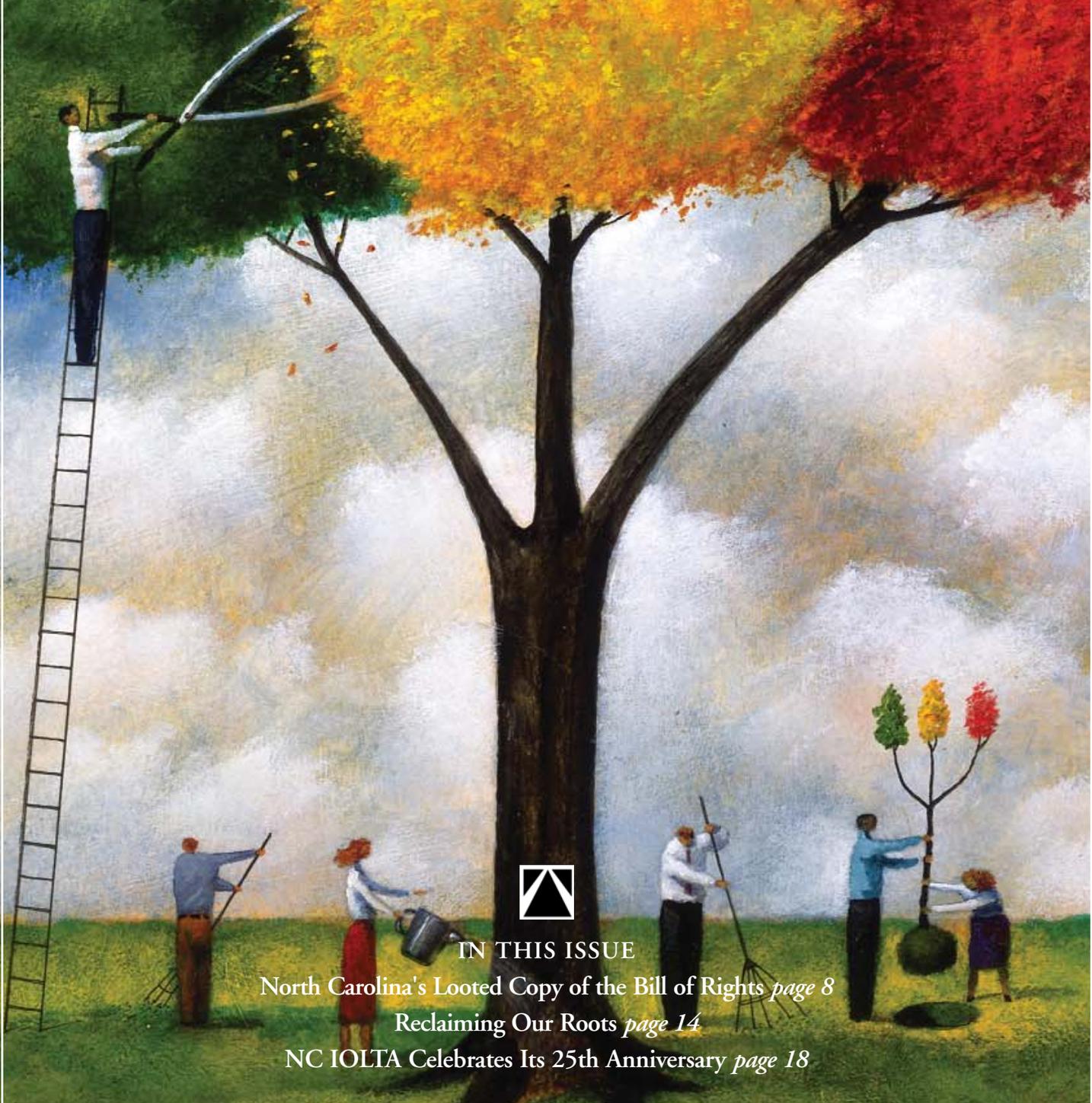


THE NORTH CAROLINA STATE BAR

# JOURNAL

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# NC IOLTA Celebrates Its 25th Anniversary

BY CLIFTON BARNES

*Throughout 2009, we will be celebrating the 25th anniversary of the Plan for Interest on Lawyers Trust Accounts—more popularly known as NC IOLTA. Established in 1983, the program was implemented during 1984. In celebration, the Journal will publish a three-part series on NC IOLTA during 2009. This first article focuses on the program's establishment and its exceptional leadership throughout its history. Future articles will discuss the ups and downs of IOLTA income over the years and highlight some of the program's grantmaking.*

**H**aving graduated from law school 70 years ago, respected North Carolina attorney Bill

Womble Sr. admittedly doesn't remember everything about his career. But he does recall a good deal about his involvement with the IOLTA program.

The NC Interest on Lawyers' Trust Accounts program is celebrating its 25th anniversary throughout 2009 and many of those trustees who have been involved seem to remember a lot about their service, in part, because of the importance they place on IOLTA.

"I think all of us enjoyed working together on the board," said Womble, who served on the initial board. "We felt we were working for a good, worthwhile cause—of benefit to the public, the administration of justice, and our calling as lawyers."

In 1983, the North Carolina State Bar Council approved formation of the voluntary

program and the NC Supreme Court approved changes to the Code of Professional Responsibility allowing IOLTA accounts. While there was hesitancy among some, including Womble, the program has enjoyed support from the legal community from the very beginning.

By April of 1984, when the NC program was officially implemented, the NC Bar Association, the NC Academy of Trial Lawyers, the NC Association of Women Attorneys, the NC Association of Black Lawyers, and Legal Services of North Carolina had all enthusiastically endorsed IOLTA.

The idea is for interest income generated

from lawyers' pooled trust accounts to be used to fund grants to providers of civil legal services for the indigent and to programs that further the administration of justice.

Womble said that he was volunteering with the American Bar Association when he first heard about the concept of IOLTA. "My initial reaction was that since lawyers' trust funds were clients' money, any interest earned belonged to the client for whom the money was held," he said. "However, as I learned more about it, I was satisfied that the idea was a good one."

He said it didn't make practical sense to try to account to each client the interest earned from miscellaneous, short-term funds.



*NC IOLTA trustees and staff members proudly accepted the award for Outstanding Philanthropic Organization of 2005. (Left to right) James M. Talley Jr., 2005-06 chair of the IOLTA Board; Claire Mills, accounts manager; Evelyn Pursley, executive director; Sonja Puryear, administrative assistant; Michael C. Miller; and Marion A. Cowell.*

And since it wasn't the lawyer's money, the lawyer was not entitled to the interest. "Furthermore, if interest could be earned, it would be better to use the interest for a worthwhile, law-related cause than to have the bank in which the money was deposited benefit from it," Womble said.

As a result, the NC IOLTA program has awarded over \$55 million in grants to worthy programs over the last 25 years.

Tom Lunsford, the executive director of the North Carolina State Bar, said that he attends law-related meetings throughout the country and he often hears flattering references to North Carolina's IOLTA program.

"I believe our program is simply much better than average," Lunsford said. "It has historically raised a disproportionately large amount of money while keeping its own expenses extremely low. And it has managed to do a tremendous amount of good in the process."

"Those of us on the original board were intent on establishing sound policies and procedures," Womble said. "We wanted to ensure that all funds would be properly handled and accounted for, that all grants would be to responsible organizations, that grants would be applied for appropriate purposes, and that overhead would be kept as low as reasonably possible."

Womble said the original board of trustees had a general goal of keeping overhead under 10% so that 90% could be used for grants. That goal holds today as more than 90% of IOLTA income is available for funding. IOLTA income still pays for the operating expenses and still no funds from State Bar dues are used to support the program.

That stewardship from the nine-member board, which is appointed by the State Bar Council, resulted in the NC IOLTA program becoming the nation's largest non-mandatory program—that is, until North Carolina moved to a mandatory program itself by order of the NC Supreme Court in 2008. While a voluntary program, 75% of eligible North Carolina attorneys participated. As a result of becoming mandatory, generated income and grant money are expected to rise considerably beginning this year.

The program has certainly come a long way since State Bar staff attorney David Johnson first helped set up the program and became the first executive director.

"I spent considerable time traveling to local bar meetings and explaining the program," Johnson said. "I also attended the annual meet-

ings of the Bar Association and the Academy as a 'vendor' with a station to meet with attorneys one on one."

In May of 1984, Bobby James, then executive director of the State Bar, hired Martha Lowrance to market the new program. She developed the logo and formed a working relationship with the Young Lawyers Division of the NC Bar Association.

"I worked with the Young Lawyers Division in the larger cities and got them to market the program to the law firms and to financial institutions," Lowrance said. "We were successful with this plan in some of the larger cities."

Lowrance and her volunteers had to overcome misperceptions, including the fear that those who participated in IOLTA would be subject to more audits by the State Bar. In addition, Lowrance said, they had to overcome the problem that attorneys associated IOLTA with the Client Security Fund.

"They thought if they signed up for the IOLTA program they would somehow be involved with the Client Security Fund, which was unpopular," Lowrance said.

Though there were many questions, and although IOLTA programs were new throughout the country, Johnson said he doesn't remember ever considering the possibility of failure. "We simply kept promoting the program whenever there was an opportunity," he said. "We publicized participation by both the banks and attorneys in hopes that they would receive recognition and those who had concerns would see that there were those who had overcome those concerns."

While some of the concerns could be attributed to a general resistance to change and some attributed to a principled objection that the state was "taking" client property, many of the concerns were practical.

"One legitimate concern for lawyers was whether the IRS would deem their clients to have constructively received the interest generated by the account," Johnson said. The

Past IOLTA Board Members	
<b>ORIGINAL BOARD</b>	
Beverly C. Moore Sr.*	1983-1985
Naomi E. Morris *	1983-1985
James P. Crews *	1983-1987
Clifton W. Everett Sr.*	1983-1990
Charles L. Becton	1983-1991
Robinson O. Everett	1983-1991
William F. Womble Sr.	1983-1991
Jeff D. Batts	1983-1992
C. Woodrow Teague	1983-1993
Thomas C. Duncan	1985-1992
Lillian B. O'Briant	1985-1992
Roy W. Davis Jr.	1987-1993
Ray S. Farris	1988-1996
Tommy W. Jarrett	1991-1997
George B. Mast	1991-1997
Geraldine Sumter	1991-1997
Clifton E. Johnson	1992-1998
Scott M. Saylor	1992-1998
John H. Vernon III	1992-1998
Rhoda B. Billings	1993-1999
George W. Hendon	1993-1999
Raymond E. Owens Jr.	1996-2002
William H. Lambe Jr.	1997-2003
Robert J. Robinson	1997-2003
Lila E. Washington	1997-2003
Louis P. Hornthal	1999-2003
Nancy E. Hannah	1998-2004
James P. Hutcherson	1998-2004
James Y. Preston	1998-2004
Edmund D. Aycock	1999-2005
James A. Wynn Jr.	2003-2005
James M. Talley Jr.	2002-2008
• Deceased	

Current IOLTA Board Members	
Robert F. Baker	2003-2009
Marion A. Cowell	2003-2009
Michael C. Miller	2003-2009
Jean P. Hollowell	2004-2010
Larry S. McDevitt	2004-2010
Robert A. Wicker	2004-2010
Robert G. Baynes	2005-2011
Brenda B. Becton	2005-2011
Linda M. McGee	2008-2011

IRS, however, issued a revenue ruling that they would not require clients to recognize income "through constructive receipt" for interest generated by an IOLTA program.

"We sought and received a private letter ruling from the IRS that the North Carolina IOLTA program qualified under that revenue ruling," Johnson said.

Once the program was on good footing, Johnson returned to his staff attorney duties in 1985, but he remembers his time as executive director fondly. "I felt privileged to work with some of the best lawyers in the state who served on the board."

Four members of the original board of trustees are now deceased—James P. Crews, Clifton W. Everett Sr., Beverly C. Moore Sr., and Naomi E. Morris. Others on the first board were Womble, Robinson O. Everett, Jeff D. Batts, C. Woodrow Teague, and Charles L. Becton.

"I recall being pleasantly surprised by the unanimity of commitment and sensitivity to the needs of the less fortunate demonstrated by members of the initial board of trustees," Becton said. "I, of course, was honored that I had been asked to serve. I viewed service on the board as an opportunity—the best opportunity—to provide equal access to the courts for deserving litigants who would not otherwise have been able to afford a lawyer, and to help fund worthy recipients in their *pro bono* or public service efforts."

While he is most proud of the grants that the board made, there's something else that comes to mind when he thinks of IOLTA. "I am pleased that I had the opportunity to renew, in some instances, and create, in other instances,

very good and lasting professional friendships with giants in our profession."

In addition, Becton, who served from 1983-1991, has a close continuing interest in the happenings of the IOLTA Board of Trustees through good friends Geraldine Sumter and Clifton E. Johnson, who served on the board in the 1990s, and through his wife Brenda, who currently serves on the board.

The board now consists of two past presidents of the NC State Bar, two past presidents of the NC Bar Association, a judge on the NC Court of Appeals, a former general counsel to one of the largest banks in the state, and a former president of the North Carolina Bankers Association.

"They are as fine a group of dedicated people with whom I have ever served on any board or committee," said Robert F. Baker of Durham, one of the former presidents of the NC Bar Association who serves on the board. "All of these members are dedicated to the work of IOLTA and very regular in attendance at board meetings."

In making appointments to the board, the State Bar Council looks for diversity, including size of firm, geography, gender, and race. "We also try to have judicial experience," said Evelyn Pursley, who has served as executive director since 1997. "We have been blessed by having trustees who have had significant experience as bar leaders."

In addition, Pursley said that IOLTA has benefited greatly from having trustees with ties to the banking industry. "They help us understand how to talk to the banks when we need to work with them regarding administrative matters or to encourage them to improve the poli-

cies provided on IOLTA accounts," she said.

Pursley said the board has lively discussions. "I appreciate that because it means that they are truly engaged and care about the program," she said. "There is also a lot of good fellowship; they enjoy each other's company."

There is also a fair amount of good-natured ribbing. Jim Talley, who served on the board from 2002-2008, said he was a main proponent of getting his friend Larry McDevitt of Asheville on the board to help balance the geography. "Having gotten McDevitt on there, sometimes it was a challenge to deal with his thought processes," Talley said with a laugh. "When I left the board, not only did I get this wonderful certificate for my work, McDevitt also had another certificate made up that said, 'Good Riddance.'"

Talley said the great thing about the board is that the trustees have a sense of commitment but at the same time approach the work with a great deal of personality. "These are private meetings and hardly anything ever leaves the meeting, so there is great dialogue," he said. "It's a wonderful mixture of people who over time become a very cohesive group."

He particularly points to Baker, McDevitt, and Marion Cowell as trustees who have a great sense of humor. "They're getting old enough now that they open up and say about anything they want to," he said.

Three trustees are appointed by the State Bar Council each July to staggered three-year terms and are entitled to serve a second three-year term. The council also selects a chairperson and a vice-chairperson for one-year terms. By rule, at least six of the nine trustees must be licensed North Carolina attorneys in good standing,

## IOLTA Timeline

January 1983	The North Carolina State Bar Council approves a proposal for a voluntary IOLTA program.	July 1983	Original IOLTA Board of Trustees is appointed by the NC State Bar.	July 1985	First IOLTA grants are awarded in the amount of \$200,000.	1987-88	1987 income and 1988 grants surpass \$1million.
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### 1983

June 1983	NC Supreme Court approves changes in Code of Professional Responsibility allowing IOLTA accounts.	1984	NC becomes 15th state to implement IOLTA program. NC Bar Association, NC Academy of Trial Lawyers, NC Association of Women Attorneys, NC Association of Black Lawyers and Legal Services of NC endorse IOLTA.	1987	IOLTA Board establishes summer public service internship program for North Carolina Law Schools.	1991	IOLTA Board adopts funding formula to encourage development of Volunteer Lawyer Programs across the state.
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# Last Call to Nominate

## For 2010 North Carolina Super Lawyers!



Visit [my.superlawyers.com](http://my.superlawyers.com)  
by July 3, 2009

- + Make sure we have updated information on your practice
- + **Nominate** your peers
- + Provide feedback on our list, our selection process or **whatever is on your mind**

# Super Lawyers

though to date all trustees have been attorneys. As the current State Bar President, John McMillan puts it, "the IOLTA Board is composed of the best people the State Bar can find."

"I believe the affiliation between IOLTA and the State Bar makes a lot of sense and has heightened the effectiveness of the program," Lunsford said. "The connection has engendered

significant administrative efficiencies. It has also enabled the profession as a whole to respond to a chronic social problem in a meaningful and coherent fashion."

As a program of the one professional organization to which all lawyers must belong, Lunsford said, IOLTA has been a "mighty expression of our collective responsibility" to

increase access to justice.

In fact, Marion Cowell, who leaves the board this year after two terms, said that's what he'll remember most. "My fondest memory is in seeing what we are doing for legal services and related activities that benefit those who need legal services and cannot pay for it," he said. "Also, I'll remember helping law students intern

June 1993

The North Carolina IOLTA Program celebrates its ten-year anniversary and Governor Hunt proclaims week of June 21, 1993, as "IOLTA Appreciation Week."

October 1994

The NC State Bar asks NC IOLTA to administer the state funding for legal aid that passes through the State Bar.

August 2007

NC State Bar Council petitions the NC Supreme Court to enter an order directing the State Bar to implement a comprehensive or mandatory IOLTA program.

March 2008

Court approves rule revisions to administer mandatory program. All IOLTA rules are moved to Chapter 1 Subchapter D of the Rules and Regulations of the NC State Bar.

2008

December 1995

NC IOLTA Trustees establish a reserve fund to stabilize grants in times of income decreases (used for the first and, so far, only time to supplement 2005 grants).

2005

NC IOLTA named Outstanding Philanthropic Organization for 2005 by Association of Fundraising Professionals.

October 2007

The NC Supreme Court issues order to State Bar to implement mandatory IOLTA program - all active NC attorneys maintaining general trust accounts in NC must establish accounts as interest-bearing IOLTA accounts. The order is effective January 1, 2008.

2008

IOLTA fully implementing a mandatory program with an annual certification requirement tied to payment of NC State Bar dues by June 30. Over 3,000 IOLTA accounts added, 2008 income surpasses \$5 million.

in public service areas during their summers."

Talley, who now serves as IOLTA liaison to the NC Equal Access to Justice Commission, said when his term on the IOLTA Board of Trustees ended, he left with a good feeling that they have served an element of the state which would not otherwise be served.

He said that when the program was voluntary, the board members used to make direct contact with their colleagues who were in firms that were not members of IOLTA. "Every time I did that, I pointed out specifically what services were being funded in their community by IOLTA," Talley said. "Any time a lawyer asked why should I be doing that, they could see what those grants do and who they help in their area."

While the board did ample legwork, Talley credits the IOLTA staff. "The staff of the IOLTA program is magnificent," he said. "The dedication they have to their work and the leadership of Evelyn helps the IOLTA Board stay on the ball with what's going on."

Lunsford agrees and said that the 25th anniversary is a good time to pay tribute to

those who work with the IOLTA program. "I believe that the lawyers and the people of North Carolina owe the IOLTA Trustees and Evelyn Pursley and her staff a debt of gratitude for their outstanding work on behalf of the legal profession and in support of fellow citizens who, in the absence of IOLTA, might not be able to obtain legal representation," he said.

Pursley heads the staff, which also consists of Claire Mills, accounts manager, and Sonja Puryear, administrative assistant. Pam Smith, a former employee (2000-03), rejoined the program as a part-time administrative assistant in February. Pursley believes, "Staff longevity also benefits the program." All current staff have been with the program for over ten years (as was previous director Martha Lowrance). Says Pursley, "Every member of the IOLTA staff really identifies with the program and believes in what we do. I sometimes hear Claire and Sonja talking on the phone with attorneys and bank staff. They often talk to them about how important IOLTA funds are for the state of North Carolina."

Pursley said that the trustees spend a good deal of time keeping up-to-date on issues involving legal aid, access to justice, and the banking industry.

"They work very hard—particularly at grant-making time when they review dozens of grant applications," Pursley said. "I am amazed by the time that our trustees, all of whom are busy people, spend on IOLTA matters. Service on this board is certainly not a 'resume line.'"

Lowrance, who served as executive director of IOLTA from 1985-1995 and who like so many others worked long hours, summed up her experience in a way that seems universal among those associated with IOLTA. "I loved doing it because I knew I was making a difference in the lives of poor people in my state." ■

*Clifton Barnes, who majored in journalism and political science at UNC-Chapel Hill, served as director of communications of the North Carolina Bar Association from 1987-2002. He now runs his own writing, editing, and web development business named cb3media.com.*

## What IOLTA Has Meant to Me

BY RYAN CONNELLY

Due to the generosity of IOLTA, I spent last summer interning at the Wake County Public Defender's Office. Fresh out of my first year of law school at UNC, I was eager to put my newly acquired legal knowledge to use and gain practical experience in the courtroom. Yet taking an unpaid position in a government office was financially impossible for my wife and me, being full-time students who require a summer income to supplement our student loans. The grant I received from IOLTA enabled me to work in the public defender's office without being burdened by an additional summer job.

My summer position was unique in that the attorneys gave me both responsibility to interact with clients and freedom to learn about the inner workings of each aspect of the criminal justice system. They were consistently available to answer my questions and willing to guide me through any task I was not equipped to undertake on my own.

Throughout the summer I helped man-

age cases in district and superior court, interviewed clients and police officers, examined criminal records, performed legal research, and even negotiated plea arrangements with prosecutors. The majority of my time was spent in the courthouse, and I was able to engage with a wide variety of criminal defense procedures. The hands-on experience and learning I gained in Wake County enabled me to connect the abstract ideas I learned in my first year of law school to tangible realities.

More meaningful, however, was the fact that I was exposed to the pressing need for access to competent legal services, regardless of income, and this will undoubtedly affect the decisions I make throughout the course of my career. I think specifically of a man I met this summer; I will call him James. James had his license revoked for an unpaid traffic ticket. However, the traffic ticket was on his record because someone had stolen his identity, created a false ID, and was charged with a traffic violation under his name. James needed to drive to work to support his wife and three kids, yet under

these circumstances, he would likely lose his job. I was able to work with other lawyers on his case to prove that James was innocent and enable him to keep his license and his job. Though this was only a minor task, our efforts had an enormous effect on the lives of James and his family. In my future career, albeit in the public or private sector, I will be inclined to support legislation and programming that makes justice more accessible to individuals like James.

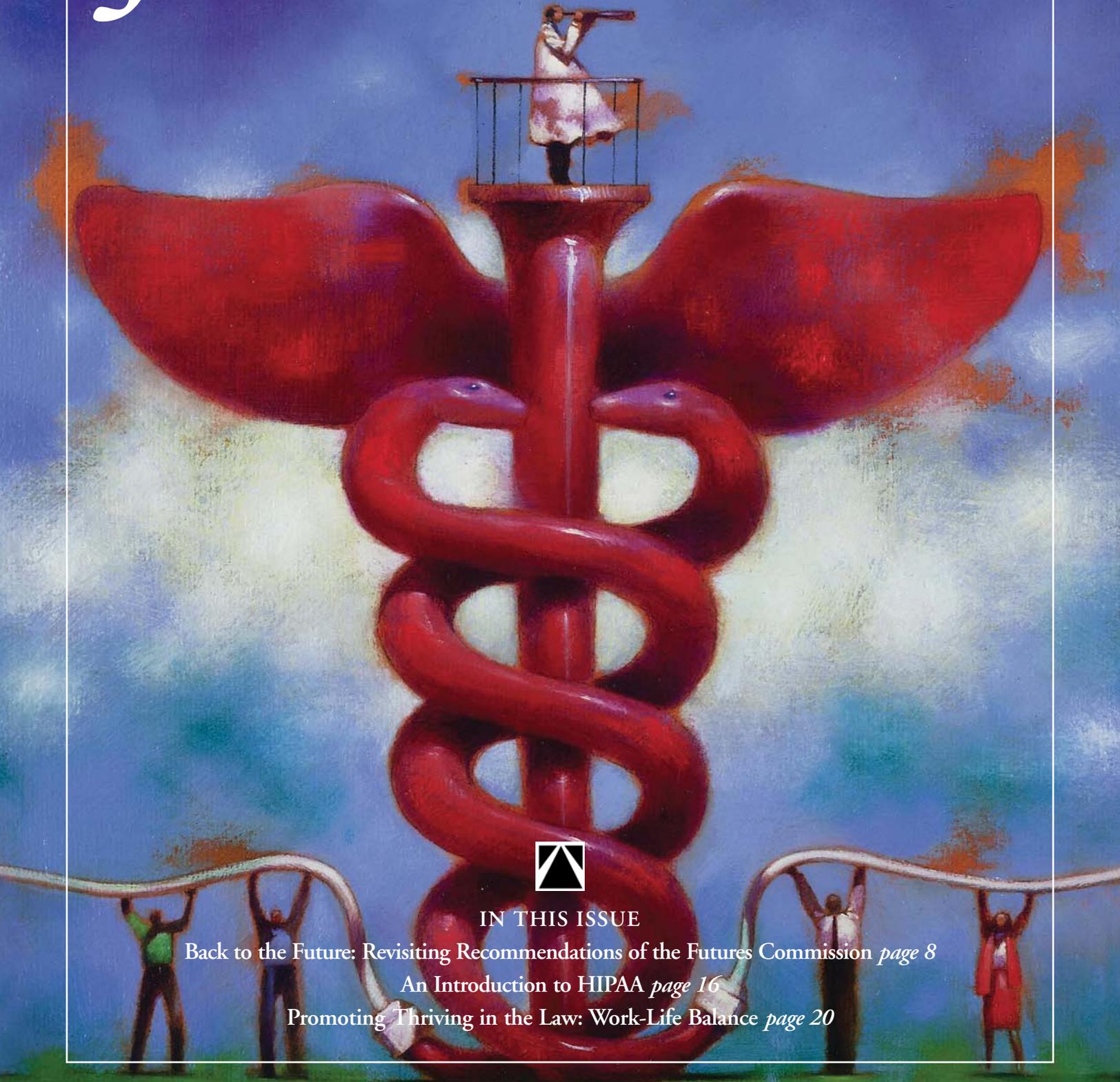
I am convinced that there is a great need in our state for access to justice, regardless of one's ability to pay. The time I spent at the Wake County Public Defender's Office was truly valuable, and I felt honored to work in such an organization. I am grateful to IOLTA for providing me with such a generous grant. ■

*Ryan Connelly is a second year law student at the University of North Carolina School of Law. He is currently the 2008-2009 Durham Bar Association Scholar. During the summer of 2008, he received an IOLTA grant for his work.*

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# NC IOLTA Perseveres Through Income Fluctuations

BY CLIFTON BARNES

*In celebration of the 25th anniversary of NC IOLTA, the NC State Bar Journal is publishing a three-part series on NC IOLTA during 2009. The article that appeared in the spring issue focused on the program's establishment and its exceptional leadership throughout its history. This article discusses the ups and downs of IOLTA's income over the years. The final article will appear in the next quarter's issue and will highlight some of the program's grantmaking.*

W

hen the NC Interest on Lawyers' Trust Accounts was implemented in April 1984, few could have imagined that one day every eligible lawyer would be taking part and

that lawyers and

bankers would be

working hand-in-hand to make the program a success. Now, 25

years later, that's exactly what's happening.

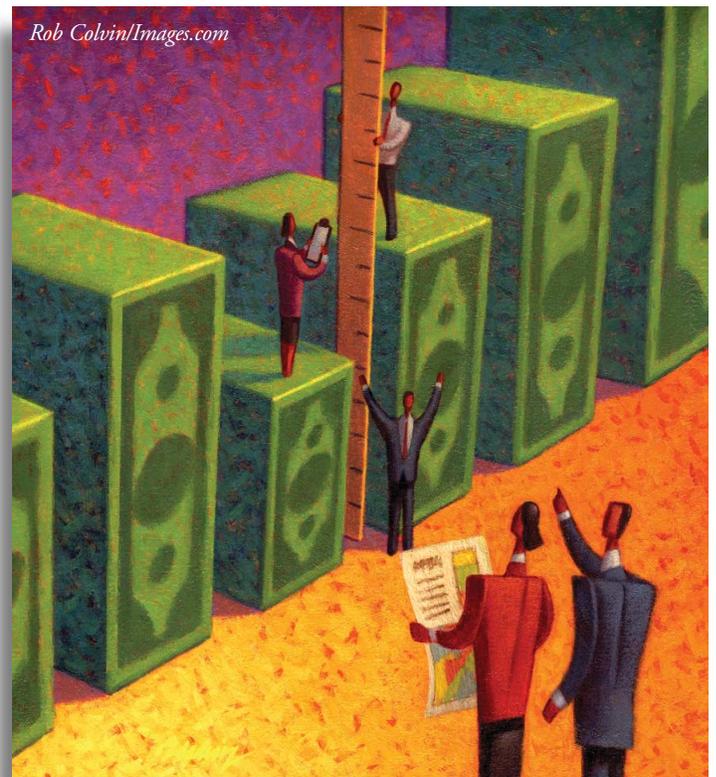
NC IOLTA was created by the State Bar, with approval from the NC Supreme Court, as a way to fund civil legal services for the poor, and programs that further the administration of justice. Prior to the IOLTA program, lawyers' general trust accounts earned no interest. Now, through IOLTA, attorneys place these nominal, usually short-term, client funds into a single, pooled, interest-bearing trust account. Banks forward the interest, minus permissible service charges, to the IOLTA program which uses the money for law-related charitable purposes.

By order of the NC Supreme Court, the NC IOLTA program became mandatory effective January 1, 2008. Prior to

that time, 75% of eligible attorneys (i.e., those who maintain general trust accounts) already participated in the program.

In the early years, IOLTA staff and board members spent much of their time educating lawyers about the program and working to grow participation steadily. In addition, staff, trustees, and State Bar officers worked with the NC Supreme

Court to get the IOLTA program converted from an opt-in to an opt-out program, which finally came to fruition beginning in 1994.



Martha Lowrance was one of those instrumental in pushing for that change, which resulted in participation growing to about 60%. "I did not think North Carolina would ever go to a mandatory program but would enforce the opt-out program to get the maximum funding it could," said Lowrance, who joined the program just a month after it started and served as executive director of IOLTA from 1985-1995. "Times changed after I left and I was wrong about North Carolina having a mandatory IOLTA program."

The US Supreme Court ruled in 2003 that the Washington State IOLTA program did not violate the Fifth Amendment. Subsequently, cases against the Texas and Washington programs were dismissed. In 2004, the Supreme Court refused to hear another Fifth Amendment case against the Missouri IOLTA program.

"The change from a voluntary program to a mandatory program was almost inevitable once it was clear that there were no legal impediments," said Tom Lunsford, NC State Bar Executive Director.

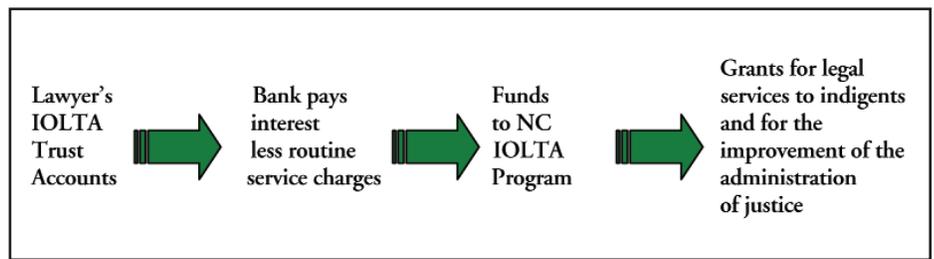
"Funds held in general trust accounts cannot be economically invested for individual clients and the interest on such funds is like 'found' money on the sidewalk," Lunsford said. "It really makes no sense to stoop down and pick up only 75% of it when the rest is there for the taking, and when the prescribed uses for such money are so compelling," he said.

Since 1985, NC IOLTA has provided urgently needed funding for civil legal services to poor North Carolinians through grants made to legal services programs and volunteer lawyer programs.

"And the beauty of it, as far as the lawyers are concerned, is that participation in IOLTA is hassle-free and cost-free," Lunsford said. "There's very little reason to oppose universal participation and, happily enough, there has been virtually no opposition."

In August 2007, the NC State Bar Council, with support from the NC Equal Access to Justice Commission and the NC Bar Association, petitioned the NC Supreme Court to direct the State Bar to implement a mandatory IOLTA program. In October of that year, the NC Supreme Court did just that.

Attorneys had until June 2008 to com-



ply by ensuring that all their general client trust accounts had been set up as IOLTA accounts. The IOLTA program registered more than 3,000 new IOLTA accounts that they attribute to the change.

"As it turns out, we made this change at a particularly good time as the economic crisis has meant that most IOLTA programs have seen serious declines in IOLTA income," said Evelyn Pursley, executive director of the NC IOLTA program.

Some IOLTA programs have seen their income decline by as much as half and many have had to cut grants. "In some states legal aid programs have laid off staff due to cuts in IOLTA grants—all this coming at a time when the legal aid services are more sorely needed because of the economy," Pursley said.

In North Carolina, however, the IOLTA program's income surpassed \$5 million for the first time in 2008 and increased 16% over 2007. "If we had not gone to mandatory, we estimate our IOLTA account income would have decreased by around 13%," Pursley said. "Approximately 25% of our total income in 2008 came from the new IOLTA accounts."

The 2008 income allowed more than \$4.1 million in grant money to be awarded again for calendar year 2009. That was a NC IOLTA record for most money granted in a year in 2008, and grant-making was kept flat for 2009 in anticipation of income declines.

Pursley said the changeover to mandatory went "very smoothly." IOLTA staff spent a lot of time on the phone with bankers and attorneys answering questions and helping set up accounts.

"We focused on customer service," she said. "We have received thanks and compliments from attorneys for working with them quickly and efficiently."

The IOLTA staff disseminated information through the State Bar website and

law-related publications and organizations, in addition to direct mailings to banks and law offices. Pursley was also asked to prepare presentations for banks and their attorney customers.

"We found this changeover provided a 'teachable moment' for educating attorneys about trust account practices," she said. "We also worked with Alice Mine (State Bar Counsel) and Bruno DeMolli (State Bar Auditor) to answer questions and to disseminate information about frequently asked trust account questions."

The mandatory trend has expanded nationwide. Rhode Island becomes the 39th mandatory IOLTA jurisdiction this year.

Former IOLTA trustees talk about how rewarding yet time-consuming it was to reach out to law firms to take part in the program prior to it becoming mandatory.

"I was enthusiastic about it when I joined the board," said Charlotte attorney Jim Talley, who served as a trustee from 2002-2008. "I worked with our law firm to make sure we were involved. Once firms knew about how much good the program does, most took part. I was pleasantly surprised that, even though it wasn't mandatory, some 75% of NC law firms participated in IOLTA."

Ray Owens, a Charlotte lawyer, credits Pursley in large part with increasing the participation of eligible attorneys from 59% in 1997 to 75% in 2007. Owens chaired the committee which hired Pursley as the executive director in 1997.

"Before mandatory, it was a continuing task to increase attorney participation, and she did an excellent job of increasing the figures," Owens said.

He said Pursley has credibility with all the various constituencies involved with IOLTA and that came in handy when working through some legal services restructuring that occurred throughout the state not long after she was hired. "I'll

take all the credit for hiring Evelyn," Owens said with a laugh.

Pursley said that, once hired, the trustees asked that she work to increase the number of lawyers with IOLTA accounts. "I believe that one reason I was selected for the position was that I was doing some fund raising and public relations work, and working with volunteers at my position at the Duke Law School," she said.

For her part, Pursley credits the trustees and the assistance of various councilors and other bar leaders who contacted non-participants in the IOLTA program. In fact, in 2001, then-State Bar President Jerry Parnell made a point to make contact with all non-participants during his tenure.

Pursley said her office worked to raise visibility of the program by putting regular updates highlighting income and grants in the State Bar *Journal*, by speaking to law students, by participating in continuing legal education programs, and by making reports at State Bar meetings as well as meetings of other voluntary bar groups.

"The program did well in signing up attorneys, and, prior to going mandatory had almost all the largest firms in the state participating," she said. "We kept a list of firms with ten or more attorneys and asked trustees to make contact with those firms."

Ed Aycock, a former trustee, said going to mandatory will allow board members to use their time in a different, more effective way. "Hopefully, mandatory participation has eliminated the need for trustees to devote time, energy, and resources to achieving full participation in the program by eligible lawyers, thereby enabling them to focus on enhancing revenue and effectively allocating funds to grant recipients," he said.

That's exactly what it has done, said Robert F. Baker of Durham, who currently serves on the board. "The main change for the work of the trustees is that less time is spent recruiting lawyers to participate and more time is spent in efforts to get banks to increase interest paid on lawyers' trust accounts and to decrease service charges on those accounts," Baker said.

In fact, Baker said that the most rewarding aspect of his service with IOLTA so far has been working with representatives of a large bank to successfully persuade them to increase the amount of interest paid and to waive service charges on the lawyer trust accounts at their bank. "That resulted in a very large increase in income to IOLTA from that bank," he said.

In the late 1990s, after speculating on how to approach banks and who to contact to negotiate for the best policies on

IOLTA accounts, the State Bar put effort into adding IOLTA trustees who have ties to the banking industry. For example, Aycock, who is counsel at the NC Bankers Association, served two three-year terms on the board from 1999 to 2005 and chaired the board in 2004-05. "Not only was he a stellar trustee," Pursley said, "but he continues to be a wonderful resource for the program when we need to craft a message for or talk to bankers."

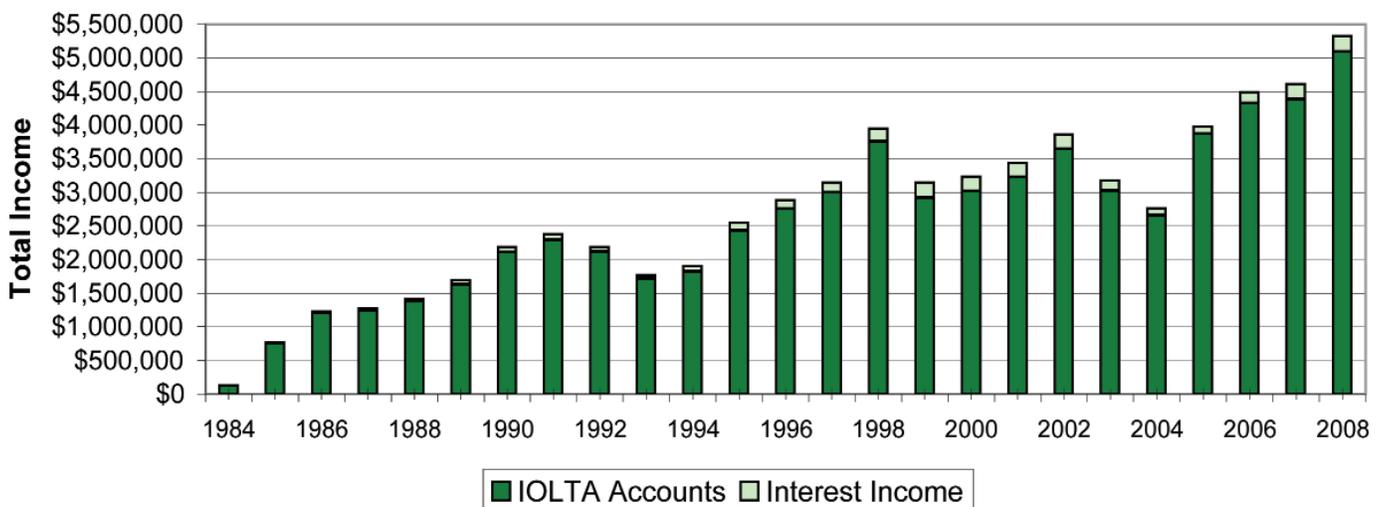
Because interest on lawyers' trust accounts is the main source of revenue for IOLTA, Aycock said it's essential that the board of trustees includes a representative of the banking industry.

"A representative of the banking industry provides information about, and understanding of, bank operations relating to IOLTA accounts, including rate and fee structures that banks apply to IOLTA and other commercial accounts," Aycock said.

The representative, who also acts as a liaison to the banking industry, helps bankers understand IOLTA and helps IOLTA trustees understand banking procedures, he said.

Ayock states that bankers and lawyers alike need to understand that IOLTA is an integral part of the State Bar and legal profession's responsibility to ensure that quality legal representation is available to all who need the assistance of counsel.

**NC IOLTA INCOME HISTORY**  
(Interest Income is earned on IOLTA Funds held with the NC State Treasurer)



"Funding provided by IOLTA is essential to the continued success of those programs that provide legal services to the indigent and which further the administration of justice," he said.

A current trustee who understands bankers and lawyers is Michael C. Miller, who is president and CEO of CommunityOne Bank based in Asheboro. "Banks are already among the most generous corporate citizens in their communities," Miller said. "Even so, it can help for the IOLTA board to have a resource from the banking point of view to keep bank management and boards informed about the benefits of IOLTA participation, particularly in relation to banks' obligations to low and moderate income borrowers."

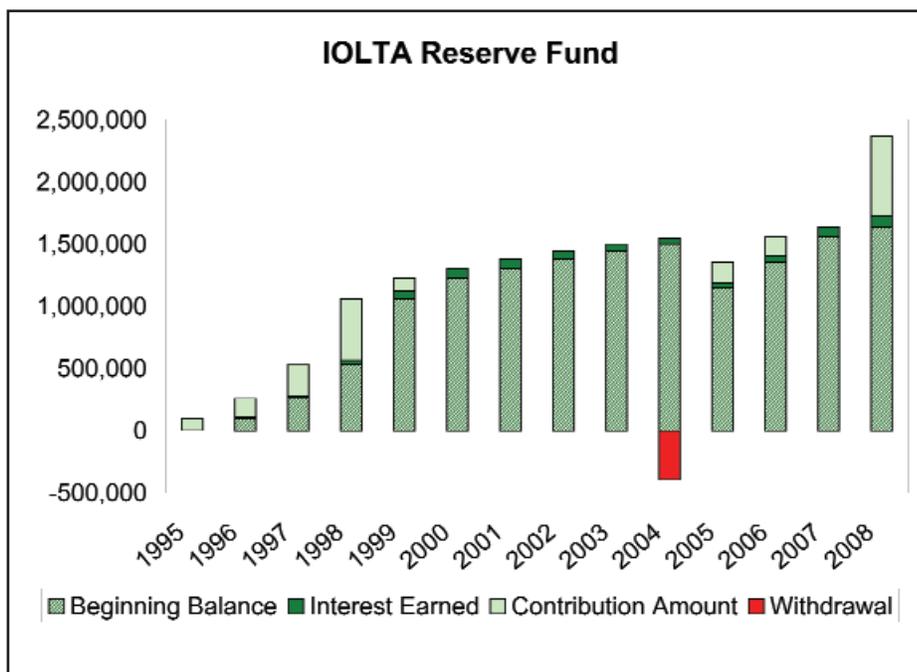
Miller, who was incoming chairman of the NC Banker's Association when he joined the board in 2003, had been an attorney with experience handling business transactions and closing real estate loans. Aycock solicited his interest and willingness to serve on the board if asked.

"He is now in his sixth year as a trustee and has served as our chair," Pursley said. "Mike is an attorney but has spent most of his career as a banker in North Carolina. He is a wonderful liaison to the banking industry and will continue to be able to educate his fellow bankers about IOLTA once he leaves the board."

Miller said that when he does leave the board he would like to see lawyers continue to "cultivate" the activities of banks with IOLTA. "Banks have voluntarily done a good job with rates paid and service charge waivers or limitations, and are positively influenced by the attorneys who do business with them," he said.

Although probably 90% of all IOLTA income is derived from six banks, mandatory IOLTA has given more community banks the incentive to join the effort, he said.

Pursley said the IOLTA program has used the carrot approach with banks. "We highlight the banks that give us the best policies on our bank list, which is on the State Bar website, ([www.ncbar.gov](http://www.ncbar.gov)), and we publish good news about changes to bank policies in a bank news box in the quarterly State Bar *Journal*," she said. "The banks have become very interested in whether they are highlighted on that list because they are interested in their attor-



ney clients."

Ward Hendon, an Asheville attorney who served as a trustee from 1993 to 1999, said that, unfortunately, neither clients nor the general public knows much about IOLTA and the good works it does. But, while he understands and appreciates what lawyers have done to make IOLTA a success, he's not looking so much for the legal profession to receive the accolades.

"This is money that once went to the banks," Hendon said. "It's the banks that should get some credit for it."

It's Hendon himself who gets some credit for keeping funds available for grants steady. The amount of interest income IOLTA takes in depends on fluctuating interest rates. Hendon encouraged the trustees to establish a reserve fund in anticipation of the times when income falls so much that the ability to continue ongoing grants is affected. The reserve fund was established in 1996, and in 2004, for the first and only time, the trustees authorized use of the funds from reserve to keep ongoing grants steady.

"Although the reserve fund wasn't used for years, I thought it was a great idea when I was a trustee," Hendon said. "As it turns out, I have been reading about problems other states are having that we aren't having because we have a reserve fund."

Prior to the reserve fund, known informally as the Ward Hendon Fund, when

interest rates dropped, grants had to be cut. In 2004, while income was down more than \$1 million from just two years earlier and lower than at any time since 1995, IOLTA grants remained steady in North Carolina.

"Because our grants often support operating expenses, it affects individuals' salaries as well as the financial health of grantee organizations and their ability to provide equal access to justice," Pursley said. "So, grant decreases are particularly difficult for everyone."

The reserve fund balance started out at about \$250,000 and had worked up to \$1.5 million by the time it was first used. The board has not only replenished the reserve since 2004, it has increased it to more than \$2 million, which is about half of the current annual grant amount. In fact, since income declines are expected now that all new mandatory accounts are signed up, the trustees put all additional income from the most recent cycle into the reserve fund so that the program would have what it needs for the 2010 grants.

Since the NC IOLTA program is not part of a bar foundation, nor does it take part in fundraising, the income for grants comes from the interest remitted from IOLTA accounts. Now that the program is mandatory, other than negotiating with banks for the best interest rates and lowest

service charges, there are few ways to increase income.

The next issue on the horizon aimed at increasing income is "comparability," which requires lawyers to hold their accounts only at banks that agree to pay IOLTA accounts the highest rate available on similar accounts at the bank.

"It is similar to other State Bar requirements for banks that want to hold attorney trust accounts—for example, Non Sufficient Funds notices and reporting requirements," Pursley said.

Twenty-four IOLTA programs have now instituted "comparability" with

income doubling or tripling in some instances.

NC State Bar President John MacMillan has made exploring this concept a goal of his administration and a consultant is analyzing IOLTA accounts at the largest banks to see how well it would work in North Carolina. (For more information, see the Comparability FAQ on page 36.)

The trustees tend to agree that whatever can be done to help the grantees should be done. "The needs of the indigent population are probably beyond what any of us can imagine or forecast," Miller said.

"The trustees will work to fund as much as is possible and prudent, given the difficult economic times in which we are all working." ■

*The third and final article in the series celebrating 25 years of the NC IOLTA program will deal with grants and appear in the Fall 2009 Journal.*

*Barnes, who majored in journalism and political science at UNC-Chapel Hill, served as director of communications of the NC Bar Association from 1987-2002. He now runs his own writing, editing, and web development business named cb3media.com.*

## What IOLTA Has Meant to Me

BY GREG DIXON

My summer of work as an IOLTA-funded intern at Pisgah Legal Services (PLS) was an extremely rewarding, occasionally frustrating, and always challenging experience. I helped many of PLS's attorneys with a wide variety of cases in housing, consumer, and family law for its low-income clientele. On a day-to-day basis, I wrote memos on legal issues, conducted client interviews, prepared pleadings and interrogatories, collected evidence for litigation, and accompanied my supervisor, Shelley Pew Brown, at discovery and court proceedings. Additionally, I represented PLS at community outreach and education meetings, and aided the Hendersonville Affordable Housing Coalition with data assessment and housing advocacy for the poor, elderly, disabled, and mentally ill.

The highlights of my summer were both professional and personal. Professionally, I benefited greatly from working closely with Shelley on a daily basis. Throughout the summer, she went to great lengths to ensure my development, spending hours of her time to discuss cases and community issues with me, providing feedback on my work, and including me in her client interactions and discovery proceedings. Other attor-

neys at PLS were similarly generous, giving me practice at working with a wide range of personalities on a variety of issues. Additionally, my position at PLS opened doors for me throughout the western North Carolina legal community, setting me up with an instant network of attorneys and court personnel who were unfailingly ready to advise me on legal questions and my life as an attorney.

Personally, I enjoyed working in a small office with a relaxed environment, and interacting with my colleagues both inside and outside the office. Also, I found great satisfaction in talking with PLS's clients and assisting them with meeting their basic needs. In one case, a single mother and her three boys were being evicted from public housing because one of the boys had reported drug-related activity in the neighborhood to his mother, who, in an effort to do the right thing, immediately called the police. I was able to help Shelley present their case at a hearing, and ultimately keep them in their home. On other days, I had opportunities to protect victims of domestic violence from their abusers, and to prevent sometimes-tyrannical landlords from abusing the rights of elderly and disabled tenants. Driving home at

the end of the day, I was able to feel good knowing that I had not only improved myself as a lawyer, but also helped to improve the lives of others.

The positive quality of my summer experience is a reflection of the quality of PLS itself. Its attorneys are passionate and assertive about protecting clients' rights, professional and congenial members of the local bar, and willing to share their legal and local knowledge with summer clerks. For this experience, I am also indebted to the North Carolina Bar's IOLTA grant program, without which I would have struggled to meet my summer room and board expenses.

The gratifying aspects of my experience at PLS firmed up my personal commitment to a lifelong involvement with poverty and public interest law. As I move forward with my career, I hope to regularly take on cases through a program like the 28th Judicial District's Mountain Area Volunteer Lawyers service, in which legal aid organizations refer indigent clients to private lawyers. ■

*Greg Dixon is a second year student at Duke Law School who was an IOLTA-funded intern at Pisgah Legal Services in Asheville during summer 2008.*

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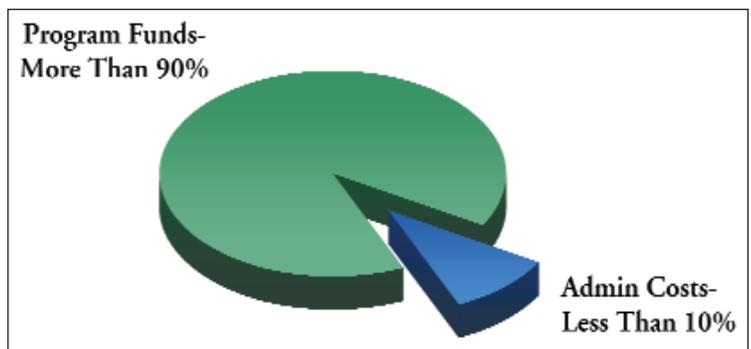
Donnie's Hawk—2009 Fiction Writing Competition Winner *page 27*

# IOLTA Grants Support Equal Access to Justice

BY CLIFTON BARNES

*In celebration of the 25th anniversary of NC IOLTA, the NC State Bar Journal is publishing a three-part series on NC IOLTA during 2009. This final article highlights some of the program's grantmaking.*

**I**t reads like a movie script or maybe a modern-day *Lassie* TV show. Teenage boys, whose father is in jail and whose mother is homeless, reunite from different foster homes. The older teen gets an apartment in public housing, finds a job, and wins custody of the younger teen, who is still in high school.



*Though IOLTA administration costs are also paid from program income, almost all the interest coming from the IOLTA accounts goes to making grants. IOLTA expenses have consistently been under ten percent of income since its inception.*

Because they can't pay a pet deposit, they have to part with their beloved Jack Russell terrier. But the dog keeps finding its way back to the teens' apartment and the housing authority, saying the two disregarded public housing rules, sues for eviction.

Ultimately, a pro bono legal services attorney is able to negotiate a settlement so the brothers can stay in their home.

From unusual cases such as that one to the all-too-usual cases which involve protecting young mothers from abusive spouses and saving older couples' homes, grants from the North Carolina Interest on Lawyers Trust Accounts have been there to help.

Since its first grants were awarded in 1984, the NC IOLTA program has provided more than \$50 million for legal assistance for at-risk children, the elderly, the disabled, and the poor in need of basic

necessities. In addition, the program has helped lawyers connect with those who need their pro bono assistance.

"IOLTA funding is extremely important to Pisgah Legal Services," said Jim Barrett, PLS Executive Director. "PLS receives IOLTA funding to serve six counties in western North Carolina. Stable IOLTA funding has helped PLS grow to the point that it has 37 staff members, including 17 attorneys."

In 2008, through Pisgah Legal Services alone, those attorneys helped more than 700 victims of domestic violence obtain or enforce court protective orders and helped prevent homelessness for 593 households under threat of foreclosure or eviction.

"The flexible IOLTA funds play a crucial role in PLS' budget," Barrett said.

IOLTA funding is the only source of money specifically to pay for PLS' admin-

istration of the successful Mountain Area Volunteer Lawyer Program, which last year provided pro bono legal services in 827 closed cases, valued conservatively at nearly half a million dollars.

"Unlike the support of private foundations, which is often project-oriented, IOLTA funds are generally used for operating support," said Evelyn Pursley, executive director of NC IOLTA.

In 2008, NC IOLTA administered just over \$4 million in grants, compared to \$200,000 25 years ago. (In addition, NC IOLTA now administers more than \$6 million in state funds annually for legal aid that passes through the NC State Bar.)

"The largest annual grant goes out to Legal Aid of North Carolina, the statewide program that also receives federal and state funds to do this work," Pursley said.

*"Over the past 17 years, it has been my honor and privilege to work with the highly dedicated and selfless attorneys, paralegals and staff at the various legal aid organizations throughout the state, including Legal Services of NC, Legal Aid of NC, Legal Services of Southern Piedmont, Pisgah Legal Services, and the Legal Aid Society of Northwest North Carolina. These dedicated individuals provide much needed legal assistance for the poorest of the poor. I am always amazed at the dedication of the legal aid attorneys... Sometimes I wonder why they do it, and then I see the people that they help and remember the overwhelming satisfaction I have received in helping those less fortunate resolve their legal problems.*

*Over the years, I have been involved in a wide variety of pro bono projects and have been very impressed with the outpouring of support for these various projects among lawyers both in our firm and throughout the state. It is a tribute to our profession that people are willing to give so much of their time—including large blocks of time away from their families—to help a low-income person from New Orleans to New York and back to North Carolina."*

*Reid Calwell "Cal" Adams, Vice-Chair, NC Equal Access to Justice Commission  
2007 Recipient Thorp Pro Bono Award  
Womble Carlyle Sandridge & Rice, PLLC*

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Legal Aid of North Carolina, which provides free legal representation in civil matters to eligible clients in all 100 counties through 24 offices and six statewide projects, receives 52% of its funding through the federal Legal Services Corp.

"Some of that federal money is restricted, so we have to use other funding," said George Hausen, executive director of Legal Aid of NC. "We would be severely and negatively impacted if we did not get those IOLTA funds."

IOLTA funds 11% of Legal Aid's budget. "Not only is that substantial, but the support that IOLTA generates for Legal Aid through the bar association and the bar in general is tremendous," he said. "IOLTA is the nexus for the whole statewide justice community."

Hausen said the influence of the NC IOLTA Board of Trustees is significant.

"When we write our IOLTA grant application each year, it's like a validation of our program," he said. "Does IOLTA agree with the allocation of our resources and approve of the quality of the services we deliver? It really is a check on the direction and quality of specific projects."

For instance, a call center with a toll-free number with attorneys providing advice, brief service, and referrals has largely been funded by IOLTA. "It's been a successful one-stop shop for clients to be able to talk to a lawyer immediately," Hausen said.

In addition, IOLTA funded the tech-

nology for a web-based case management system that "makes us a statewide law firm," he said.

"They have funded a great technology package that allowed us to expand our services," Hausen said. IOLTA grants fund video conferencing clinics where one person can do what it took 25 throughout the state to do previously. In addition, Legal Aid has been able to help clients with foreclosures, many in rural areas, as the result of IOLTA grants.

Since 1992, IOLTA has funded the Clifton W. Everett Sr. Fellowship, which provides attorneys to these underserved rural areas of the state. Everett played a large role in creating the NC IOLTA program when he served as president of the NC State Bar. He later served as an IOLTA trustee from 1983 to 1990. IOLTA now funds two fellows every year.

The fellowships support entry-level staff attorney positions at Legal Aid so that they can recruit interested recent law school graduates and give them an opportunity to learn about the legal services practice and develop practical lawyering skills under experienced mentors. In addition, the fellowships provide staff assistance to rural programs that have difficulty recruiting and retaining attorneys.

The first proactive grant-making done by IOLTA also came in 1992, when it offered grants to volunteer lawyer programs to ensure that VLPs were established statewide. IOLTA

continues to provide about \$500,000 each year for volunteer lawyer programs that put private practice attorneys together with clients who need pro bono services.

Besides providing civil legal services to indigents, which historically accounts for 87% of grants awarded, the NC IOLTA program is limited to making grants for the improvement of attorney grievance and disciplinary procedures, for student loans for legal education on the basis of need, and for programs designed to improve the administration of justice.

One administration of justice grant program is the IOLTA Public Service Internship Program, which has been in existence since 1988. Stipends are provided for North Carolina accredited law school students to work summers in public interest organizations approved by the NC IOLTA Board. (See the Spring and Summer 2009 issues of the *Journal* for descriptions of summer internships by law students.)

"I think the trustees particularly like these grants because they feel as if there is a double or triple benefit," Pursley said. "They benefit the law schools by giving their students good summer placements. They benefit the students by ensuring some payment for the summer internship. And, they benefit the public interest organization by providing summer interns who they could not afford to pay."

Carol Spruill, who started the Pro Bono Project at Duke University in 1991 and served

as Duke's Associate Dean for Public Interest and Pro Bono until her resignation in December 2008, is an unabashed fan of IOLTA. This intern program is one reason why.

She says the stipends enable students to experience legal work in the public interest and, as a result, they often have transformative experiences.

"Many students have completed these summers determined to continue with their desire to serve those clients who face many hard knocks in life," said Spruill, who was a legal aid attorney from 1975 to 1991. "Even if the law students do not continue public service as a full-time career, all of them come out of the experience with a heightened appreciation of the need for more public service attorneys, and all of them are prepared to make pro bono commitments a significant part of their legal careers."

Spruill said that students fear accepting lower-paying public interest jobs after law school due to tuition debts that can grow to \$100,000 or more. IOLTA has helped address that problem as well.

NC LEAF (Legal Education Assistance Foundation) is the country's first nonprofit organization dedicated to providing loan repayment assistance to attorneys in exchange for public service work.

"Simply put, NC LEAF could not function without support from IOLTA," said Esther Hall, NC LEAF Executive Director.

Over the years, the NC LEAF has received \$667,000 in grants from IOLTA which have been used for operational support. "That allows all of our state funding to be disbursed directly to public interest attorneys to assist with the law school debts," Hall said.

Well more than \$3 million in educational loan repayment assistance has been provided to these public interest attorneys. "IOLTA has been a steadfast supporter of the work of NC LEAF and has been a vital part of our program, enabling us to aid 404 attorneys since our inception in 1989," Hall said.

These attorneys have served as assistant district attorneys, public defenders, legal aid, and legal services attorneys. "Their work ensures the equal access to justice our society prizes," Hall said.

Former NC State Bar President Steve Michael of Kitty Hawk agrees. "IOLTA grants certainly help us fulfill our responsibilities outlined in the Rules of Professional Conduct," said Michael, who successfully worked for mandatory IOLTA in North Carolina.

"Providing access to justice is one of the big obligations we assume, and this is one method of fulfilling those obligations."

Michael said that the IOLTA Board has done a good job over the years in selecting programs that have the biggest impact in providing access to justice. He said it is appropriate that the bulk of the grant money goes to legal services for the poor.

"But there are also grants IOLTA has made to start up programs that further the administration of justice," he said. "Once the programs are up and running, the funds will come to keep them going."

For instance, Michael noted IOLTA grants were instrumental in getting the Equal Access to Justice programs going, and now those programs will receive funding from the State Bar.

"The NC Equal Access to Justice Commission and the Equal Justice Alliance would not exist without the leadership of and funding provided by IOLTA," said Jennifer Lechner, executive director of the Commission and Alliance.

Pursley, the NC IOLTA Executive Director, and Michelle Cofield, director of public service and pro bono activities for the North Carolina Bar Association, presented information about the national trend of state access to justice commissions to then-NC Supreme Court Chief Justice I. Beverly Lake, who, as a result, established the Equal Access to Justice Commission.

IOLTA funded staffing and activities of the commission. Cofield served as the first executive director until 2008, when Lechner was hired as a full-time staff person for the commission and the alliance. That position was only made possible through IOLTA funding.

"Our (IOLTA) program has been and is still an active participant in determining how the problem of providing access to justice in our state should be addressed," said Tom Lunsford, executive director of the NC State Bar. "The IOLTA Board and staff are appropriately and usefully involved in shaping policy and in rationalizing the delivery of legal services. Our philanthropy is active and responsible, not passive and disengaged."

For instance, Pursley, recognizing a need for more collaboration, and was instrumental in creating the Equal Justice Alliance as a forum for civil legal aid providers who receive IOLTA funding to discuss coordination of legal services and efforts to increase resources. That group now meets regularly.

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One member of that group who is thankful for IOLTA is Vicki Smith, executive director of Disability Rights North Carolina. In 2007, Carolina Legal Assistance became the federally mandated "Protection and Advocacy Agency" for North Carolina and changed its name to Disability Rights North Carolina. But, had it not been for IOLTA, the program would have died years ago.

"Beginning in 1998, our program was without any stable source of funding and, as a result, the program lost most of its staff," Smith said. "IOLTA funding, however, made it possible for our program to continue. IOLTA funding allowed us to pursue new grant proposals to secure a substitute funding source, continue our legal work, sustain an operating budget, and allow the board to devote the time and energy necessary for designation as the new Protection and Advocacy agency for North Carolina."

The purpose of a Protection and Advocacy agency is to protect and be an advocate for the human and legal rights of those with mental illness or developmental and other disabilities.

As Jim Barrett of Pisgah Legal Services said, "People would be amazed if they knew how much good IOLTA funds do."

Still, Hausen says that Legal Aid, for various reasons, is only able to provide service to about 30% of the people who contact them. More than two million North Carolinians currently qualify for legal services help—that's 28% of the state's population.

The programs have to set priorities so they can take the cases that will make the most difference in people's lives. Though funding sources sometimes affect priorities, the legal aid programs generally focus on helping clients with the basic necessities of life—food, shelter, safety, health, employment, and education. Says Pursley, "I think this economic downturn in particular has made us all more aware of how important these basic needs are to all of us and how vulnerable we can be to their loss."

Hausen said he'd love to see expanded IOLTA funding through "comparability,"

which is in at least 25 other states and requires that lawyers hold their IOLTA accounts only at banks that agree to pay those accounts the highest rate available to that bank's other similar accounts.

Some states that have gone to "comparability" requirements have seen income double or triple within the first year or two.

NC State Bar President John McMillan has made exploring a comparability requirement for NC IOLTA a goal of his presidency.

Spruill said that she hopes leaders will adopt comparability so that more low-income North Carolinians will have their day in court with an attorney by their side.

"Perhaps we will see fewer batterers get away with abuse of their spouses, fewer fami-

lies thrown out on the street without a fair hearing, and more people getting all the benefits and medical care that our laws say should be provided to them," she said.

Bill Womble Sr., an original member of the IOLTA Board of Trustees, has been an active and well-respected member of the bar in North Carolina since 1939.

"I don't know that we will ever have adequate financing to provide the kind of legal services we'd like to provide to the poor of our state," Womble said. "But the goal of equal justice for all is a good and noble one, for which we should constantly strive. IOLTA has an important role to play in that effort."

Woody Teague, a founding IOLTA Board member echoes Bill Womble. "Back in

1978-79, Cliff Everett, Robinson Everett, and I had a hard time explaining the concept of IOLTA to the satisfaction of the late Chief Justice Joe Branch. But now Joe, Cliff, and Robbie would agree with me that this program, established by the North Carolina State Bar, has negated the usual lawyer jokes. Over \$50 million for equal justice is something all of us lawyers should be extremely proud of. So, I say, 'Long live IOLTA.'" ■

*Barnes, who majored in journalism and political science at UNC-Chapel Hill, served as director of communications of the NC Bar Association from 1987-2002. He now runs his own writing, editing, and web development business named cb3media.com.*

## *Three Public Interest Lawyers Pay Off Law School Debt in 2008 with Assistance from NC LEAF*

*NC IOLTA supports NC LEAF, the first loan repayment assistance program for public interest lawyers in the country. By using NC IOLTA funds to support operations, NC LEAF is able to use all state funds received to help young lawyers in legal aid, public defender, and district attorney offices with loan repayment assistance.*

### **Ann Bamburger**

I attended law school at American University with the idea that I would become an advocate for those who don't have a voice in our society. I have always had an interest in women and children's issues. I knew that my goal after graduation was to work in a legal services office.

When I first began working at Pisgah Legal Services, I almost turned down the job of representing clients fleeing domestic violence because I was concerned about whether I could afford to work as a legal services attorney. When I learned about NC LEAF, I decided to take the job. I was thrilled to be part of Pisgah's Mountain Violence Prevention Project. I had the opportunity to represent clients fleeing domestic violence and assist them in obtaining the legal remedies necessary to

break away from the situation.

### **Denise Lockett**

NC LEAF's assistance has meant the world to my family. Without it, my debt from graduate and law school would have made it much, much harder to move to and stay with my dream job at Legal Aid of North Carolina.

I went to law school with the goal of working in the nonprofit sector. It actually took a while to get there—primarily because I was initially so concerned about paying back my loans. I was able to move from a private firm position to Legal Aid with far greater confidence because of NC LEAF's assistance. I took a substantial pay cut to move to this position. Without NC LEAF's assistance, I'm not sure I could have made the move nor stayed here. We are now debt-free from my law school loan, and that's terrific. I'm doing the work that I love and that our community needs, thanks to NC LEAF!

### **Pamela Thombs**

With a 12-year history of working in the nonprofit sector, I knew when I graduated from law school that I wanted to serve

in public interest law. I had been working in public interest law for at least three years when I obtained information on the NC LEAF program. At that time, my family had two small children in day care, a house with a mortgage that we were not able to sell in a city where we had lived previously, and a lease payment at our current home. All of this was in addition to our other regular living expenses and my student loan payment. I needed NC LEAF if I was to continue down this public interest road.

After NC LEAF approved me for the program and I had made payments for about a year, NC LEAF staff member Arlene Summers helped me restructure my law school debt to get the maximum benefit from the program. I began to pay a little more, and NC LEAF assisted me with a larger amount. About three months before I was finished with my payments, Legal Aid of North Carolina, my employer, began assisting employees through the NC LEAF program. These factors combined allowed me to pay my off my debt much earlier. I am extremely grateful to NC LEAF for allowing those of us who are committed to giving back to the community to do so without becoming indigent. ■