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Rule 1.19—Trust Account Overdraft Notification

(a) Funds coming into the possession of a lawyer that are required by these Rules to be segregated from the lawyer's own funds (such segregated funds hereinafter being referred to as "trust funds") shall be deposited in one or more specially designated accounts at a financial institution. The title of each such account shall contain the words "Trust Account" or "Escrow Account," as well as the lawyer's or the lawyer's law firm's identity.

(b) The accounts required pursuant to paragraph (a) shall be maintained only in institutions that are listed as "D.C. Bar approved depositories" on a list maintained for this purpose by the Board on Professional Responsibility, unless (1) the account is permitted to be held elsewhere or in a different manner by law or court order, or (2) a lawyer holds trust funds under an escrow or similar agreement in connection with a commercial transaction. If a lawyer is a member of the District of Columbia Bar and practices law outside the District of Columbia, D.C. Bar approved depositories shall be used for deposit of any: (1) trust funds received by the lawyer in the District of Columbia; (2) trust funds received by the lawyer from, or for the benefit of, parties or persons located in the District of Columbia; and/or (3) trust funds received by the lawyer that arise from transactions negotiated or consummated in the District of Columbia.

To be listed as an approved depository, a financial institution shall file an undertaking with the Board on Professional Responsibility, on a form to be provided by the board's office, agreeing promptly to report to the Office of Bar Counsel each instance in which an instrument that would properly be payable if sufficient funds were available has been presented against a lawyer's or law firm's specially designated account at such institution at a time when such account contained insufficient funds to pay such instrument, whether or not the instrument was honored and irrespective of any overdraft privileges that may attach to such account. In addition to undertaking to make the above-specified reports, approved depositories, wherever they are located, shall also undertake to respond promptly and fully to subpoenas from the Office of Bar Counsel that seek a lawyer's or law firm's specially designated account records, notwithstanding any objections that might be raised based upon the territorial limits on the effectiveness of such subpoenas or upon the jurisdiction of the District of Columbia Court of Appeals to enforce them. Such undertaking shall apply to all branches of the financial institution



and shall not be canceled by the institution except upon thirty (30) days written notice to the Office of Bar Counsel. The failure of an approved depository to comply with its undertaking hereunder shall be grounds for immediate removal of such institution from the list of D.C. Bar approved depositories.

(c) Reports to Bar Counsel by approved depositories pursuant to paragraph (b) above shall contain the following information:

(1) In the case of a dishonored instrument, the report shall be identical to the overdraft notice customarily forwarded to the institution's other regular account holders.

(2) In the case of an instrument that was presented against insufficient funds but was honored, the report shall identify the depository, the lawyer or law firm maintaining the account, the account number, the date of presentation for payment and the payment date of the instrument, as well as the amount of overdraft created thereby.

The report to the Office of Bar Counsel shall be made simultaneously with, and within the time period, if any, provided by law for notice of dishonor. If an instrument presented against insufficient funds was honored, the institution's report shall be mailed to Bar Counsel within five (5) business days of payment of the instrument.

(d) The establishment of a specially designated account at an approved depository shall be conclusively deemed to be consent by the lawyer or law firm maintaining such account to that institution's furnishings to the Office of Bar Counsel all reports and information required hereunder. No approved depository shall incur any liability by virtue of its compliance with the requirements of this rule, except as might otherwise arise from bad faith, intentional misconduct, or any other acts by the approved depository or its employees which, unrelated to this rule, would create liability.

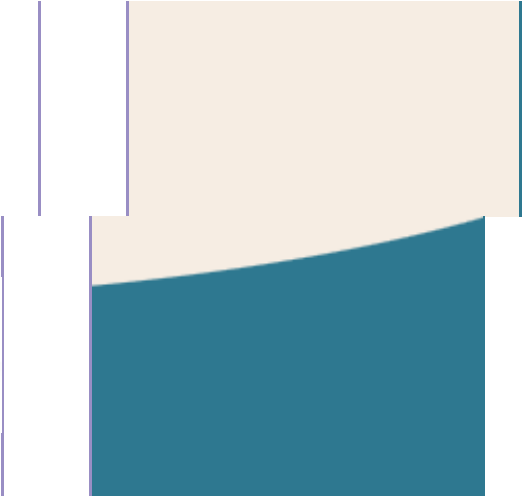
(e) The designation of a financial institution as an approved depository pursuant to this rule shall not be deemed to be a warranty, representation, or guaranty by the District of Columbia Court of Appeals, the District of Columbia Bar, the Board on Professional Responsibility, or the Office of Bar Counsel as to the financial soundness, business practices, or other attributes of such institution. Approval of an institution under this rule means only that the institution has undertaken to meet the reporting requirements enumerated above.

(f) Nothing in this rule shall preclude a financial institution from charging a lawyer or law firm for the reasonable cost of producing the reports and records required by this rule.

(g) Definitions:

"Law Firm" – Includes a partnership of lawyers, a professional or non-profit corporation of lawyers, and combination thereof engaged in the practice of law.

"Financial Institution" – Includes banks, savings and loan associations, credit unions, savings banks and any other business that accepts for deposit funds held in trust by lawyers which is authorized by federal, District of Columbia, or state law to do business in the District of Columbia or the state in which the financial institution is situated and that maintains accounts which are insured by an agency or instrumentality of the United States.



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