

## TRUST ACCOUNT OVERDRAFT NOTIFICATION AGREEMENT

\_\_\_\_\_ (“Financial Institution”) submits this Trust Account Overdraft Notification Agreement (“TAON Agreement”) to apply for approval to serve as a depository for lawyer trust accounts, including IOLTA and non-IOLTA trust accounts, pursuant to the requirements of Michigan Rule of Professional Conduct (“MRPC”) 1.15. In consideration for the approval, Financial Institution agrees to comply with the overdraft reporting requirements set forth in MRPC 1.15A, as amended from time to time, and with this TAON Agreement. The reporting requirements apply to all lawyer trust accounts, including both IOLTA trust accounts and non-IOLTA trust accounts that have been identified to the Financial Institution in writing as a lawyer trust account by the account holder pursuant to MRPC 1.15A(a)(2).

### FINANCIAL INSTITUTION AGREES:

- A. To report to the Grievance Administrator and to the trust account holder when any properly payable instrument is presented against a lawyer trust account containing insufficient funds or when any other debit to such account would create a negative balance in the lawyer trust account, whether or not the instrument or other debit is honored and irrespective of any overdraft protection or other similar privileges that may attach to such account. Financial Institution acknowledges that lawyer trust account funds may not be used for overdraft protection or similar privileges for any other account.
- B. That all overdraft reports shall contain the following information:
  - 1) The identity of Financial Institution;
  - 2) The identity of the account holder;
  - 3) The account number;
  - 4) Information identifying the transaction item; and
  - 5) The amount of overdraft and date created and either:
    - a. The amount of the returned instrument or other dishonored debit and the date returned or dishonored, or
    - b. Date of presentation for payment and the date paid.
- C. That in the case of a dishonored instrument or other dishonored debit, Financial Institution may submit a copy of the dishonored instrument or evidence of the other dishonored debit and a copy of the notice of dishonor it sends to the trust account holder if the notice of dishonor contains all of the information required in paragraphs B(1)-(5) above. This information may be provided in electronic format.
- D. To provide the information required by this TAON Agreement within five banking days after the date the item was paid or returned unpaid.

- E. That Financial Institution is not prohibited from charging the lawyer for the reasonable cost of providing the reports and records required by MRPC 1.15A, but those costs may not be charged against principal, nor against interest or dividends earned on lawyer trust accounts, including earnings on IOLTA accounts payable to the Michigan State Bar Foundation under MRPC 1.15.
- F. To respond to reasonable requests from the Grievance Administrator regarding the overdraft reports it makes pursuant to this TAON Agreement, including IOLTA and non-IOLTA account statements.
- G. To respond to reasonable requests from the State Bar of Michigan regarding internal processes pertaining to its system and procedures for making overdraft reports, including compliance information, identified problems, and corrective measures, so that any problems can be solved and administrative systems can be improved as needed.
- H. That this TAON Agreement applies to all locations of Financial Institution doing business in Michigan and to any successor entity to or acquiring entity of Financial Institution and cannot be cancelled by Financial Institution except on one hundred twenty (120) days notice in writing to the State Bar of Michigan. Upon notice of cancellation or termination of this TAON Agreement, Financial Institution agrees that it will notify all holders of lawyer trust accounts, which are subject to the provisions of MRPC 1.15A, at least ninety (90) days before termination of approved status that Financial Institution will no longer be approved to hold such trust accounts.
- I. That the State Bar of Michigan may terminate this TAON Agreement on one hundred twenty (120) days written notice to Financial Institution if the State Bar of Michigan determines in its sole discretion that Financial Institution has failed to comply with the terms of this TAON Agreement. Within this 120-day period, the State Bar of Michigan may offer Financial Institution an opportunity to correct such non-compliance and to submit written verification that the non-compliance has been corrected. Occasional inadvertent errors in reporting pursuant to this TAON Agreement shall not constitute a basis for terminating this TAON Agreement.
- J. That the designation of Financial Institution as an approved depository pursuant to MRPC 1.15A shall not be deemed to be a warranty, representation, or guaranty as to the financial soundness, business practices, or other attributes of Financial Institution. Financial Institution further agrees that approval of Financial Institution means only that Financial Institution has signed this TAON Agreement and will comply with its requirements related to trust account overdraft reporting.
- K. That within 30 days after a change of any of Financial Institution's contact information included below, Financial Institution will notify the State Bar of Michigan in writing of such change.

Date: \_\_\_\_\_

\_\_\_\_\_  
Signature of authorized officer

\_\_\_\_\_  
Name and title of authorized officer (please type or print)

Financial Institution Contact Information:

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Name of Financial Institution

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Address

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City

State

Zip Code

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Name of designated contact

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Department (e.g., Risk Management Department and/or position  
(e.g., Compliance officer) of designated contact

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Telephone number

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Facsimile number

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Email address

**Address of Grievance Administrator to which all Overdraft Reports must be sent:**

Grievance Administrator - TAON  
Buhl Building  
535 Griswold, Suite 1700  
Detroit, MI 48226  
Phone: (313) 961-6585  
Fax: (313) 961-6786 (ATTN: TAON)  
E-mail: [TAON@agcmi.com](mailto:TAON@agcmi.com)

Return completed form via email to [TAON@michbar.org](mailto:TAON@michbar.org)

**Questions?** – Contact the State Bar of Michigan Professional Standards Division at 517-346-6333 or [TAON@michbar.org](mailto:TAON@michbar.org).