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9 **IN THE SUPREME COURT**
10 **STATE OF ARIZONA**
11

12 **PETITION TO AMEND ARIZONA**
13 **SUPREME COURT RULE 43**
14 **REGARDING LAWYERS' TRUST**
15 **ACCOUNTS**

Supreme Court No. R-11-0014

Supplement to Petition to Amend
Arizona Supreme Court Rule 43
Regarding Lawyers' Trust
Accounts

16 The State Bar of Arizona's petition to amend Rule 43, Ariz. R. Sup. Ct.,
17 proposes reorganizing and rewriting provisions that deal with lawyers' trust
18 accounts. Because the proposal would replace an existing regulatory structure, the
19 State Bar and the Arizona Foundation for Legal Services & Education
20 ("Foundation") request that the Court, if it approves the petition, delay the effective
21 date of the changes to July 1, 2012, for the reasons explained below.

22 While adopting existing critical concepts, the State Bar's petition also
23 introduces several significant new concepts, including certification and
24 decertification processes for financial institutions to be authorized to host Interest
25 on Lawyers Trust Account ("IOLTA") accounts for lawyers and itemizes the
26 contents of the terms under which the State Bar and the Foundation interact with
financial institutions.

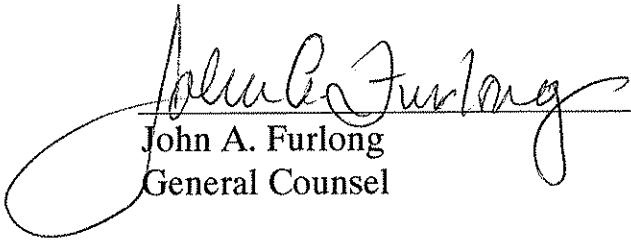
1 Under the existing rule, the State Bar and the Foundation establish rules and
2 regulations. They do so by way of agreeing on the terms of a “participation
3 certification” executed by the financial institutions that host IOLTA accounts for
4 lawyers. The rule-change proposal codifies the “participation certification.”

5 The current participation certification is in effect until May 31, 2011. The
6 Foundation is working with financial institutions to have them execute new
7 participation certifications effective June 1, 2011, through June 30, 2012.

8 If adopted, the rule-change petition would alter the agreement between the
9 financial institutions, the Foundation, and the State Bar. As a result, if the Court is
10 inclined to adopt the petition, the State Bar and the Foundation request that the
11 Court do so effective July 1, 2012, at the expiration of the current participation
12 certification. Adopting changes to take effect at the beginning of the 2012 calendar
13 year would be confusing because it would be in the middle of the 2011-12
14 participation-certification cycle. If the proposed rule changes are adopted effective
15 July 1, 2012, the State Bar and the Foundation will have time to educate financial
16 institutions and lawyers about the new rule and incorporate the new requirements.

17 For the above reasons, the State Bar respectfully requests that the Court
18 consider this supplement to its rule-change petition.

19 RESPECTFULLY SUBMITTED this 18th day of May, 2011.
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Electronic copy filed with the Clerk
of the Supreme Court of Arizona
this 18th day of May, 2011.

By: Kathleen A. Lundgren