

**RESOLUTION PROPOSED BY THE
RULES OF PROFESSIONAL CONDUCT COMMITTEE
OF THE LOUISIANA STATE BAR ASSOCIATION**

WHEREAS, the LSBA Rules of Professional Conduct Committee ("Committee") is charged as part of its mission, to monitor and evaluate developments in legal ethics and when appropriate to recommend changes to the Louisiana Rules of Professional Conduct; and

WHEREAS, the Committee is comprised of LSBA members from all geographic areas of the state and practice groups;

WHEREAS, the Committee recommends that Rule 1.15 be amended as follows:

SAFEKEEPING PROPERTY

(a) A lawyer shall hold property of clients or third persons that is in a lawyer's possession in connection with a representation separate from the lawyer's own property. Except as provided in (g) and the IOLTA Rules below, funds shall be kept in one or more separate interest-bearing client trust accounts maintained in a bank or savings and loan association: 1) authorized by federal or state law to do business in Louisiana, the deposits of which are insured by an agency of the federal government; 2) in the state where the lawyer's primary office is situated, if not within Louisiana; or 3) elsewhere with the consent of the client or third person. No earnings on a client trust account may be made available to or utilized by a lawyer or law firm. Other property shall be identified as such and appropriately safeguarded. Complete records of such account funds, including monthly reconciliations, and other property shall be kept by the lawyer and shall be preserved for a period of five years after termination of the representation.

(b) A lawyer may deposit the lawyer's own funds in a client trust account for the sole purpose of paying bank service charges on that account or obtaining a waiver of those charges, but only in an amount necessary for that purpose.

(c) A lawyer shall deposit into a client trust account legal fees and expenses that have been paid in advance, to be withdrawn by the lawyer only as fees are earned or expenses incurred. The lawyer shall deposit legal fees and expenses into the client trust account consistent with Rule 1.5(f).

(d) Upon receiving funds or other property in which a client or third person has an interest, a lawyer shall promptly notify the client or third person. For purposes of this rule, the third person's interest shall be one of which the lawyer has actual knowledge, and shall be limited to a statutory lien or privilege, a final judgment addressing disposition of those funds or property, or a written agreement by the client or the lawyer on behalf of the client guaranteeing payment out of those funds or property. Except as stated in this rule or otherwise permitted by law or by agreement with the client, a lawyer shall promptly deliver to the client or third person any funds or other property that the client or third person is entitled to receive and, upon request by the client or third person, shall promptly render a full accounting regarding such property.

(e) When in the course of representation a lawyer is in possession of property in which two or more persons (one of whom may be the lawyer) claim interests, the property shall be kept separate by the lawyer until the dispute is resolved. The lawyer shall promptly

distribute all portions of the property as to which the interests are not in dispute.

(F) Every check, draft, electronic transfer, or other withdrawal instrument or authorization from a client trust account shall be personally signed by a lawyer or, in the case of electronic, telephone, or wire transfer, from a client trust account, directed by a lawyer or, in the case of a law firm, one or more lawyers authorized by the law firm. A lawyer shall not use any debit card or automated teller machine card to withdraw funds from a client trust account. On client trust accounts, cash withdrawals and checks made payable to "Cash" are prohibited. A lawyer shall subject all client trust accounts to a reconciliation process at least monthly, and shall maintain records of the reconciliation as mandated by this rule.

NOW THEREFORE BE IT RESOLVED THAT the LSBA House of Delegates approve the recommendation of the LSBA Rules of Professional Conduct Committee regarding Rule 1.15.

NOW THEREFORE BE IT FURTHER RESOLVED THAT the LSBA House of Delegates respectfully refers these recommendations of the LSBA Rules of Professional Conduct Committee to the Supreme Court of Louisiana and recommends approval of same by the Court.

Respectfully submitted:
LSBA Rules of Professional Conduct Committee

Richard C. Stanley, Chair
Daniel A. Cavell
Dane S. Ciolino
Shaun G. Clarke
Bobby J. Delise
Val P. Exnicios
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Edward Walters, Jr., Ad Hoc
Lauren A. McHugh, Supreme Court
Liaison Charles B. Plattsmier, Disciplinary
Liaison Robert A. Kutcher, Board Liaison

This 11th day of December 2013

APPROVED BY HOUSE OF DELEGATES AND BOARD OF GOVERNORS
JANUARY 25, 2014
BATON ROUGE, LA