaniment, outreach and education to shelter guests, community clients and hot-line callers.

City Life/Vida Urbana: \$15,000

Legal Advocacy to Stop Post-Foreclosure Displacement Program seeks to educate low-income tenants and former property owners of their rights when threatened by foreclosure displacement.

Community Legal Services and Counseling Center: \$127,429

Provides direct legal services, community legal education and reform advocacy in areas of family law, homelessness prevention and government benefits, using volunteer attorneys and staff.

Finex House, Inc.: \$15,364

The Legal Advocacy Program provides in-house, comprehensive legal services to "difficult to serve" battered women.

Greater Boston Legal Services: \$3,079,086

General Support grant serves low-income populations of Suffolk County with civil legal problems.

Greater Boston Legal Services: \$35,000

The Affordable Housing Preservation Project preserves affordable housing for low-income individuals and families targeting units that are at risk of being lost to market rates due to the expiring use crisis and representing tenants' interest once preservation agreements are completed.

Greater Boston Legal Services: \$32,500

The Family Work and Welfare Project provides legal assistance to low income families affected by the Massachusetts welfare reform legislation.

Greater Boston Legal Services: \$32,500

The Pro Bono Employment Program provides resources to ensure high quality legal representation to low income residents in employment-related cases.

Greater Boston Legal Services: \$70,000

The Refugee & Immigrants Protection Project provides legal services for the protection of immigrants and refugees.

Irish International Immigration Center: \$45,000

The Immigration Service Program provides education and individual assistance with visas, obtaining US Legal status, and citizenship. Activities include citizenship workshops, drop-in assistance, phone consultations, and immigration and citizenship clinics six times per year.

Justice at Work: \$20,000

The Small Claims “Wage Theft “ Project assists low income workers use small claims court as an effective tool to deter employers from withholding or not paying earned wages.

Kids in Need of Defense: \$17,000

Provides representation to insure the rights of children are protected as they migrate alone in search of safety.

Medical-Legal Partnership/Boston (MLPB): \$7,500

The Medical Legal Partnership provides civil legal assistance to low-income families by working with clinicians to identify unmet legal needs using a professional pro bono network.

Pine Street Inn: \$15,000

The program supports an onsite director for the Homeless Court. Assists homeless individuals in the removal of default warrants for low level felonies which impede their ability to secure housing, employment and substance disorder treatment.

Project Citizenship: \$5,000

Funds a collaboration of community partners seeking to increase naturalization rates throughout the state.

Second Step: \$5,000

Assists survivors in addressing the aftermath of abuse and building brighter futures for themselves and their children.

Third Sector New England: \$30,000

Provides legal representation to low-income parents with mental illness who are at risk of losing custody and all contact with their children. The project is a collaboration between Employment Options and the Mental Health Legal Advisors Committee.

Veterans Legal Services: \$48,000

The Community Project matches law students from the Boston-area law schools with attorneys in order to provide pro bono representation.

WORCESTER COUNTY

\$2,173,046 to six organizations

Acentria Community Services, Inc.: \$40,000

The Immigration Legal Assistance Program provides free legal services to low income political asylum seekers, unaccompanied minors, and victims of trafficking, violent crimes and domestic violence.

CASA Project, Inc.: \$40,166

CASA/GAL for Abused and Neglected Children Project provide a CASA volunteer to any CHINS child in the Worcester County Juvenile Court when needed.

Community Legal Aid: \$1,935,880

Funds support the general operation of CLA in Worcester County.

Community Legal Aid: \$53,000

The Hon. Harry Zarrow Homeless Advocacy Fellowship provides funding of a legal services attorney to work with the homeless in Worcester County along with pro bono attorneys and paralegals from the Worcester County Bar Association.

Community Legal Aid: \$35,000

Pro Se Litigants in Family Court provides lawyers to advise clients in the “Lawyer for the Day” program and to provide representation in uncontested divorces.

Community Legal Aid: \$13,500

The District Court Debt Collection Project assists low-income litigants in debt collections cases in the Worcester District Court by recruiting volunteer attorneys.

Community Legal Aid: \$5,000

Worcester County Ed Law Program provides legal assistance to low income children faced with unlawful or unfair disciplinary actions with the goal of insuring they remain in school.

Dismas House of Central Massachusetts: \$18,500

The Resident Attorney Advocate Program provides legal assistance to recently released ex-prisoners on any outstanding civil legal issues. The staff attorney will provide support from the first day of residency in one of the three Dismas shelters.

Worcester County Bar Association: \$5,000

The Reduced Fee Program provides civil legal representation to individuals whose income is just above the nation’s poverty line, and thus not eligible for free services, yet not sufficient to hire a private attorney at their regular rate of compensation.

YWCA of Central Massachusetts: \$27,000

The SafePlan Court Advocacy Program provides advocacy and support services to victims of domestic violence seeking intervention and protection through the courts.

STATEWIDE

\$4,728,542 to 17 organizations

Center for Law and Education: \$169,676

Program provides training, research and co-counseling to parents, students, and their advocates in the area of special education.

Center for Public Representation: \$288,448

The program provides back up and support to other legal services representing mentally disabled persons.

Children's Law Center of Massachusetts: \$191,764

Funds support the general operation of the Children's Law Center of Massachusetts

Children's Law Center of Massachusetts: \$17,500

Boston Children's Education Law Program, in collaboration with the Youth Advocacy Project of Boston, provides area children charged as delinquents and youthful offenders with access to educational advocacy services – with the overall goal of preventing recidivism.

Children's Law Center of Massachusetts, Inc.: \$60,000

The Child & Adolescent Legal Services Program provides a wide range of services to children, including direct representation, information and referral, technical assistance and training to attorneys, parents, and youth serving professionals. Also provides community outreach and education and systemic advocacy.

Disability Law Center: \$339,350

Provides legal representation to low-income children and adults with mental and physical disabilities as well as technical assistance, support and back up to local legal services programs.

Flaschner Judicial Institute: \$135,000

Provides educational programs designed specifically for judges.

Health Law Advocates: \$5,000

Immigrant Health Project improves access to health care services for immigrant clients.

JRI Health Law Institute: \$15,000

Provides legal assistance to low income people living with HIV/AIDS. Formally collaborates with health centers to provide representation on access to disability benefits.

Lawyers Clearinghouse on Affordable Housing and Homelessness: \$17,500

The Community Referral Program matches pro bono legal counsel with non-profits developing affordable housing. The Massachusetts Legal Clinic for the Homeless provides direct legal services to homeless shelter residents.

Lawyers Clearinghouse on Affordable Housing and Homelessness: \$12,500

The Legal Clinic for the Homeless provides training to volunteer attorneys to prepare them to provide free services to the homeless and near homeless at several area homeless shelters.

Lawyers' Committee for Civil Rights and Economic Justice: \$6,500

The Education/School Discipline Program assists low income families of color to hold their districts accountable for racially disparate school disciplinary practices.

Massachusetts Advocates for Children: \$134,040

Funds support general operations.

Massachusetts Advocates for Children: \$48,000

The Children's Law Support Project recruits the private bar to represent low-income children expelled from school.

Massachusetts Coalition for Occupational Health & Safety: \$10,000

The Immigrant Legal Service Worker Initiative is a cost effective method for bringing legal aid to disadvantaged clients on matters related to basic human needs. The project enlists pro bono support of the private bar.

Massachusetts Immigrant and Refugee Advocacy Coalition: \$10,000

Provides 40 hours of training to staff at non-profit organizations supporting the process of applying for recognition and accreditation through DOJ.

Massachusetts Law Reform Institute: \$2,081,094

Funds support the general operation of the MLRI throughout the state. MLRI provides technical assistance, support and back-up to local legal services programs.

Massachusetts Law Reform Institute: \$20,000

Statewide Immigration Crisis Response Project defends and protects the rights of low-income immigrants by developing systemic responses to unlawful and harmful policies.

Massachusetts Law Reform Institute: \$10,000

Mass. Legal Answers Online Project supports a virtual legal helpline. The program is part of an ABA effort to launch a virtual legal helpline in every state. Low income clients pose questions to volunteer attorneys on civil legal issues.

National Consumer Law Center: \$258,596

NCLC provides technical assistance, support and back-up to local legal services programs in the area of consumer law and bankruptcy.

Political Asylum Immigration Representation: \$118,000

The Detention Center Initiative advises and represents asylum seekers, torture survivors, and other immigrants in immigrant detentions.

Political Asylum Immigration Representation: \$65,000

Provides pro bono or low fee representation and support for detained asylum seekers and for detainees who are long-term lawful residents eligible for other forms of relief from deportation. The program combines the resources made available from the private bar, law schools, and nonprofit agencies to assist in providing the necessary legal services.

Prisoners' Legal Services: \$259,574

Funds support the general operation of the program.

Prisoners' Legal Services: \$50,000

The Chronic and Infectious Disease Project aims to ensure that prisons and jails identify prisoners with Hepatitis C, educate them about the illness and its transmission, and to advocate for appropriate treatment. Funds are also be used to train corrections personnel to help prisoners with this illness.

Prisoners' Legal Services: \$30,000

The Prison Brutality Project represents inmates who have been assaulted by corrections officers. Once a case has been deemed meritorious, a staff or pro bono attorney will be appointed to take the case. The project aims to deter guard brutality by demonstrating that prisoners' rights are protected by law.

Victim Rights Advocates: \$11,000

Provides an online training and mentoring component to the existing in person training structure offered to attorneys providing civil legal assistance to sexual assault survivors of domestic violence through the Rape Survivor's Law Project. The goal is to increase the number of pro bono attorneys.

Volunteer Lawyers Project: \$335,000

A general operating support grant delivers pro bono civil legal services in the Greater Boston area and provides intake, advice and referral to clients throughout the Eastern Region Legal Intake Helpline.

Women's Bar Foundation/Women's Bar Association: \$30,000

The Family Law Project for Battered Women provides representation for battered women in domestic relations matters including divorce, custody, and paternity cases in Suffolk County Probate Court.

Independent Auditors' Report

To the Members
Massachusetts IOLTA Committee
Boston, Massachusetts

We have audited the accompanying financial statements of Massachusetts IOLTA Committee, which comprise the statements of financial position as of December 31, 2018 and 2017, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with the auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Massachusetts IOLTA Committee as of December 31, 2018 and 2017, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of a Matter

As discussed in Note 2, during the year ended December 31, 2018, the Organization adopted Accounting Standards Update No. 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. Our opinion is not modified with respect to this matter.

Blum, Shapiro & Company, P.C.

Boston, Massachusetts
March 8, 2019

MASSACHUSETTS IOLTA COMMITTEE

STATEMENTS OF FINANCIAL POSITION DECEMBER 31, 2018 AND 2017

| | <u>2018</u> | <u>2017</u> |
|--|---------------------|---------------------|
| ASSETS | | |
| Current Assets | | |
| Cash and cash equivalents | \$ 1,644,686 | \$ 1,197,760 |
| Other receivables | <u>4,130</u> | <u>29,518</u> |
| Total current assets | <u>1,648,816</u> | <u>1,227,278</u> |
| Total Assets | <u>\$ 1,648,816</u> | <u>\$ 1,227,278</u> |
| LIABILITIES AND NET ASSETS | | |
| Current Liabilities | | |
| Entities payable | \$ 1,374,766 | \$ 928,339 |
| Other payables | <u>4,130</u> | <u>29,518</u> |
| Total current liabilities | <u>1,378,896</u> | <u>957,857</u> |
| Net Assets Without Donor Restrictions | <u>269,920</u> | <u>269,421</u> |
| Total Liabilities and Net Assets | <u>\$ 1,648,816</u> | <u>\$ 1,227,278</u> |

The accompanying notes are an integral part of the financial statements

MASSACHUSETTS IOLTA COMMITTEE

STATEMENTS OF ACTIVITIES FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

| | <u>2018</u> | <u>2017</u> |
|--|-------------------|-------------------|
| Operating Revenue | | |
| IOLTA receipts | \$ 8,263,138 | \$ 6,578,697 |
| Access to justice fee revenue | 1,189,225 | 1,097,538 |
| Administrative fee income | 661,886 | 668,001 |
| Out-of-state registration fees | 225,960 | 218,677 |
| Class action residual awards | 677,991 | 3,838,785 |
| Interest income | 13,603 | 11,907 |
| Total operating revenue | <u>11,031,803</u> | <u>12,413,605</u> |
| Operating Expenses | | |
| IOLTA distributions | 8,272,752 | 6,586,202 |
| Access to justice fee distributions | 1,189,225 | 1,097,538 |
| Administrative fee expense | 661,886 | 668,001 |
| Out-of-state registration fees | 225,960 | 218,677 |
| Class action residual distributions | 677,991 | 3,838,785 |
| Bank fees | 3,490 | 3,865 |
| Total operating expenses | <u>11,031,304</u> | <u>12,413,068</u> |
| Change in Net Assets | 499 | 537 |
| Net Assets Without Donor Restrictions - Beginning of Year | <u>269,421</u> | <u>268,884</u> |
| Net Assets Without Donor Restrictions - End of Year | <u>\$ 269,920</u> | <u>\$ 269,421</u> |

The accompanying notes are an integral part of the financial statements

MASSACHUSETTS IOLTA COMMITTEE

STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

| | <u>2018</u> | <u>2017</u> |
|---|---------------------|---------------------|
| Cash Flows from Operating Activities | | |
| Change in net assets | \$ 499 | \$ 537 |
| Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities: | | |
| Increase (decrease) in cash resulting from a change in: | | |
| Other receivables | 25,388 | (1,032) |
| Entities payable | 446,427 | (94,141) |
| Other payables | <u>(25,388)</u> | <u>1,032</u> |
| Net cash provided by (used in) operating activities | 446,926 | (93,604) |
| Cash and Cash Equivalents - Beginning of Year | <u>1,197,760</u> | <u>1,291,364</u> |
| Cash and Cash Equivalents - End of Year | <u>\$ 1,644,686</u> | <u>\$ 1,197,760</u> |

The accompanying notes are an integral part of the financial statements

MASSACHUSETTS IOLTA COMMITTEE

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - NATURE OF ACTIVITIES

The Massachusetts IOLTA Committee (the Committee) was established, and members appointed, by the Massachusetts Supreme Judicial Court to provide for the operation of the comprehensive Interest on Lawyers Trust Accounts (IOLTA) program, as adopted by the order of the Supreme Judicial Court, dated September 26, 1989.

IOLTA income is the result of interest earned on pooled client fund accounts, which are used by attorneys to hold client funds that are either so nominal in amount, or expected to be held for such a short period of time, that it would not be practical to establish individual accounts. There are currently more than 200 banks and over 20,000 attorneys participating in this program, which helps to fund improvements in the administration of justice and delivery of legal services to low income clients.

Prior to January 1, 1993, interest earned on IOLTA accounts was paid by banks to one of three charities, as designated by the attorney. Effective January 1, 1993, the court amended its rule so that the Massachusetts IOLTA Committee was the initial recipient of all IOLTA funds throughout the state. The Committee then distributes all of the available funds to the three charitable entities based on percentages set up in the Court Rule and Order as follows:

| | |
|--|-----|
| Boston Bar Foundation | 7% |
| Massachusetts Bar Foundation | 26% |
| Massachusetts Legal Assistance Corporation | 67% |

IOLTA funds are used by each of the three entities to provide grants to providers of direct legal services for the poor and other not-for-profit organizations throughout the state. Each of the three entities is required by the court order to absorb the costs of the Committee in the same proportion by which they receive funds. Monthly, the entities are charged one-twelfth of the Committee's annual operating budget. At year end, the fees are reconciled to the actual expenses and the difference between budgeted and actual expenses is either paid to or collected from the entities subsequent to year end.

On June 9, 2010, the Supreme Judicial Court added an option to the Board of Bar Overseers registration fee called the Access to Justice Fee. This fee is \$51 and is to be used in the administration of justice and provision of civil legal services to those who cannot afford them. The Access to Justice Fee is voluntary. The receipts received by the Committee from the Access to Justice Fee payments are distributed in their entirety to the above charitable entities in the same percentages as noted above.

As of September 4, 2012, Massachusetts requires that prior to filing a motion to have out-of-state counsel admitted pro hac vice in certain appellate courts, out-of-state counsel must pay a nonrefundable pro hac vice registration fee of \$301 per case. During 2018 the pro hac vice registration fee was increased to \$355. The pro hac vice registration fee remained at \$101 for district court cases. These fees are paid to the Board of Bar Overseers (the Board), and which on a quarterly basis are given to the Committee. The receipts received by the Committee from the pro hac vice fee payments are distributed in their entirety to the above charitable entities in the same percentages as noted above.

In Massachusetts, unclaimed funds from class action lawsuits are distributed to appropriate not-for-profit organizations. During 2009, the Supreme Judicial Court determined that legal services and IOLTA programs are appropriate recipients of class action residual awards. The receipts received by the Committee from the class action residual awards are distributed in their entirety to the above charitable entities in the same percentages as noted above. For the years ended December 31, 2018 and 2017, class action residual awards received totaled \$677,991 and \$3,838,785, respectively.

MASSACHUSETTS IOLTA COMMITTEE

NOTES TO FINANCIAL STATEMENTS

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNT POLICIES

A summary of the significant accounting policies followed by the Committee in the preparation of the accompanying financial statements is set forth below:

Change in Accounting Principle

In August 2016, the Financial Accounting Standards Board issued Accounting Standards Update (ASU) No. 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. The amendment changes the previous reporting model for nonprofit organizations and enhances the disclosure requirements. The major changes include: a) requiring the presentation of only two classes of net assets rather than three, b) modifying the presentation of underwater endowment funds and related disclosures, c) requiring the use of the placed in service approach to recognize the expirations of restrictions on gifts used to acquire or construct long-lived assets absent explicit donor stipulations otherwise, d) requiring that all nonprofits present an analysis of expenses by function and nature in either the statement of activities, a separate statement, or in the notes and disclose a summary of the allocation methods used to allocate costs, e) requiring the disclosure of quantitative and qualitative information regarding liquidity and availability of resources, f) presenting investment return net of external and direct internal investments expenses and g) modifying other financial statement reporting requirements and disclosures intended to increase the usefulness of nonprofit financial statements. This ASU is effective for annual periods beginning after December 15, 2017. Management has adopted ASU 2016-14 for the year ended December 31, 2018. The amendments have been retrospectively applied with the exception of a statement of functional expenses and disclosures on liquidity and availability of resources for the year ended December 31, 2017.

Basis of Financial Statements

The financial statements of the Committee have been prepared in accordance with accounting principles generally accepted in the United States of America. Accordingly, the accounts of the Committee are reported in the following net asset categories:

Net Assets Without Donor Restrictions

Net assets without donor restrictions represent available resources other than donor-restricted contributions.

Net Assets With Donor Restrictions

Net assets with donor restrictions represent contributions that are restricted by the donor as to purpose or time of expenditure and also include accumulated investment income and gains on donor-restricted endowment assets that have not been appropriated for expenditure. Net assets with donor restrictions also represent resources that have donor-imposed restrictions that require that the principal be maintained in perpetuity but permit the Committee to expend the income earned thereon.

At December 31, 2018 and 2017, the Committee did not have net assets with donor restrictions.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could vary from the estimates that were used.

MASSACHUSETTS IOLTA COMMITTEE

NOTES TO FINANCIAL STATEMENTS

Cash and Cash Equivalents

For purposes of the statements of cash flows, the Committee considers all highly-liquid investments with an initial maturity of 90 days or less to be cash equivalents.

Basis of Presentation

Revenue from IOLTA receipts is recorded when received. All other income and expenses are recorded when incurred.

Functional Allocation of Expenses

The costs of providing various programs and other activities have been reported on a functional basis. Accordingly, certain costs have been allocated among the programs and general and administration. Program costs are the fees distributed to the three charitable entities on a monthly basis. General and administrative costs include salaries, fringe benefits, professional fees, rent and other administrative costs.

The functional expenses were as follows for the year ended December 31, 2018:

| | <u>Program Services</u> | <u>General and Administrative</u> | <u>Total</u> |
|-------------------------------------|-----------------------------|---------------------------------------|----------------------|
| IOLTA distributions | \$ 8,272,752 | \$ - | \$ 8,272,752 |
| Access to justice fee distributions | 1,189,225 | - | 1,189,225 |
| Administrative fee expense | - | 661,886 | 661,886 |
| Out-of-state registration fees | 225,960 | - | 225,960 |
| Class action residual distributions | 677,991 | - | 677,991 |
| Bank fees | - | 3,490 | 3,490 |
| | <u> </u> | <u> </u> | <u> </u> |
| Total Expenses | \$ <u>10,365,928</u> | \$ <u>665,376</u> | \$ <u>11,031,304</u> |

Income Taxes

The Committee is not subject to federal income taxes because it is an integral part of the Commonwealth of Massachusetts constituted under the Supreme Judicial Court. It does not require exemption under Section 501 of the Internal Revenue Code as an exempt organization.

Subsequent Events

The Committee has evaluated subsequent events through March 8, 2019, which is the date the financial statements were available to be issued.



LEADERSHIP BANKS & CREDIT UNIONS

| | | |
|----------------------------------|--------------------------------|-----------------------------------|
| Abington Bank | Crescent Credit Union | Naveo Credit Union |
| Adams Community Bank | Envision Bank | Needham Bank |
| Admirals Bank | Equitable Bank | North Brookfield Savings |
| Athol Savings Bank | Everett Bank | North Cambridge Co-operative Bank |
| Avidia Bank | Freedom Credit Union | PeoplesBank |
| Bank of New England | Greylock Federal Credit Union | RiverWorks Credit Union |
| BayCoast Bank | Holyoke Credit Union | Rollstone Bank & Trust |
| Bristol County Savings Bank | Institution for Savings | Sharon Credit Union |
| Cambridge Savings Bank | Lee Bank | South Coast Federal Credit Union |
| Central One Federal Credit Union | Leominster Credit Union | St. Jean's Credit Union |
| Century Bank | Main Street Bank | St. Mary's Credit Union |
| Community Bank | Martha's Vineyard Savings Bank | UniBank |
| The Cooperative Bank of Cape Cod | MutualOne Bank | Washington Savings Bank |
| | | Westfield Bank |

Leadership Institutions are those that go above and beyond the eligibility requirements of the IOLTA Rule to support the IOLTA program in its mission to ensure that low-income Massachusetts residents have access to critically needed legal aid.

Leadership Institutions currently pay a net interest rate on all IOLTA funds of at least 1.88% APR.

Leadership Institutions will be highlighted throughout the year at Bar events and legal publications so that attorneys and law firms are aware of their contribution and exceptional support of the program.

THE IOLTA COMMITTEE

Hannah L. Kilson, Chair

Janet F. Aserkoff, Boston

Michael D. Badger, Westborough

Rahsaan D. Hall, Boston

David C. Henderson, Boston

Susan C. Murphy, Boston

Robert M. Ruzzo, Boston

Iris Taymore Schnitzer, Boston

Mary Jeanne Stone, Fall River

THE IOLTA STAFF

Jayne Tyrrell, Executive Director

Stephen Casey, Chief Financial Officer

Patricia Bond, Information Coordinator

Kimberly Huynh, Program Assistant



MASSACHUSETTS IOLTA COMMITTEE

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