

**PROPOSED AMENDMENTS TO RULE 1.12A OF THE
LIMITED PRACTICE OFFICER RULES OF PROFESSIONAL CONDUCT**

LPORPC 1.12A SAFEGUARDING PROPERTY

(a) through (g)

[no change]

(h) An LPO or Closing Firm must comply with the following for all trust accounts:

(1) No funds belonging to the LPO or Closing Firm may be deposited or retained in a trust account except as follows:

(i) funds to pay bank charges, but only in an amount reasonably sufficient for that purpose;

(ii) funds belonging in part to a client or third person and in part presently or potentially to the LPO or Closing Firm must be deposited and retained in a trust account, but any portion belonging to the LPO or Closing Firm must be withdrawn at the earliest reasonable time; or

(iii) funds necessary to restore appropriate balances.

(2) An LPO or Closing Firm must keep complete records as required by Rule 1.12B.

(3) An LPO or Closing Firm may withdraw funds when necessary to pay client costs. The LPO or Closing Firm may withdraw earned fees only after giving reasonable notice to the client of the intent to do so, through a billing statement or other document.

(4) Receipts must be deposited intact.

(5) All withdrawals must be made only to a named payee and not to cash. Withdrawals must be made by check or by bank transfer.

(6) Trust account records must be reconciled as often as bank statements are generated or at least quarterly. The LPO or Closing Firm must reconcile the check register balance to the bank statement balance and reconcile the check register balance to the combined total of all client ledger records required by Rule 1.12B(a)(2).

(7) An LPO or Closing Firm must not disburse funds from a trust account until deposits have cleared the banking process and been collected, ~~unless the LPO or Closing Firm and the bank have a written agreement by which the LPO or Closing Firm personally guarantees all disbursements from the account without recourse to the trust account.~~

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1 (8) Disbursements on behalf of a client or third person may not exceed the funds of that person
2 on deposit. The funds of a client or third person must not be used on behalf of anyone else.

3 **(i) and (j)**

4 **[no change]**

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