

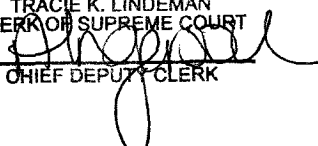
IN THE SUPREME COURT OF THE STATE OF NEVADA

IN THE MATTER OF AMENDMENTS  
TO SUPREME COURT RULE 216:  
CLIENT INTEREST BEARING TRUST  
ACCOUNTS; CREATION OF  
FOUNDATION.

ADKT 0479

**FILED**

APR 29 2014

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

***ORDER SETTING PUBLIC HEARING***

On April 15, 2014, the Board of Governors of the State Bar of Nevada filed a petition seeking amendment of Supreme Court Rule 216. A copy of the petition and the proposed amendments is attached to this order.

The Nevada Supreme Court will conduct a public hearing to consider the proposed amendments. The public hearing will be held on Thursday, June 5, 2014, at 3:00 p.m. in the Nevada Supreme Court Courtroom, 200 Lewis Avenue, 17<sup>th</sup> Floor (Regional Justice Center), Las Vegas, Nevada. The hearing will be videoconferenced to the Nevada Supreme Court Courtroom, 201 South Carson Street, Carson City, Nevada.

Further, this court invites written comment from the bench, bar and public regarding the program. An original and 8 copies of written comments are to be submitted to: Tracie K. Lindeman, Clerk of the Supreme Court, 201 South Carson Street, Carson City, Nevada 89701 by 5:00 p.m., May 30, 2014. Comments must be submitted in hard-copy format. Comments submitted electronically will not be docketed. Persons

interested in participating in the hearing must notify the Clerk no later than May 30, 2014.

Hearing date: June 5, 2014, at 3:00 p.m.  
Supreme Court Courtroom  
Regional Justice Center  
200 Lewis Avenue, 17<sup>th</sup> Floor  
Las Vegas, Nevada

Comment deadline: May 30, 2014, at 5:00 p.m.  
Supreme Court Clerk's Office  
201 South Carson Street  
Carson City, Nevada 89701

DATED this 29 day of April, 2014

  
\_\_\_\_\_, C.J.

cc: Alan F. Lefebvre, President, State Bar of Nevada  
Constance Akridge, President, Nevada Bar Foundation  
Kimberly Farmer, Executive Director, State Bar of Nevada  
Clark County Bar Association  
Washoe County Bar Association  
Administrative Office of the Courts

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 *[Signature]*  
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

**RECEIVED**  
APR 14 2014  
TRACIE K. LINDEMAN  
CLERK OF SUPREME COURT  
CHIEF DEPUTY CLERK

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.]~~

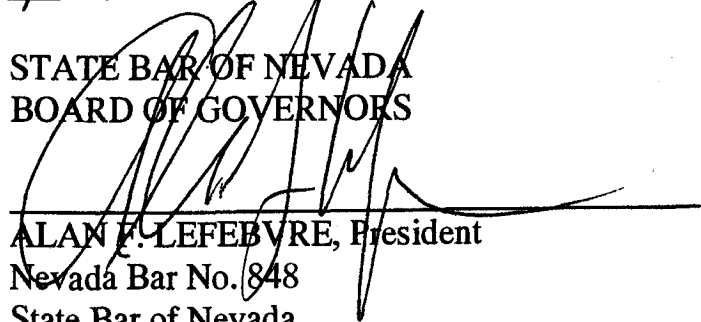
24 5. The bar foundation shall provide, at least annually, to the board of  
25 governors and to the court, a report of its activities.

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25


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

Respectfully submitted this 7<sup>th</sup> day of April 2014,

STATE BAR OF NEVADA  
BOARD OF GOVERNORS

  
ALAN F. LEFEBVRE, President  
Nevada Bar No. 848  
State Bar of Nevada  
600 E. Charleston Boulevard  
Las Vegas, NV 89104  
(702) 382-2200

NEVADA BAR FOUNDATION

  
CONSTANCE AKRIDGE, President  
Nevada Bar No. 3353  
State Bar of Nevada  
600 E. Charleston Boulevard  
Las Vegas, NV 89104  
(702) 382-2200

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

**EXHIBIT A**

**Rule 216. Creation of foundation.**

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

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

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

2. The governing body of the designated bar foundation shall be composed of 11 members; 7 of whom shall be members in good standing of the state bar. [~~a minimum of 11 and no more than 17 members. At maximum capacity, 12 of the shall be members in good standing of the state bar, and 5 shall be lay persons who have knowledge of and are acquainted with the needs of the poor, victims of domestic violence, and children protected by or in need of protection of the juvenile court. The Board shall include at least 4 lay persons at all times.~~] The court shall appoint 2 members and the state bar shall appoint 9 members.

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

(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.

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

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

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

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

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