

## IOLTA Cuts Bring Bad News, Good News

IF YOU READ THE ARTICLE on the front page of the *The Philadelphia Inquirer* Business Section on Jan. 24 about cuts to IOLTA funding, and if you read the articles in the *Philadelphia Daily News* about Philadelphia's remarkable foreclosure prevention program, led by Philadelphia Court of Common Pleas Judge Annette Rizzo, go to the last paragraph of this article. Otherwise, read on.

### First, the Bad News

No surprise. With respect to dollars, it is really bad out there for our colleagues in the public interest sector. And the story on IOLTA funding, which was headlined "Even Harder Times for Legal Aid to Poor," pretty much says it all.

All of us know about IOLTA. For the few who might not recall how it works, here's the short course: when the amount of money a lawyer holds in trust for a client is small or held for only a short period of time, and cannot earn interest for the client in excess of the costs incurred to collect that interest, the funds are put into a single, pooled interest-bearing account, and the earned interest goes to the IOLTA program, which gives grants to many of our nonprofit legal services organizations.

Now interest is emphasized for a reason. Relying on interest these days is, at best, problematic. As the *Inquirer* pointed out, for the current fiscal year, because of plummeting rates, Pennsylvania's IOLTA fund, reduced its grants "by 34 percent, from \$22 million to \$14.6 million." And we have not hit bottom. So this is really bad news for our nonprofits.

Community Legal Services lost 10 percent of its overall budget because of the IOLTA cuts. Vacancies are going unfilled and other cost-cutting measures are being taken in an operation where there isn't much "fat" to trim before you hit bone.

"When CLS can't replace lawyers, our clients suffer tremendously," Debby Freedman of CLS shared. "Clients come to us because their families are desperate for help. Not having access to a lawyer means that hundreds of clients a year

By Amy Ginensky



will lose their homes, have their heat turned off, lose custody of their children, not get medical care or will lack other basic necessities. These losses are tragic for individual families and harm the life of the City of Philadelphia."

CLS is not the only recipient of IOLTA funding. The downturn

in interest rates affects the Homeless Advocacy Project, Consumer Bankruptcy Assistance Project, Philadelphia Legal Assistance, Philadelphia Volunteers for the Indigent and others. And, when you read just the names of these organizations, you know that in today's world, this is really bad for those they serve.

### Now For the Good News

Despite the cuts, these organizations still manage to perform exceptional and critical services at this difficult time. (Again, no surprise, if you know the dedicated force of Philadelphia's public interest bar.)

So, if you read the *Daily News* article (which you presumably did not because you have not skipped to the last paragraph) or otherwise heard about it, you would know that VIP and PLA, working with hundreds of volunteer lawyers, and under the leadership of Judge Rizzo, created the "miracle" in Courtroom 676. As detailed in the story published on Jan. 28, these volunteer lawyers, steered by VIP and PLA, assist those threatened with losing their homes. Under the watchful eye and guidance of Judge Rizzo, they enable clients to keep their homes, thanks to the deals they negotiate with the lenders. It is a win-win: the banks don't have more vacant houses on their hands, and families stay off the streets. In short, a miracle.

"These are extraordinary times and it requires extraordinary action," Judge Rizzo told the *Daily News*. "We have demonstrated here in Philadelphia that we care."

### So Now the Last Paragraph

What can the rest of us do to create more miracles? The goal of the Bar Foundation is always, but especially in this time of crisis, to be a sustained,

## Memorial, Honorary Gifts Recognized

From time to time, the Philadelphia Bar Foundation receives contributions or a fund in memory of someone who has died or, on a happier note, to mark a special occasion or honor an achievement. The Bar Foundation has decided that we should, as part of this column and on our new web site (which we expect to debut in April), note these gifts, providing an opportunity to remember the person or mark the event. Philadelphia lawyers are a special breed. We honor them when we make a gift to the Bar Foundation that is then used to assist Philadelphia's public interest lawyers and the clients to whom they provide legal services.

### In Memory

**F. Hastings "Terry" Griffin III**, devoted to his family, a tenacious litigator, who successfully argued *Markman v. Westview Instruments, Inc.* in the U.S. Supreme Court, passionate about his horses and the hunt, and never wavered in what he believed.

**Jerry Murray**, respected real estate lawyer and trail-blazing, prize-winning Mummies captain who formed a new comics brigade so his daughter and other women could march in the Mummies Parade.

### In Honor

**U.S. District Court Judge C. Darnell Jones II** and **Philadelphia Court of Common Pleas Judge Annette M. Rizzo** to commemorate their receipt of the Philadelphia Bar Association Real Property Section's Good Deed Award for their work on the Residential Mortgage Foreclosure Diversion Pilot Program.

**Philadelphia Court of Common Pleas Judge Albert W. Sheppard Jr.** in honor of his receipt of the 2008 Justice William J. Brennan Jr. Distinguished Jurist Award that recognizes a jurist who adheres to the highest ideals of judicial service.

**Judge Anthony J. DeFino (Ret.)** in honor of his receipt of the 2008 Cesare Beccaria Award in recognition of his contribution to the cause of justice and the advancement of legal education.

**Sayde J. Ladov** as a tribute to her work on behalf of the Philadelphia Bar Association and on the occasion of her election as Chancellor.

**Elaine M. Rinaldi** to commemorate her service as president of the Philadelphia Bar Foundation from 2007 to 2008.

significant funding source for our legal services network. In short, we need to be there to support our public interest colleagues, and we need the support of this legal community in order to be there for them. If lawyers don't support the organizations that provide legal services to the disadvantaged, who will? Nathaniel Hawthorne said, "Generosity is the flower

of justice." We ask that you help the cause of justice through your generosity and make flowers bloom in the offices of the grantee organizations, and the homes of their clients.

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## Bar Foundation Golf Classic June 22

THE PHILADELPHIA BAR FOUNDATION'S 21st Annual Golf Classic is moving to a new location.

The event will be held Monday, June 22 at Huntington Valley Country Club in Huntington Valley, Pa.

The general fee for players is \$375. Members of the Young Lawyers Division may play at a discounted fee of \$350. Price includes all greens fees, golf cart, lunch, refreshments, dinner and cocktails.

Several levels of sponsorship are available. Tournament Underwriters

(\$15,000) get a banner hung at clubhouse entrance; name on the front cover of the souvenir program as sponsor of the event; distribution of skills competition prizes to winners; eight players plus four additional guests to cocktail reception; and VIP parking for golfers. Other levels include Tournament Cup/Skills Prize Sponsor (\$7,500), Luncheon, Cocktail Buffet, Reception or Putting Contest Sponsor (\$5,000) and Hole Sponsor (\$2,000). For more information, contact Lynne Brown at (215) 238-6347.



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