

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



**2014
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. Client funds that are too small in amount or held for too short a period to earn interest net of bank charges or administrative fees are placed in a pooled, interest bearing trust account. As mandated by the Rule, the interest 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.

Who are the people that IOLTA grantee organizations serve? They are:

- **Victims---women, men, seniors and teens---of domestic violence;**
- **Tenants facing eviction;**
- **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;**
- **Children in need of special education;**
- **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**
- **Students honing their logic and debate skills by participating in a mock trial program.**

Although IOLTA revenue has been an important source of funding for civil legal assistance in New Jersey for more than 25 years, since 2007 IOLTA interest income has fallen 83% from \$52 million to \$8.6 million. Until the Federal Reserve increases short term interest rates, perhaps in late 2015, IOLTA will continue to experience reduced income.

The funding situation became serious for civil legal services providers in 2008 at the beginning of the "Great Recession". For a few years they could "do more with less", but not any longer. The acute crisis of the last several years has resulted in the lowest staff

levels in more than a decade, reduced office hours, and fewer programs--- while the demand for legal services has grown.

New Jersey lawyers and law firms can make a difference:

- **Commit to take a case *pro bono*;**
- **Choose one of the financial institutions paying trust account interest of 1%, listed on pages 9 and 10 in this report; 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.**

Public interest lawyers do more than solve an immediate problem for someone in need. Legal assistance from a lawyer or advocate affirms the belief that our system of justice works for all of us, not just people who can afford to pay for a private attorney. Beyond this important concept, resolution of a legal problem offers lasting benefits such as economic stability, personal safety and the confidence to self-advocate. A strong civil legal services delivery system is critical to reinforcing these beliefs and conferring those important benefits.

On behalf of the IOLTA Board, I thank the 124 financial institutions which maintained IOLTA accounts in 2014 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 gives thousands of low-income individuals with serious civil legal problems a place to turn for help.

Denise M. Keyser

**Board Chair
2014-2015**

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 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 \$392 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 annually register an attorney trust account and monitors compliance with other requirements of Court Rule 1:28A.

2014 GRANTS

In 2014, total grants paid amounted to \$8,409,398. In addition to the Legal Services of New Jersey and the New Jersey State Bar Foundation allocations, forty-five discretionary grants totaling \$1,251,300 were approved in 2013 to be paid in 2014.

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 2014, Legal Services of New Jersey (“LSNJ”) received \$6,135,512 compared to \$6,504,174 in 2013.

The statewide Legal Services system consists of Legal Services of New Jersey and five 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 reported that almost 45% of the IOLTA-funded cases closed in 2014 by the regional legal services offices were housing matters, overwhelmingly tenant disputes with private landlords. 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, Work First New Jersey, SNAP) each accounted for 15-20% of the closed cases supported by IOLTA funding. Many cases were 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 \$1,022,586, compared to \$1,084,028 in 2013.

The New Jersey State Bar Foundation promotes public understanding of the law through free education programs, grants and publications in various media. Professional development opportunities and training for groups such as advocates for the disabled, teachers, students and school personnel, together with publications for consumers and classrooms, a videotape loan library and speakers bureau, mock trial competitions for all grade levels and funding for law school clinics are among the programs developed by the Foundation to meet its mission. The Foundation also provided funding for Court Night programs, which are 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 2013-2014 annual High School Mock Trial Competition program registered 233 teams with 169 teachers and lawyers attending the training which launched the competition. The Law Adventure program for middle school students generated 130 entries prepared by 1,221 children and the grammar school program, Law Fair, received 83 entries prepared by 790 students. The Law-related Education Conference provided 240 educators with additional ways to incorporate education about the law into an existing curriculum. In all, 728,105 publications, brochures, posters and videos were shipped in 2013-2014, including *The Legal Eagle* and *Respect* newsletters for middle and high school students, and *Students Rights*, *Plagiarism Guide*, *Bill of Rights Bulletin*, *Constitutionally New Jersey* and *Historical Documents of NJ and the US* booklets.

Lower funding from IOLTA has curtailed a number of Bar Foundation activities, and many of these publications are now only available online.

DISCRETIONARY GRANTS

The 2014 Discretionary Grant Program awarded forty-five grants totaling \$1,251,300 compared to \$1,476,180 in 2013.

Discretionary Grant recipients reported a total of 7,649 closed cases in 2014. Of those, 60% were categorized in the area of family law. Most family law cases involved domestic violence, which cuts across all population groups, economic levels, educational attainment, ethnicities, and ages. The next highest service category, individual rights, almost 18% of closed cases, mainly concerned immigration law matters serving diverse populations such as Central Americans in Newark's North Ward, Africans in Camden, Burmese in Trenton and Eastern Europeans in Middlesex County. Education law matters, 6% of the case closed total, saw staff and volunteer attorneys represent and advocate for children and families with problems related to special education services and school discipline, such as access to testing to identify disabilities and relief from bullying in the classroom. Landlord-tenant disputes accounted for 5% of the closed cases and of those, only 3 involved court proceedings; the rest were resolved with advice, a brief service or some negotiation.

Other cases handled by grantees were categorized as consumer, employment, juvenile, health, and income maintenance areas of law.

DISABILITIES

All About Hope	\$42,100
Community Health Law Project	61,200

Hyacinth AIDS Foundation	50,620
SCARC Guardianship Services, Inc.	48,700

These agencies provided assistance to disabled persons and their families; volunteer and staff attorneys offer help resolving legal issues that result from living with a disability. Two of these organizations directed their services to individuals who have AIDS or are HIV-positive and face 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 guided families through guardianship proceedings with the support of volunteer attorneys. Community Health Law Project worked with disabled individuals from all over New Jersey who encountered problems with access to barrier-free or safe, affordable housing, healthcare, and income support.

DOMESTIC VIOLENCE

180, Turning Lives Around (Monmouth)	\$16,000
Alternatives to Domestic Violence (Bergen)	18,100
Atlantic County Women’s Center	9,200
Camden Center for Law and Social Justice	24,600
Center for Family Services, Inc. (Cumberland)	7,600
Center for Family Services, Inc. (Gloucester)	20,300
Domestic Abuse and Sexual Assault Crisis Center (Warren)	19,100
Domestic Abuse and Sexual Assault Intervention Services, Inc. (Sussex)	14,200
Jersey Battered Women’s Service (Morris)	15,900
New Jersey Association on Correction (Camden)	10,600
New Jersey Association on Correction (Passaic)	14,600
Providence House-Burlington of Catholic Charities	20,500
Providence House-Ocean of Catholic Charities	19,900
The Rachel Coalition/JFS of MetroWest	23,700
Resource Center of Somerset	20,000
SAFE in Hunterdon	21,300
Salem County Women’s Services	10,200
Womanspace, Inc. (Mercer)	12,300
YWCA of Union County	21,300

These grants supported a variety of legal advocacy and court liaison programs assisting victims of domestic violence throughout the state--women, men, senior citizens and young people were all represented in their caseloads. IOLTA funds enabled legal advocates to assist victims of domestic violence during a time of crisis. Victims often arrive in court without any prior knowledge of domestic violence laws or the relief available to them under the law. Advocates offer information about the Prevention of Domestic Violence Act, assistance with restraining order paperwork, and court accompaniment. The safety of victims inside the courthouse, as well as when leaving it after court proceedings, is a priority. 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)	\$50,100
Disability Rights New Jersey	40,800
Education Law Center	61,200
Statewide Parent Advocacy Network (SPAN)	31,900

Staff attorneys at Education Law Center and Disability Rights New Jersey represented families having a variety of problems with school districts, usually in the areas of special education services, appropriate school and classroom placements and discipline. ACNJ staff attorneys intervened, without litigating, in disputes resolving problems related to access to special education services and testing, Individual Education Plans and appropriate school placements. SPAN provided training, self-help materials, and direct assistance to special education students transitioning from school to adult life and their parents, a specialized area of education law.

FAMILIES AND CHILDREN

Partners for Women and Justice, Inc.	\$34,000
Project Self-Sufficiency of Sussex County	14,200
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, 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 and assistance with paperwork for *pro se* filings. At Partners for Women and Justice, staff attorneys provided representation in court as needed.

IMMIGRATION

American Friends Service Committee	\$52,400
Catholic Charities of the Archdiocese of Newark-Detention Representation Project	17,500
Catholic Charities of the Archdiocese of Newark-NJ Catholic Consortium	61,200
Jewish Family and Vocational Services of Middlesex County	20,200
La Casa de Don Pedro, Inc.	34,300
Lutheran Social Ministries of New Jersey	34,700
Servicios Latinos de Burlington County	16,400

These agencies provided services to income eligible legal immigrants who sought assistance for family reunification, representation in Immigration Court, citizenship applications and work authorizations, as well as Temporary Protected Status renewals. Some programs also offer specialized help for immigrant battered women and youth

who were brought to this country as small children and later abused or abandoned. Other young people looked to these organizations for help with the Deferred Action for Childhood Arrivals program which gives them the immigration status they need to work or attend college. The help given may be as simple as translation of forms or court documents, scheduling of appointments, or preparation for naturalization.

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 also represents mentally challenged detainees 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	\$33,800
Covenant House New Jersey	32,100
Essex County Legal Aid Association	45,300
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	53,100
Rutgers Law School-Camden <i>Pro Bono</i> Program	7,500
Volunteer Lawyers for Justice	23,000

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. After a client’s legal needs are assessed, services are provided by a staff or volunteer attorney.

The clients served by these programs included: 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. IOLTA 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.



BANKS

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

In 2014, the IOLTA Fund earned trust account interest totaling \$8,619,381 from 124 banks compared to \$8,938,903 from 125 banks in fiscal 2013. The average rate on all IOLTA accounts, regardless of size, fell to 0.50% in 2014 compared to 0.55% in 2013. Balances in all IOLTA accounts statewide averaged \$2.45 billion, a slight increase over \$2.44 billion in 2013.

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 2014. The remainder were too small to consistently earn interest but satisfied the responsibility of attorneys to maintain a pooled attorney trust account at an authorized financial institution in New Jersey.

The Supreme Court of New Jersey awards trust account business to all banks and credit unions in New Jersey that comply with applicable guidelines. There is no 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 35% 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 2014. Banks may 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 special 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 and access to health care. Civil 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.



**THANK YOU
FOR YOUR
PARTICIPATION**

2014 Leadership Banks

- 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 2014. 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 * |

Alma Bank
Amboy National Bank
Atlantic Stewardship Bank *
Audubon Savings Bank
Boiling Springs Savings Bank *
Brunswick Bank and Trust
Cape Bank *
Capital Bank of New Jersey
Capital One Bank
Century Savings Bank
Citibank
Citizens Bank
Colonial American Bank
Colonial Bank *
Columbia Bank
ConnectOne Bank
Cornerstone Bank
Crest Savings Bank
Cross River Bank
Crown Bank
CTBC Bank *
Customers Bank
Delanco Federal Savings Bank *
Enterprise National Bank, NJ *
First Bank
First Choice Bank *
First Commerce Bank *
First Hope Bank *
First National Bank of Absecon

BBCN Bank
BCB Community Bank
Beneficial Bank
Bogota Savings Bank
Fulton Bank of New Jersey *
Garden State Community Bank
GCF Bank
Grand Bank
GSL Savings Bank *
Harmony Bank
Harvest Community Bank
Haven Savings Bank
Heritage Community Bank
Highlands State Bank *
Hopewell Valley Community Bank
HSBC Bank USA *
Investors Bank
Israel Discount Bank
Lakeland Bank
Liberty Bell Bank
Llewellyn-Edison Savings Bank
M & T Bank
Magyar Bank
Manasquan Savings Bank
Mariner's Bank
Metuchen Savings Bank *
Millington Savings Bank *
Millville Savings and Loan *
Monroe Savings Bank

First National Bank of Elmer *

Firsttrust Bank

Fox Chase Bank

Franklin Bank

Northfield Bank

NVE Bank *

Ocean City Home Bank

OceanFirst Bank

Pascack Community Bank

Peapack-Gladstone Bank

Pennsville National Bank

PNC Bank

Ponce De Leon Federal Bank *

Popular Community Bank *

The Provident Bank

Regal Bank *

Republic Bank

Roma Bank

Royal Bank of America

Santander Bank *

Schuyler Savings Bank

Shore Community Bank

National Penn Bank

New Jersey Community Bank

New Millennium Bank

NJM Bank

Somerset Savings Bank *

Spencer Savings Bank

Sterling National Bank

Sun National Bank *

Susquehanna Bank

Sussex Bank *

TD Bank

Team Capital Bank

Third Federal Savings Bank

Tristate Capital Bank

Two River Community Bank *

Union Center National Bank

Union County Savings Bank *

Unity Bank

Valley National Bank

Wavel Savings Bank

Wells Fargo Bank

Wilshire State Bank

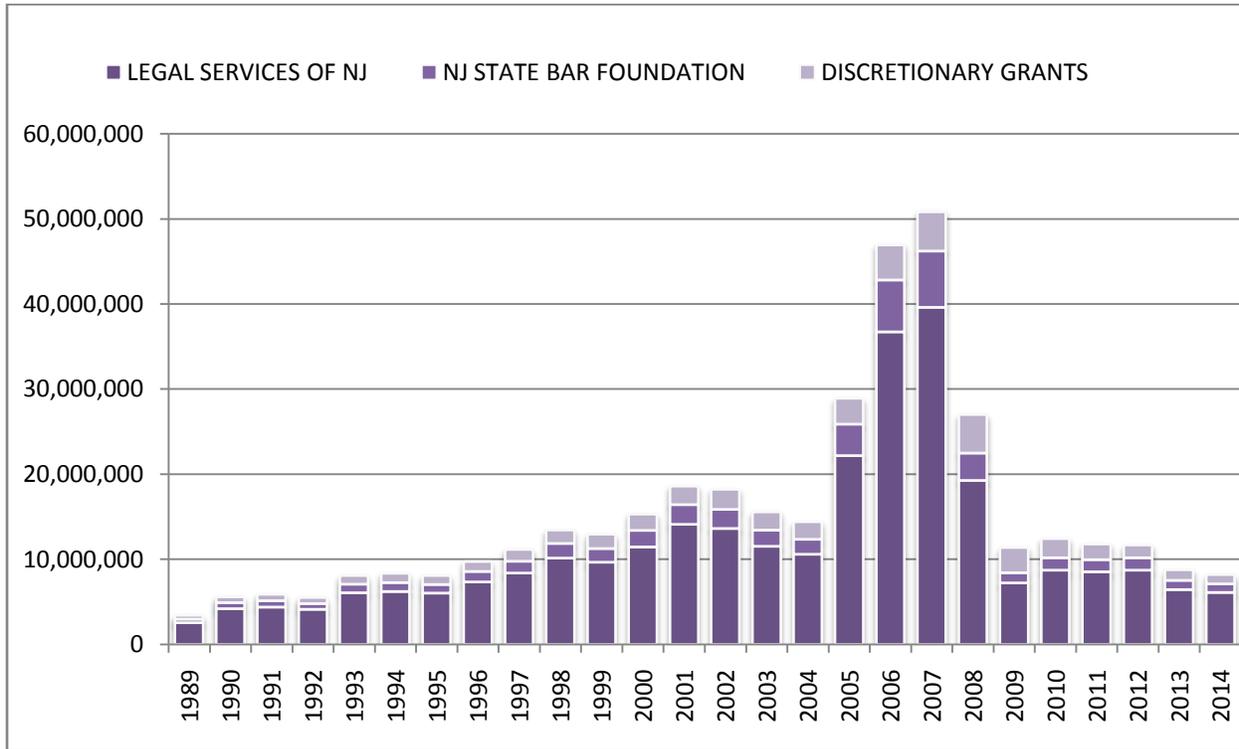


FINANCIAL INFORMATION

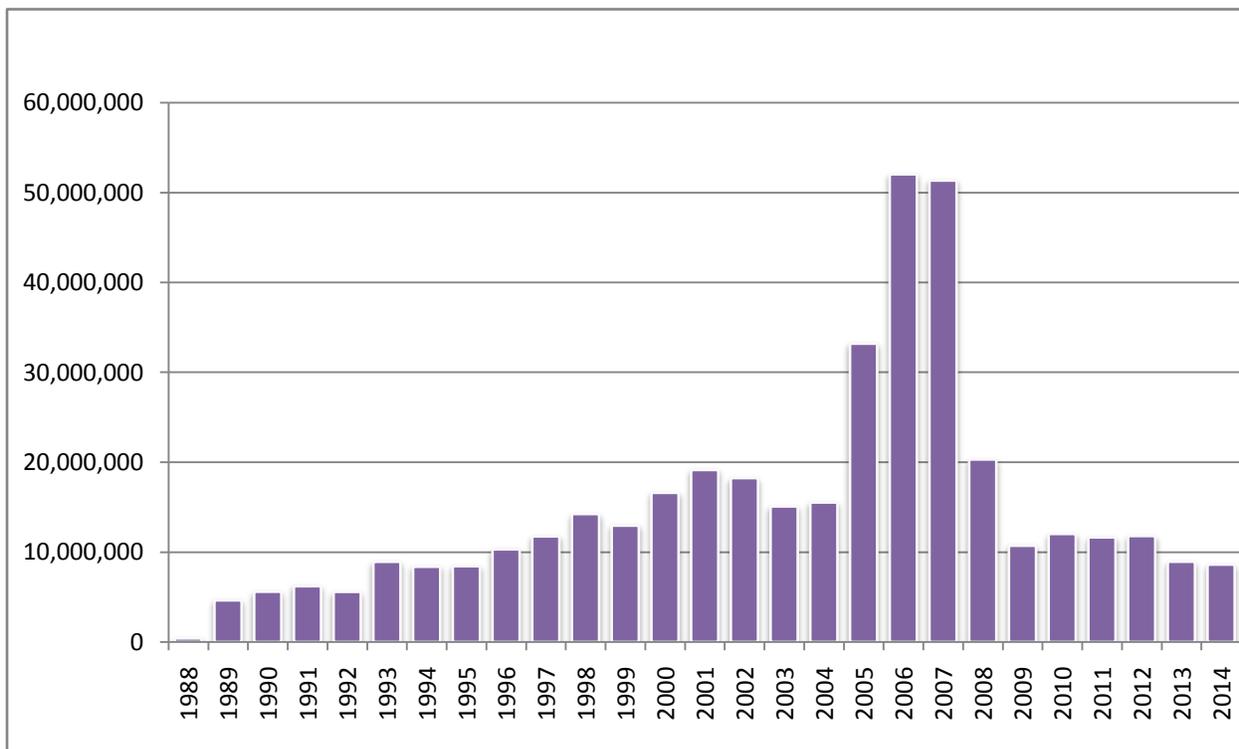
	2014	2013
Revenue		
Net IOLTA Interest Earned	\$ 8,619,381	\$ 8,938,903
Investment Interest Income	2,082	2,273
Total Revenue	\$ 8,621,463	\$ 8,941,176
Expenses		
General and Administrative Expenses	\$ 454,089	\$ 461,745
Authorized Grant Allocations	8,220,243	8,777,873
Total Expenses	\$ 8,674,332	\$ 9,239,618
Additional Grant Activity	37	-
Net Increase/ (Decrease) in Temporarily Restricted Net Assets for the Year	\$ (52,832)	\$ (298,442)

Figures are excerpted from the 2014 audited financial statement prepared by Savastano, Kaufman & Company LLC, Certified Public Accountants. The audit may be examined by appointment during business hours at the Fund's offices.

IOLTA GRANTS 1989 – 2014 (\$)



IOLTA REVENUE 1988 – 2014 (\$)





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.

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