

**Michael E. Kennedy, Esq.**  
Disciplinary Counsel  
**Beth DeBernardi, Esq.**  
Deputy Disciplinary Counsel  
**Deb Laferriere**  
Program Administrator  
**Cathy Janvier**  
Administrative Assistant

**Office of Disciplinary Counsel**  
**32 Cherry Street, Suite 213**  
**Burlington, Vermont 05401**  
Tel. **(802) 859-3000**  
Fax **(802) 859-3003**

**To: Vermont Bar**

**From: Disciplinary Counsel**

**Re: Interest on Trust Accounts**

**Date: February 7, 2006**

It has come to my attention that some financial institutions either (1) do not pay interest on pooled-interest bearing trust accounts; or (2) do not remit the interest earned on such accounts to the Vermont Bar Foundation. As such, I am writing to remind you of the rules that apply to such accounts.

Lawyers and law firms are required by Rule 1.15B(a) of the Vermont Rules of Professional Conduct:

“to create and maintain a pooled interest-bearing trust account for deposit of client funds that are not reasonably expected to earn a substantial amount of interest for the client, individually or in combination with other client funds held by the lawyer or law firm.”

Rule 1.15B(a) goes on to state that “no earning of the account shall be made available to the lawyer or law firm. The interest accruing on this account, net of any transaction costs, shall be paid to the Vermont Bar Foundation.” The burden is on the lawyer or law firm to notify the financial institution that an account is of the type to which the rule applies. More specifically, Rule 1.15B(b) reads as follows:

“A lawyer maintaining a pooled trust account with interest payable to the Vermont Bar Foundation shall direct the depository institution:

(1) to remit interest or dividends, as the case may be, to the Vermont Bar Foundation; and

(2) to transmit with each remittance to the Foundation a statement showing the name of the lawyer or law firm for whom the remittance is sent; and

(3) to transmit to the depositing lawyer or law firm at the same time a report showing the amount paid to the Foundation.”

I have included a list of the financial institutions that the Professional Responsibility Program has approved as depository institutions for attorney trust accounts. The list can also be found on our website at the following address:  
<http://www.vermontjudiciary.org/Committees/prbrules/attytrust.aspx>

In closing, Vermont lawyers and firms **may not** maintain pooled interest-bearing trust accounts at a financial institution if: (1) the institution chooses not to pay interest on such accounts; or (2) the institution does not remit the interest to the Bar Foundation.

Thank you.