



## TAON QUICK REFERENCE GUIDE

### TOP TEN FACTS FOR FINANCIAL INSTITUTIONS

**Fact 1:** MRPC 1.15A (Michigan Rule of Professional Conduct 1.15A), also known as the Trust Account Overdraft Notification (“TAON”) rule requires lawyers to keep their client or third person trust accounts in financial institutions approved by the State Bar of Michigan (“SBM”) to serve as a depository for lawyer trust accounts.

**Fact 2:** Financial institutions must obtain SBM approval to serve as a depository for lawyer trust accounts, including both IOLTA and non-IOLTA lawyer trust accounts as defined by MRPC 1.15(a) (“approved status”).

**Fact 3:** Financial institutions that submit a completed Trust Account Overdraft Notification Agreement (“TAON Agreement”) to the SBM, committing to provide overdraft reports to the account holder and the Grievance Administrator (“GA”), will receive SBM approved status. Submission of the completed TAON Agreement by September 7, 2010, ensured placement on the Approved List of Financial Institutions (“Approved List”) by September 15, 2010, the effective date of the TAON rule. The TAON agreement is available at [http://www.michbar.org/opinions/TAON\\_fillable.pdf](http://www.michbar.org/opinions/TAON_fillable.pdf).

**Fact 4:** Financial institutions may deliver the fully executed TAON Agreement to the SBM by: (i) email addressed to [TAON@mail.michbar.org](mailto:TAON@mail.michbar.org); (ii) facsimile to State Bar of Michigan, Professional Standards Division - TAON @ 517-372-2716; or (iii) first class mail or delivery the State Bar of Michigan, Professional Standards Division – TAON, 306 Townsend Street, Lansing, MI 48933. First class mail will be deemed delivered to the SBM upon its receipt by the SBM.

**Fact 5:** Within five business days of receipt of a TAON Agreement, the SBM will notify financial institutions of their approved status or provide a request for more information.

**Fact 6:** Financial Institutions that submit a TAON Agreement will be added to the Approved List as soon as practicable after the SBM receives the Agreement. The Approved List will be posted on the SBM’s website at <http://www.michbar.org/opinions/TAON>.

**Fact 7:** Lawyers must provide written notice to financial institutions of their non-IOLTA lawyer trust accounts to permit financial institutions to identify these accounts as lawyer trust accounts subject to the TAON rule. The form that lawyers should use is available at [http://www.michbar.org/opinions/TA\\_notice\\_fillable.pdf](http://www.michbar.org/opinions/TA_notice_fillable.pdf). Lawyers must submit the original to the financial institution and a copy of the form to the SBM.

**Fact 8:** Lawyers are not be permitted to maintain trust accounts at financial institutions that have not received SBM approved status and that do not appear on the Approved List.

**Fact 9:** TAON-participating financial institutions must submit overdraft reports identifying the (i) financial institution; (ii) account holder; (iii) account number; (iv) transaction item; and (v) amount of overdraft and date created and either the amount of the returned instrument or other dishonored debit and the date returned or dishonored, or the date of presentation for payment and the date paid. The overdraft reports are submitted to the Grievance Administrator at: TAON, 535 Griswold, Suite 1700, Detroit, MI 48226, facsimile (313) 961-6786 (ATTN: TAON), or E-mail, [TAON@agcmi.com](mailto:TAON@agcmi.com), and to the account holder, within five banking days. Failure to submit overdraft reports may result in termination of approved status, if the SBM, in its sole discretion, determines that noncompliance is deemed unacceptable and corrective measures insufficient.

**Fact 10:** Participating financial institutions must give a 120-day written notice to the SBM to cancel the TAON agreement and a 90-day written notice to holders of affected lawyer trusts accounts of the impending cancellation. The notice to lawyers must include the effective date of the termination and a copy must be submitted to the SBM.