

## **JP Morgan Chase Bank Not Authorized to Hold Attorney Trust Accounts**

**Q.: Why is the Supreme Court of New Jersey requiring me (or my firm) to move my trust account out of JP Morgan Chase?**

*A.: In June 2010, Chase determined that it would not comply with the requirements of the New Jersey IOLTA Program and was subsequently removed from the list of approved trust account depositories. See the Order and Notice to the Bar above.*

**Q.: What kinds of attorney trust accounts are impacted?**

*A.: An attorney trust account is any account that an attorney maintains separately from any business accounts, personal accounts or fiduciary accounts and into which the attorney places funds entrusted to him by his clients. Affected accounts include those designated as "IOLTA," non-interest bearing pooled trust accounts certified to the IOLTA Fund as "low-balance" accounts, Client Funds Accounts (CFA), and any checking, savings, or CD accounts in which a NJ-admitted attorney holds funds on behalf of a client.*

**Q.: Do I have to move any trust account for which I am the trustee?**

*A.: No. Court Rule 1:21-6 distinguishes between the attorney trust account and other fiduciary accounts that an attorney may maintain as an executor, guardian, trustee, or receiver, etc.*

**Q.: Do I have to also move my attorney business account, or any other business or personal accounts?**

*A.: No.*

**Q.: My NY (or PA or DE or other state) "attorney trust accounts" are at Chase. Do I need to move them as well?**

*A.: No.*

**Q.: If I have two "attorney trust accounts" at Chase, must I transfer both to another bank?**

*A.: Yes.*

**Q.: I have a Chase Client Funds Account ("CFA"). Am I required to move this account, too?**

*A.: Yes.*

**Q.: How will I know if the bank I pick now is approved?**

*A.: Consult the current approved trust account depository list published by the Office of Attorney Ethics.*

**Q.: How much time do I have to accomplish this transfer?**

*A.: You must transfer your account to an approved financial institution immediately.*

**Q.: How should I do this? I have outstanding checks that have not been cashed.**

*A.: Open a new account and transfer the balance of any client funds to the new account, less any uncleared or uncashed checks. Notify the payees of uncleared checks that you are closing the account on which those checks*

were written and they must cash your trust account check immediately. No later than sixty days after the date of such notice, transfer the remaining balance to your new account and close the old account. Note the date of the bank change on your client ledgers.

**Q.: I have tried to find the payee(s) of uncashed checks but with no luck. What do I do now?**

**A.:** You must commence a formal process to escheat the funds to the Clerk of the Superior Court. See Rule 1:21-6(j). In the meantime, you may transfer the funds to the new trust account and note the change of banks on the client ledger card.

**Q.: Should I ask my new bank for an IOLTA?**

**A.:** No, ask for a non-interest bearing checking account, using your own Tax I.D. When IOLTA receives your new registration and participation forms, they will notify your new bank that the account should be an IOLTA. The bank will then switch to IOLTA's Tax I.D.

**Q.: How do I get IOLTA forms?**

**A.:** Retrieve the IOLTA Registration, Notice to the Bar and Participation Form from the IOLTA website: [www.ioltanj.org](http://www.ioltanj.org). There is a square button on the lower left which links directly to these forms.

Return the IOLTA Registration and Participation Form to IOLTA. IOLTA will notify their operational contact person at your new bank and ask that your new account be converted to an IOLTA. If you fail to register the new account, you will be deemed out of compliance with Rule 1:28A.

**Q.: I have a question that is not answered here.**

**A.:** Telephone the IOLTA Fund for assistance: 732-247-8222