

1 **IN THE SUPREME COURT OF THE STATE OF NEVADA**

2 In the matter of Amendments to
3 Supreme Court Rule 216: Client Interest
4 Bearing Trust Accounts; Creation of
5 Foundation
6

ADKT NO.: 0479

FILED

APR 15 2014

TRACIE K. LINDEMAN
CLERK OF SUPREME COURT
BY *Angela*
CHIEF DEPUTY CLERK

7
8 **PETITION**

9 The Board of Governors of the State Bar of Nevada (State Bar) and the Nevada
10 Bar Foundation ("Foundation") hereby petition this court to amend SCR 216
11 regarding client interest bearing trust accounts; specifically, the composition of
12 the Foundation.

13 **DISCUSSION**

14 As provided for in SCR 216, the State Bar has in place a tax-exempt bar
15 foundation for the purposes of providing legally related programs and services
16 which qualify for 501(c)(3) tax-exempt status. To carry out this purpose, the
17 Foundation may utilize income accrued from interest-bearing client's trust
18 accounts (IOLTA funds) as authorized by SCR 216 through 221, and as otherwise
19 ordered by the Court.

20 In past years, the Foundation focused on supporting the State Bar's law related
21 education program through Federal grant dollars and the Justice League of
22 Nevada (formerly Nevada Law Foundation) has maintained responsibility for
23 directing IOLTA funds to pro bono legal service providers and other
24 organizations. In anticipation of IOLTA program management transferring to the
25 Foundation, the State Bar and the Foundation request the following amendments

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1 to SCR 216 which would facilitate the transfer and direct the program
2 management.

3
4 **Rule 216. Creation of foundation.**

5 1. The board of governors, with the approval of the supreme court, shall
6 designate a tax-exempt bar foundation for the purposes of providing legally
7 related services to the poor, to the victims of domestic violence, and to children
8 protected by or in need of protection of the juvenile court; promoting or providing
9 law-related educational programs for members of the public; and providing
10 similar programs which qualify for tax-exempt status by the United States Internal
11 Revenue Service under I.R.C. section 501(c)(3) or any additions thereto or
12 amendments thereof. To carry out these purposes, the bar foundation may utilize
13 the income accrued from interest-bearing client's trust accounts (IOLTA funds) as
14 authorized by Rules 216 through 221, and as the supreme court may otherwise
15 order.

16 (a) A major portion of all IOLTA funds shall be disbursed for the purposes
17 of providing legally related services to the poor, to victims of domestic violence,
18 and to children protected by or in need of protection of the juvenile court. The
19 remainder of the IOLTA funds shall be spent as the bar foundation deems
20 appropriate, keeping in mind the purposes set forth in this rule.

21 (b) Among factors to be considered in disbursing the funds should be the
22 geographic origin of the funds.

23 2. The governing body of the designated bar foundation shall be composed
24 of 11 members; 7 of whom shall be members in good standing of the state bar. [a
25 ~~minimum of 11 and no more than 17 members. At maximum capacity, 12 of the~~

1 ~~shall be members in good standing of the state bar, and 5 shall be lay persons who~~
2 ~~have knowledge of and are acquainted with the needs of the poor, victims of~~
3 ~~domestic violence, and children protected by or in need of protection of the~~
4 ~~juvenile court. The Board shall include at least 4 lay persons at all times.] The~~
5 court shall appoint 2 members and the state bar shall appoint 9 members.

6 (a) ~~None of the members of the bar foundations' governing body shall also~~
7 ~~be a member of the board of governors of the state bar or be related to any~~
8 ~~member of the board of governors within the third degree of consanguinity.~~

9 (b) The members of the bar foundations' governing body shall not be
10 members of the governing body or employees of grantee organizations.

11 3. The terms of office of the members of the governing body of the bar
12 foundation shall be staggered. Each member shall be appointed for a term of 2
13 years, commencing July 31. No member may serve on the governing body for
14 more than a lifetime total of [10] 8 years. The time served in filling a partial term
15 created by a vacancy shall not be included in computing the [10] 8-year lifetime
16 limit.

17 [4. ~~All appointments shall be for a term of 2 years, commencing June 30th, to~~
18 ~~be made by the supreme court in even numbered years and by the board of~~
19 ~~governors of the state bar in odd numbered years.]~~

20 [5]4. Vacancies on the governing body of the bar foundation shall be filled
21 by the original appointing entity by appointment.

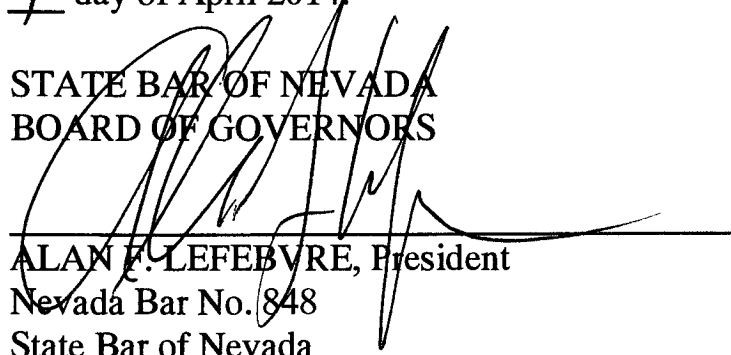
22 [5. ~~The principal office of the bar foundation shall be situated in Clark~~
23 ~~County.]~~

24 5. The bar foundation shall provide, at least annually, to the board of
25 governors and to the court, a report of its activities.

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2 The proposed amendments to the Rule are attached hereto in their entirety as
3 Exhibit A.

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5 Respectfully submitted this 7th day of April 2014,

6 STATE BAR OF NEVADA
7 BOARD OF GOVERNORS

8
9 
10 ALAN F. LEFEBVRE, President
11 Nevada Bar No. 848
12 State Bar of Nevada
13 600 E. Charleston Boulevard
14 Las Vegas, NV 89104
15 (702) 382-2200

16 NEVADA BAR FOUNDATION

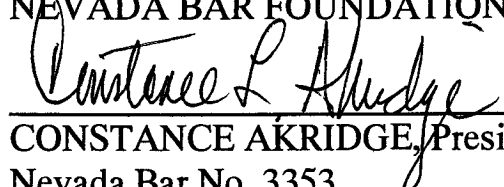
17 
18 CONSTANCE AKRIDGE, President
19 Nevada Bar No. 3353
20 State Bar of Nevada
21 600 E. Charleston Boulevard
22 Las Vegas, NV 89104
23 (702) 382-2200
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25

EXHIBIT A

Rule 216. Creation of foundation.

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(b) The members of the bar foundations' governing body shall not be members of the governing body or employees of grantee organizations.

3. The terms of office of the members of the governing body of the bar foundation shall be staggered. Each member shall be appointed for a term of 2 years, commencing July 31. No member may serve on the governing body for more than a lifetime total of [10] 8 years. The time served in filling a partial term created by a vacancy shall not be included in computing the [10] 8-year lifetime limit.

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