

## CHASE CHAPS MY ARSE

So I set up my firm accounts a few months back at Chase. Biz Checking and IOLTA account. They opened a business savings acct for me too. Whatever. No fees on anything. Great. I asked a few questions to make sure they understood the basics of IOLTAs and that it is NOT MY MONEY. Sure sure.

Fast forward to my first actual deposit into the IOLTA. I try to do most things on flat fee basis when I can, so I didn't use the IOLTA for a few months. I go in and make my deposit, listing the IOLTA acct no. The teller seems to be taking her time with it. I assume it's because it is the first deposit into the account. But I get a receipt that shows it has been deposited correctly.

Today I log onto the bank website to view my accounts (they were supposed to deposit \$200 incentive for opening the accounts WAY back within 30 days of opening, but that's another story. Still fighting about that.) Guess what. I have a "research adjustment" adding the full amount of my IOLTA deposit from March 2 to my business checking effective March 10. And I have no IOLTA account. They closed it because no initial deposit was made within whatever timeline they apparently required. Why would they open an IOLTA account and allow it to close? Coding error I'm told.

By the banker who initially said she understood how IOLTAs work and set up my accounts. She has taken another position with Chase somewhere else. And it was her coding error that allowed my IOLTA to close.

So now I have client funds deposited (after 8 days where? in limbo?) into my business account. And this is a pro bono client's funds. Am I supposed to contact the ethics hotline and report myself for inept choosing of a bank?

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This is why I am a strong advocate for having IOLTA and OA at separate banks. I never have to worry about a deposit being applied incorrectly because I only have one account at that bank.

Robert M. Louque, Jr., Louisiana

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The EXACT same thing happened to me. I had deposited \$700 into my IOLTA, and I went to check my account like three days later and the account wasn't listed under my accounts. I called them and they were clueless, but the money was somewhere. I went up to the local chase location and he "found my money" and opened a new IOLTA account. He told me that they would mail me a cashier's check for the money. A week goes by and I don't get the money, so I call back. We apparently they had never closed me account and the

money was still there, o now I have two IOLTA accounts because of their mess up.

Seth Crosland, Texas

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Ah well, at least I know I'm not getting this crap because they just don't like me then.

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I understand your pain, I have always had \$100.00 of my own funds so the account would not be closed, and to cover any problems. The bank was unable to open without a deposit. I understand the rules say that this is wrong, but it is the only way I feel secure that the account won't be closed since I rarely use it. For years I have been holding a little over \$45.00 that I believed I owed a client, I wrote them a check for return of the money and they never cashed it. So unless I have a retainer check in the account the balance is a little over \$145.00 and the bank sends the bar interest it is pretty funny to think of how much that costs them. I doubt the bar will be upset that I keep my funds in the account.

Martha Jo Patterson, California

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You probably should have checked online the very next day to make sure that \$200.00 incentive had been deposited.

Now, I believe you need to take that money immediately out of your operating account and go open a trust account somewhere else with it. Put in some extra of your own to cover any unexpected charges. Not a lot, maybe \$200.00 or so. Ask somebody you trust in your area who they use for their escrow account, and get the name of their banker. Go see **THAT PERSON** and get the account opened correctly, and check it on a daily basis (seriously) on line to make sure it looks like it's supposed to. Your state bar has a list of banks with whom you are permitted to open an escrow account. At least mine does.

Marilou Auer, a clerk

PS I'd consider moving the operating account too, since Chase obviously doesn't know what they're doing.

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You're allowed to keep a nominal amount in your escrow account, unless every lawyer I know has been severely misinformed. Otherwise, the

potential exists for overdrawing the account if you disburse all money in it and then a bank charge hits that you didn't expect.

Marilou, a clerk

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Depends on your state rules, but Fla. explicitly allows \$100 of your own "nominal" funds to open and maintain the account and cover stuff like paying for the checks, etc.

Ronald Jones, Florida

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I just looked into this issue. In NJ, if your trust account is not expected to hold more than a minimum sum (I think it was an average balance less than 2,500) it does not have to be an IOLTA account, and you can save the bank the hassle.

Mark J. Astarita, New York

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