



MCLE Self-Study Test

IOLTA Rules: Got My Money on My Mind and My Mind on My Money

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Published in the Contra Costa Lawyer, May 2020

1. Property includes documents, securities, and funds.
 - a. True
 - b. False
2. Client fires Lawyer leaving \$4,000 in trust. Lawyer bills Client \$2,000 in fees. Client demands Lawyer to return all \$4,000 disputing the \$2,000 in fees. What should Lawyer do?
 - a. Provide a notice of arbitration and keep all funds in trust.
 - b. Place all funds in the operating account.
 - c. Return \$2,000 to the Client and leave \$2,000 in trust until the dispute is resolved.
 - d. Provide notice of arbitration and return funds to Client.
3. Client fires Lawyer leaving \$4,000 in trust. Lawyer bills Client \$2,000 in fees. Client demands Lawyer to return of \$2,000. What should Lawyer do?
 - a. Provide a notice of arbitration and keep all funds in trust.
 - b. Place all funds in the operating account.
 - c. Transfer \$2,000 to the operating account and return \$2,000, because client did not dispute attorney's fees.
 - d. Provide notice of arbitration and return funds to Client.
4. As a part of a partition matter, Client sells property and Court orders Lawyer to hold proceeds from the sale of the property until the Court issues an order dividing the proceeds from the sale. Which subsection provides guidance how Lawyer should handle the funds?
 - a. Rule 1.15 (b)
 - b. Rule 1.15(a)
 - c. Rule 1.15 (c)
 - d. Rule 1.15(d)
 - e. Both Rule 1.15(a) and (d)
5. Same partition matter, Court issues order regarding the division of proceeds from the sale of the property. Client disputes Lawyer's contingency fee percent. What should Lawyer do?
 - a. Hold the total proceeds until fee dispute is resolved.
 - b. Distribute settlement funds to opposing party only and keep Client's disbursement in trust.
 - c. Distribute opposing party's funds and client's percentage but keep contingency fee in trust until fee dispute is settled.
 - d. Distribute all division of funds including attorney's contingency fee and advise of fee arbitration.
6. Lawyer enters into an attorney client agreement and receives a retainer for future hourly legal services and costs. Lawyer may ethically obtain Client written consent to place the retainer in their operating account.
 - a. True
 - b. False
7. Lawyer enters into an attorney client agreement and receives a retainer for future hourly legal services and costs. Lawyer acted ethically when they placed the retainer in their trust account?
 - a. True
 - b. False
8. Lawyer bills clients monthly but prefers to leave client funds in trust until their operating account falls below \$15,000. Has Lawyer comingled funds?
 - a. Yes
 - b. No
9. Lawyer has a high volume practice where they routinely makes disbursements of several thousand dollars from trust. Lawyer leaves \$5,000 of the firm's money in trust to cover any bank charges. Has Lawyer comingled funds?
 - a. Yes
 - b. No

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- 10. An attorney-client flat fee may ethically include language “earned upon receipt” or the like.
 - a. True
 - b. False
- 11. Lawyer enters into a flat fee attorney client agreement for less \$500. Under which conditions, may an attorney place the fee in their operating account?
 - a. Verbally tell client that they will be placing funds in the operating account.
 - b. The fee is under \$1,000 therefore Rule 1.15 allow for the fee to be placed in the operating account.
 - c. Provide written notice to Client that the fee will be placed in the operating account.
- 12. Lawyer enters into a flat fee attorney client agreement for \$1,500. Under which conditions, may an attorney place the fee in their operating account?
 - a. Verbally tell client that they will be placing funds in the operating account.
 - b. The fee is under \$1,000 therefore Rule 1.15 allow for the fee to be placed in the operating account.
 - c. Provide written notice to Client that the fee will be placed in the operating account.
 - d. Provide written notice and seek consent from Client that the fee will be placed in the operating account.
- 13. Lawyer enters into a flat fee attorney client agreement for \$5,000 in a custody matter. The fee agreement included contract language making the fee earned in \$1000 increments based completion of certain milestones. Midway through the representation and before the matter has resolved, Client terminates the attorney-client relationship and demands the lawyer return \$2,000 of the flat fee. Assume the milestone for the forth increment has not been met, is the Client entitled to a refund?
 - a. Yes
 - b. No
- 14. Same fact pattern as question 13. Assume the milestone for the forth increment has been met, but Client disputes the fact that Lawyer earned the fees and demands a refund of \$2,000. What should Lawyer do?
 - a. Refund the \$2,000 because Client is entitled to a refund of unearned feed, under Rule 1.15 (b)
 - b. Keep the \$2,000 in trust until the fee dispute is resolved.
 - c. Place \$1,000 in the operating account, refund \$1,000 and advise Client of the fee dispute.
 - d. Refund \$1,000 to Client and keep \$1,000 in trust until the fee dispute is resolved.
- 15. Same fact pattern as question 13. Assume the milestone for the forth increment has been met, but Client asks for \$2,000 to be refunded, but does not dispute that the fees were earned. What should Lawyer do?
 - a. Refund the \$2,000 because Client is entitled to a refund of unearned feed, under Rule 1.15 (b)
 - b. Keep the \$2,000 in trust until the fee dispute is resolved.
 - c. Place \$1,000 in the operating account, and refund \$1,000.
 - d. Refund \$1,000 to Client and keep \$1,000 in trust until the fee dispute is resolved.

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