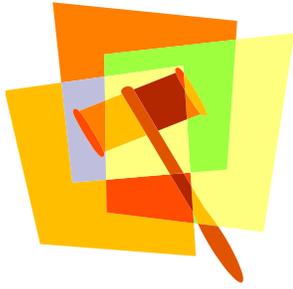


**THE IOLTA FUND
OF THE BAR OF NEW JERSEY**



2013

ANNUAL REPORT



MESSAGE FROM THE CHAIR

N.J. Court Rule 1:28A requires that attorneys deposit client funds in the attorney's IOLTA accounts in certain circumstances. As mandated by the Rule, the money collected by IOLTA is utilized to provide legal representation and assistance to the poor, improve the administration of justice, and educate lay persons about the law. The funds can be used for no other purpose.

Legal assistance and education programs in New Jersey help people solve problems, learn about the law and navigate an often confusing and sometimes intimidating justice system, for example:

- Victims---women, men, seniors and teens---of domestic violence;
- Tenants facing eviction and homeowners facing foreclosure;
- Veterans and military families who need to access benefits;
- Consumers experiencing credit problems, identity theft or fraud;
- Workers paid less than minimum wage or denied overtime wages because they do not understand their rights;
- Children in need of special education or an adult to step in to prevent bullying so everyone can learn and thrive in school;
- Disabled people who need assistance achieving economic security, obtaining a legal guardian or acceptance by a supported health care program;
- Immigrants seeking to become citizens or renew a work authorization;
- People affected by natural disasters such as Hurricane Sandy;
- Senior citizens hoping to learn more about complex estate and inheritance tax laws; and
- High school students honing their logic and debate skills by participating in a mock trial program.

IOLTA revenue has been an important source of funding for legal assistance in New Jersey since 1989, but between 2006 and 2013 IOLTA interest income dropped 83% from \$52 million to \$8.9 million. Economists postulate that interest rates may remain low for a considerable period, probably into 2015. Until the Federal Reserve increases short term interest rates, IOLTA will continue to experience reduced income.

The funding situation is acute for civil legal services providers. They are long past “doing more with less”. Staff levels are the lowest in more than a decade, while the demand for legal services has only grown.

New Jersey lawyers and law firms can take a couple of steps to help shore up this funding gap:

- Commit to take a case *pro bono*;
- Choose one of the financial institutions listed on pages 9 and 10 in this report that pay interest of 1% or more to IOLTA; and
- Where advisable, use attorney trust accounts instead of the escrow accounts of title companies or brokers to maximize the principal balances earning interest for IOLTA.

Civil legal service providers funded by IOLTA do more than solve an immediate problem for someone in need, because legal assistance from a lawyer or advocate affirms that our justice system works for all of us, not just those who can afford to pay for a private attorney. Moreover, resolution of a legal problem offers lasting benefits such as economic stability, personal safety and the confidence to self-advocate. For these reasons, a strong legal services delivery system is critical.

On behalf of the IOLTA Board, I appreciate the participation of 125 financial institutions that maintained IOLTA accounts in 2013 and especially commend those enrolled in our Leadership Bank program or which paid 1% on high balance accounts. We know that the low interest rate environment holds challenges for banks as well as for IOLTA. Your participation in this important public program enhances the possibility of accessing justice for thousands of individuals and families with nowhere else to turn for help.

John P. Scordo

Board Chair

2013-2014

For budgetary reasons, this report is available only online.



GRANTS

The purpose of New Jersey's IOLTA program is to make grants to qualifying organizations, which in turn provide law-related services. As directed in Rule 1:28A grants are made only for the following purposes:

- Legal Aid to the Poor
- Improvement in the Administration of Justice
- Education of Lay Persons in Legal and Justice-related Areas

New Jersey Supreme Court Rule 1:28A specifies that not less than 75% of net revenue be awarded to Legal Services of New Jersey, Inc. ("LSNJ") and, through sub-grants, to its local member Legal Services programs, to support the delivery of civil legal services to the poor throughout New Jersey. In addition, an award of not less than 12.5% of net revenue is made to the New Jersey State Bar Foundation to be used for the purposes as stated in the Rule. Through the IOLTA Discretionary Grant Program, the IOLTA Board of Trustees allocates the remaining net revenue to other grants supporting the purposes of the Rule.

Over \$384 million has been awarded to non-profit organizations in every county of New Jersey since 1989, when the first IOLTA grants were made. The grants have provided free civil legal assistance for very low-income individuals, victim assistance and advocacy, alternative dispute resolution, as well as legal help and advocacy for special populations including persons with disabilities, senior citizens, abused and neglected children, homeless youth, victims of domestic violence and immigrants.

IOLTA Fund staff annually assists roughly 37,000 attorneys in private practice with their responsibility to maintain and register an attorney trust account and monitors compliance with other requirements of Court Rule 1:28A.

2013 GRANTS

In 2013, total grants paid amounted to \$9,064,382. In addition to the Legal Services of New Jersey and the New Jersey State Bar Foundation allocations, forty-six discretionary grants totaling \$1,476,180 were approved in 2012 to be paid in 2013.

Allocations to Legal Services and the Bar Foundation are paid four times each year from the revenue collected in the preceding months, while the discretionary grants are paid from funds accrued for the program in the prior fiscal year.

LEGAL SERVICES OF NEW JERSEY

In calendar 2013, Legal Services of New Jersey (“LSNJ”) received \$6,504,174, compared to \$9,103,258 in 2012.

The statewide Legal Services system consists of Legal Services of New Jersey (LSNJ) and six regional Legal Services corporations, serving all 21 counties. IOLTA funds support centralized services for the provider network, such as training, technical assistance, telephone hotlines and shared technology. LSNJ also provides the public with access to information about the law and the NJ court system via publications, *pro se* manuals and legal booklets, and a comprehensive website, www.LSNJLAW.org, to assist the public with resources, legal information, forms, and publications.

LSNJ annually reports that almost 30% of the cases opened are housing cases, primarily tenant matters. Family law (divorce, separation, support and custody), consumer law (bankruptcy, collection, warranties, unfair sales practices, and disputes with public utilities) and income maintenance matters (Social Security, SSI, Work First New Jersey, food stamps) each account for 17-20% of the caseload each year. The remaining cases typically involve education, health, employment, juvenile matters and individual rights. Many cases are resolved without litigation following a brief service, counseling session or telephone call. LSNJ provides direct representation to clients in matters of broad or statewide significance and through special projects that respond to emergent legal needs of low-income people.

To augment the capacity of employed staff, LSNJ and the regional programs recruit and train hundreds of volunteer attorneys every year.

NEW JERSEY STATE BAR FOUNDATION

The New Jersey State Bar Foundation received \$1,084,028, compared to \$1,517,209 in 2012.

The New Jersey State Bar Foundation promotes public understanding of the law through free education programs, publications and other media. Law-related seminars for the public and special groups such as grandparents or advocates for the disabled, conflict resolution and teasing and bullying training for teachers and school personnel, publications for consumers and classrooms, videotape loan library, speakers bureau, elementary, middle and high school mock trial competitions and funding for law school clinics are among the core programs developed and delivered by the Foundation to meet its mission. The Foundation provides funding for Court Night programs, annual events opening courthouses throughout New Jersey so that the public can learn about the court system from judges, attorneys and administrators.

The Bar Foundation's educational publications and programs reach many thousands of children and adults. The 2012-2013 annual High School Mock Trial Competition program registered 221

teams with 138 teachers and lawyers attending the training which launched the competition. The Law Adventure program for middle school students generated 120 entries prepared by 935 children and the grammar school program, Law Fair, received 123 entries prepared by 1,136 students. The Foundation’s Law-related Education Conference provided 235 educators with additional ways to incorporate education about the law into an existing curriculum. Each of three editions of *The Legal Eagle* newsletter was distributed to 2,700 schools and the *Respect* newsletter for middle and high school students reached 1,800 schools. Other free publications for students and teachers including *Students Rights*, *Plagiarism Guide*, *Bill of Rights Bulletin*, *Constitutionally New Jersey* and *Historical Documents of NJ and the US*; in all, 740,983 publications, brochures, posters and videos were shipped in 2012-2013. Because lower funding from IOLTA has curtailed a number of Bar Foundation activities, many publications are now only available online.

DISCRETIONARY GRANTS

The 2013 Discretionary Grant Program awarded \$1,476,180.

The 2013 grantees by program area were:

DISABILITIES

All About Hope	\$49,440
Community Health Law Project	72,000
Hyacinth AIDS Foundation	59,920
SCARC Guardianship Services, Inc.	57,280

These agencies provided assistance to disabled persons and their families. Volunteer and staff attorneys assisted clients with legal issues that result from living with a disability. Two of these organizations specialize in assisting individuals who have AIDS or are HIV-positive and face legal problems such as access to housing or medical care, job discrimination, and end of life issues. At SCARC, a court-approved *pro se* (self-help) program guides the families through guardianship proceedings and IOLTA-funded clients receive free legal services from volunteer attorneys. Community Health Law Project works with disabled individuals from all over New Jersey who have encountered problems with access to housing, healthcare, and income support.

DOMESTIC VIOLENCE

180, Turning Lives Around (Monmouth)	\$18,720
Alternatives to Domestic Violence (Bergen)	21,280
Atlantic County Women’s Center	10,800
Camden Center for Law and Social Justice	\$28,880
Center for Family Services, Inc. (Cumberland)	8,900
Center for Family Services, Inc. (Gloucester)	23,840

Domestic Abuse and Sexual Assault Crisis Center (Warren)	22,400
Domestic Abuse and Sexual Assault Intervention Services, Inc. (Sussex)	16,640
Jersey Battered Women’s Service (Morris)	18,640
New Jersey Association on Correction (Camden)	12,440
New Jersey Association on Correction (Passaic)	17,160
Providence House-Burlington of Catholic Charities	24,080
Providence House-Ocean of Catholic Charities	23,360
The Rachel Coalition/JFS of MetroWest	27,840
Resource Center of Somerset	23,520
SAFE in Hunterdon	28,800
Salem County Women’s Services	12,000
Womanspace, Inc. (Mercer)	14,400
Women Aware, Inc.	14,880
YWCA of Eastern Union County	25,000

These grants support a variety of legal advocacy and court liaison programs assisting victims of domestic violence throughout the state--women, men, senior citizens and young people are all represented in their caseloads. IOLTA funds enable legal advocates to assist victims of domestic violence during times of crisis. Often victims arrive in court without any prior knowledge of domestic violence laws or the relief available to them under the law. Legal advocates provide legal options counseling, court accompaniment, and assistance when a restraining order is sought. Advocates also work to educate court and law enforcement personnel to promote better handling of domestic violence cases.

EDUCATION LAW

Advocates for Children of New Jersey (ACNJ)	\$58,880
Disability Rights New Jersey	48,000
Education Law Center	72,000
Statewide Parent Advocacy Network (SPAN)	37,440

Staff attorneys at Education Law Center and Disability Rights New Jersey represent families having a variety of problems with school systems, usually in the areas of special education services and discipline. ACNJ staff attorneys intervene in disputes with school districts, resolving problems related to school discipline, access to special education and testing, and appropriate placements, but generally do not litigate. SPAN provides training, self-help materials, and direct assistance to special education students who are transitioning from school to adult life and their parents.

FAMILIES AND CHILDREN

Partners for Women and Justice, Inc.	\$40,000
Project Self-Sufficiency of Sussex County	16,640
Women’s Center at the County College of Morris	3,300

These organizations served displaced homemakers, single parent heads of households and women with family law and financial matters that arise as a result of domestic violence, divorce or death of a spouse. Through legal clinics, workshops, newsletters, information and referrals, individuals without the means to hire attorneys learned how to make informed decisions about legal problems such as divorce, name change, employment discrimination, applying for public assistance and consumer credit. Volunteer lawyers offered individualized counseling to help resolve specific legal problems. At Partners for Women and Justice, staff attorneys provided representation in court as needed.

IMMIGRATION

American Friends Service Committee	\$61,600
Catholic Charities of the Archdiocese of Newark-Detention Representation Project	20,480
Catholic Charities of the Archdiocese of Newark-NJ Catholic Consortium	72,000
Jewish Family and Vocational Services of Middlesex County	23,680
La Casa de Don Pedro, Inc.	40,320
Lutheran Social Ministries of New Jersey	40,720
Servicios Latinos de Burlington County	19,200

These agencies provide services to income eligible legal immigrants seeking assistance for family reunification, representation in Immigration Court, citizenship applications, and work authorization, as well as Temporary Protected Status. Some programs also offer specialized help for immigrant battered women and youth who have been brought to this country and later abused or abandoned or who seek assistance with Deferred Action for Childhood Arrivals, an immigration status allowing young people to work or attend college. The help they receive may be as simple as translation of forms or court documents, scheduling of appointments and naturalization classes. The Detention Representation Project is part of a collaboration of organizations and volunteers that assists asylum seekers and other detainees who are eligible for relief from detention or deportation. Following an initial screening and consultation at the detention facility, meritorious cases are referred to *pro bono* attorneys and charities that provide immigration legal services. One grantee represents mentally challenged individuals in immigration court proceedings.

All of the immigration grant recipients work hard to offer immigrant communities authoritative and accurate information to counteract and thwart unscrupulous practitioners known as “notarios” who can delay, disrupt or destroy a person’s chances to work and live in the US.

OTHER LEGAL AID

Asian American Legal Defense and Education Fund	\$39,680
Covenant House New Jersey	37,680
Essex County Legal Aid Association	53,200
Legal Aid Society of Monmouth County	5,000
Legal Services of New Jersey-Health Care Access Project	57,280
Legal Services of New Jersey-Public Interest Summer Legal Intern Program	62,400

Rutgers Law School-Camden *Pro Bono* Program
Volunteer Lawyers for Justice

7,500
26,960

These grantees provided a range of legal services, from advice and brief counseling to representation by an attorney. Income eligible individuals may discuss their legal problems with an experienced attorney, sometimes progressing to full or limited representation in a civil matter. After a client's legal needs are assessed, services are provided by a staff or volunteer attorney.

The clients served include: low-wage Asian workers seeking citizenship or assistance with job discrimination or employment problems such as wage and hour violations, young people seeking help with matters such as child support, expungement and employment, families having trouble accessing healthcare for children and individuals filing for bankruptcy protection. Grants for LSNJ's summer intern program and Rutgers Law School provide opportunities for students to contribute to the community through *pro bono* service and exposure to public interest law.

Discretionary Grant recipients reported a total of 11,557 closed cases in 2013. Of those, 64% were categorized in the area of family law. Most involved domestic violence, which cuts across all population groups, economic levels, educational attainment, ethnicities, and ages. Individual rights was the next highest service category, representing 11% of cases closed, mainly in the area of immigration law. Awardee organizations served diverse populations such as Central Americans in Newark's North Ward, Africans in Camden, Burmese in Trenton and Eastern Europeans living in senior citizen housing in Middlesex County. Disputes with landlords accounted for 9.5% of closed cases; of those, only 4 involved court proceedings. The rest were resolved with advice, a brief service or some negotiation. Preventing illegal lockouts is a priority because the result can be homelessness, but in some cases the best advice is to tell a consumer that the landlord acted legally and that relocation is the only option.



BANKS

Only financial institutions that are Court-approved trust account depositories may offer IOLTA accounts.

In 2013, the IOLTA Fund earned trust account interest totaling \$8,938,903 from 125 banks compared to \$9,664,095 in interest from 132 banks in fiscal 2012. The average rate on all IOLTA accounts, regardless of size, was 0.55% in 2013 compared to 0.63% in 2012. Balances in all IOLTA accounts averaged \$2.44 billion compared to \$2.18 billion in 2012.

More than 17,500 attorney trust accounts are maintained in participating New Jersey financial institutions and about 8,100 of those were IOLTA accounts in 2013.

The Supreme Court of New Jersey awards trust account business to all banks in New Jersey that comply with applicable guidelines without any competitive bidding process. In exchange, a fair, comparable and reasonable return is expected. The Best Customer Standard provides a mechanism to establish and ensure such a return. About 40% of participating banks chose the Best Customer Standard “indexed option” as the rate they would pay on accounts with average balances of \$100,000 or more in 2013. Banks can alternatively choose to pay the best rate they make available to other, similarly-situated, high balance, non-IOLTA customers on any one of five other account types.

LEADERSHIP BANKS

In determining how to meet the Best Customer Standard at their own financial institutions, some banks enrolled in the **IOLTA Leadership Bank** Program, agreeing to pay the greater of 80% of the Federal Funds Target Rate or 1% on qualifying, high average balance accounts (\$100,000 or more).

All of these IOLTA-friendly **Leadership Banks** deserve recognition for making a business choice that increases the capacity of New Jersey’s legal service providers to serve individuals and families with civil legal problems but have nowhere else to go for help. Often low-income and vulnerable people have legal problems affecting their most basic survival needs, such as food, shelter, jobs or access to health care. Legal aid provides our most economically fragile neighbors with equal access to justice through full and limited representation, even when they cannot afford a lawyer. The results are real: economic stability, peace at home, and the ability to move forward as productive members of society.



Alma Bank
BNB Bank, NA
City National Bank of New Jersey
Community Bank of Bergen County
Community First Bank
Freedom Bank
Freehold Savings and Loan Association
Hudson City Savings Bank
Kearny Federal Savings
NewBank
Newfield National Bank
Oritani Savings Bank
Parke Bank
RSI Bank
Sturdy Savings Bank
Woori America Bank

OTHER BANK PARTICIPATION

The following authorized trust account depositories also remitted interest to IOLTA during 2013. Banks that paid 1% (or more) are marked with an asterisk.

- | | |
|-----------------------------|--------------------------------|
| 1st Colonial Community Bank | Bank of America |
| 1st Constitution Bank | Bank of New Jersey |
| Abacus Federal Savings Bank | The Bank of Princeton * |
| Amboy Bank | BCB Community Bank |
| Atlantic Stewardship Bank * | Beneficial Bank |
| Audubon Savings Bank | Bogota Savings Bank |
| Bank Asiana * | Boiling Springs Savings Bank * |
| Brunswick Bank & Trust | Lakeland Bank |

Cape Bank *	Liberty Bell Bank
Capital Bank of New Jersey	Llewellyn-Edison Savings Bank *
Capital One Bank	M & T Bank
Century Savings Bank	Magyar Bank
Citibank	Manasquan Savings Bank
Citizens Bank of Pennsylvania	Mariner's Bank
Colonial American Bank	Metuchen Savings Bank *
Colonial Bank *	Millington Savings Bank *
Columbia Bank	Millville Savings & Loan *
Connect One Bank	Monroe Savings Bank
Cornerstone Bank	New Jersey Community Bank *
Crest Savings Bank	New Millennium Bank
Cross River Bank *	NJM Bank *
Crown Bank	Northfield Bank
CTBC Bank*	NVE Bank *
Customers Bank	Ocean City Home Bank
Delanco Federal Savings Bank *	OceanFirst Bank
Enterprise National Bank, NJ *	Pascack Community Bank
First Bank	Peapack-Gladstone Bank
First Choice Bank *	Pennsville National Bank
First Commerce Bank *	PNC Bank
First Hope Bank *	Ponce De Leon Federal Bank *
First National Bank of Absecon	Popular Community Bank *
First National Bank of Elmer *	The Provident Bank
Firsttrust Bank	Regal Bank *
Fox Chase Bank	Republic Bank
Franklin Bank	Roma Bank
Fulton Bank of New Jersey *	RomAsia Bank
Garden State Community Bank	Royal Bank of America
GCF Bank	Rumson-Fair Haven Bank & Trust
Grand Bank	Santander Bank *
GSL Savings Bank *	Schuyler Savings Bank
Harmony Bank	Shore Community Bank
Harvest Community Bank	Somerset Hills Bank
Haven Savings Bank *	Somerset Savings Bank *
Heritage Community Bank	Spencer Savings Bank
Highlands State Bank *	Sterling National Bank
Hopewell Valley Community Bank	Sun National Bank *
HSBC Bank USA *	Susquehanna Bank
Investors Bank	Sussex Bank *
TD Bank	Union County Savings Bank *

Team Capital Bank
Third Federal Savings Bank *
TriState Capital Bank
Two River Community Bank *
Union Center National Bank

Unity Bank
Valley National Bank
Wavel Savings Bank
Wells Fargo Bank
Wilshire State Bank

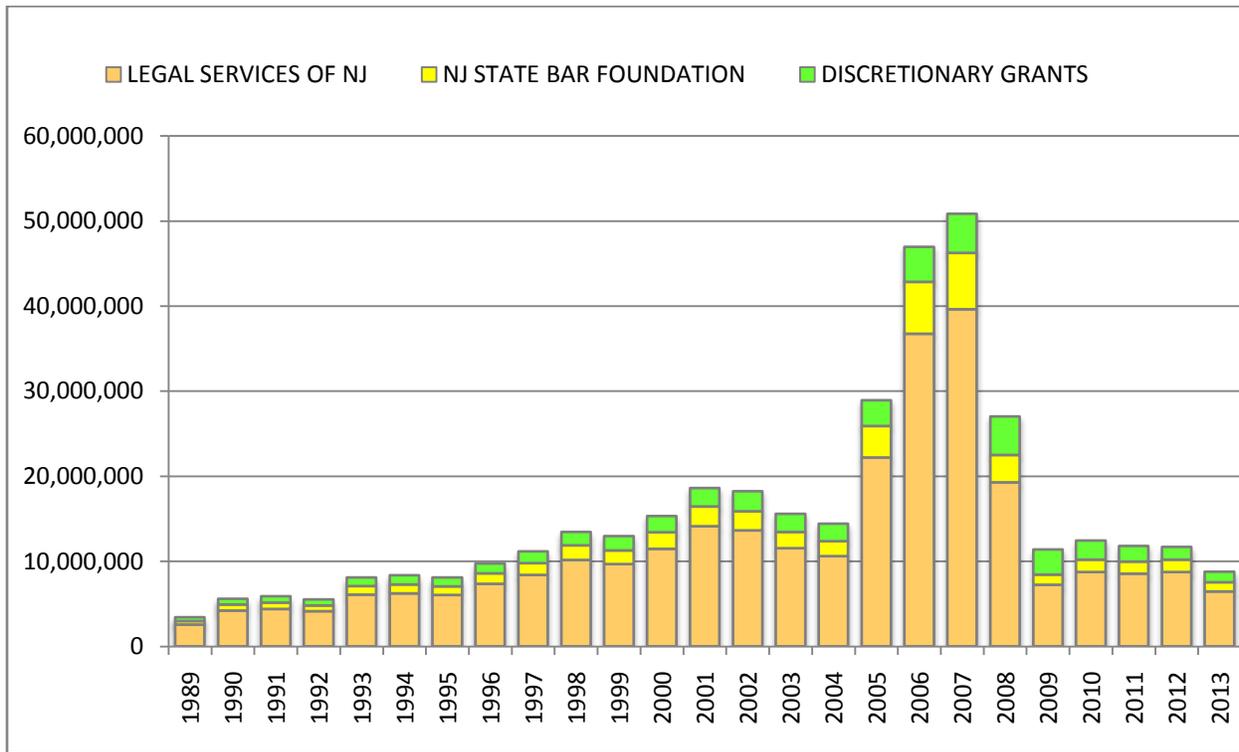


FINANCIAL INFORMATION

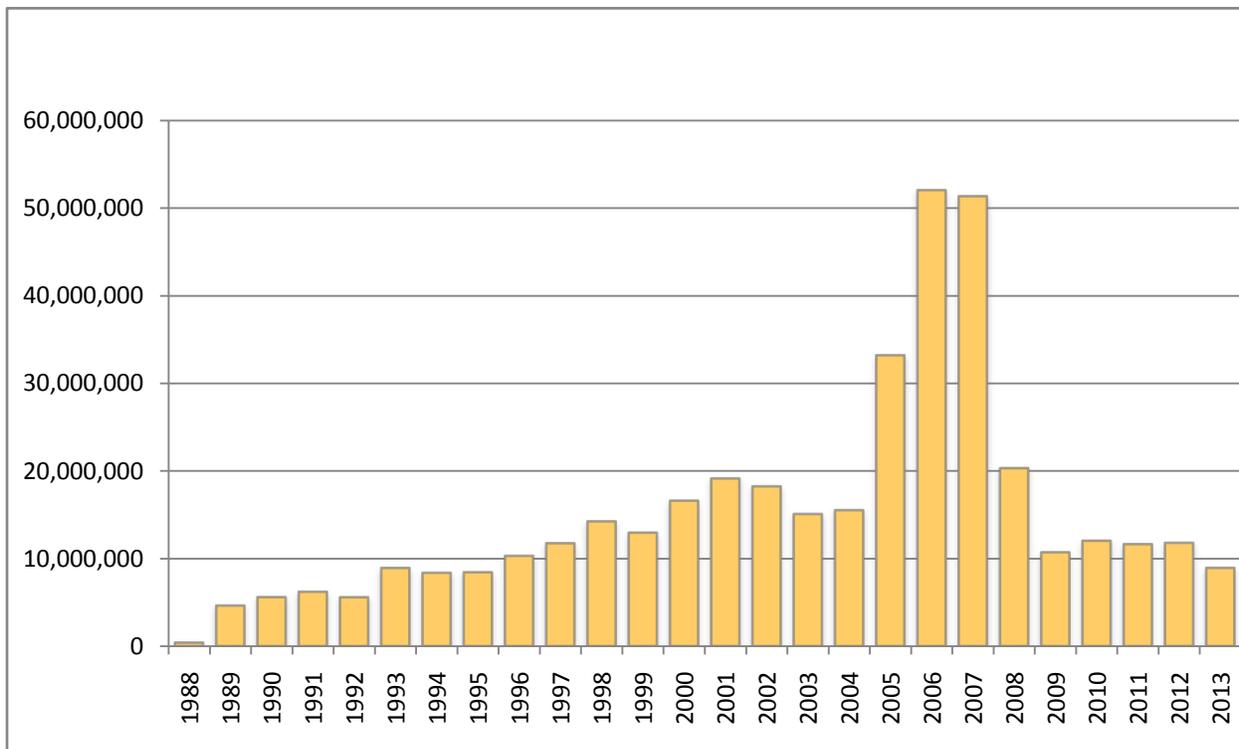
	2013	2012
Revenue		
Net IOLTA Interest Earned	\$ 8,938,903	\$ 9,664,095
Investment Interest Income	2,273	2,803
Nonrecurring Revenue	-	2,133,061
Total Revenue	\$ 8,941,176	\$ 11,799,959
Expenses		
General and Administrative Expenses	\$ 461,745	\$ 459,713
Authorized Grant Allocations	8,777,873	11,673,623
Total Expenses	\$ 9,239,618	\$ 12,133,336
Additional Grant Activity	-	24,408
Net Increase/ (Decrease) in Temporarily Restricted Net Assets for the Year	\$ (298,442)	\$ (308,969)

Figures are excerpted from the 2013 audited financial statement prepared by Barre & Company, Certified Public Accountants and Consultants. The audit may be examined by appointment during business hours at the Fund's offices.

IOLTA GRANTS 1989 – 2013 (\$)



IOLTA REVENUE 1988 – 2013 (\$)





ADMINISTRATION

A nine member Board of Trustees governs the IOLTA Fund of the Bar of New Jersey. The Court appoints six members. Ex-officio members are: President, Legal Services of New Jersey, Inc.; President, New Jersey State Bar Association; and First Vice President, New Jersey State Bar Foundation.

2013-2014 BOARD OF TRUSTEES

John P. Scordo, Chair

Denise M. Keyser, Treasurer

Gerard M. Banmiller

John C. Connell

Melville D. Miller, Jr.

Steven M. Richman

Elizabeth A. Weiler

Miles S. Winder, III

Lisa Martinez Wolmart

STAFF

Ellen D. Ferrise, Executive Director

Robert A. Ackerman

JoAnn Telemdschinow

Barbara O'Brien