



Maryland Legal Services Corporation

I O L T A

Interest on Lawyer Trust Accounts

Statement from the Chairman

Dear Friends and Colleagues:

I am pleased to present the Annual Report of the Maryland Legal Services Corporation (MLSC) for the fiscal year ending June 30, 2004. The Maryland General Assembly created MLSC and the Interest on Lawyer Trust Accounts (IOLTA) program in 1982 to help fund, preserve, improve, and expand civil legal services to Maryland's poor. Since our creation, MLSC has made grants of more than \$81 million to help provide services in more than 1.2 million legal matters for our state's families.



This has been another very active and productive year for MLSC and the legal services community in our state. This year we achieved a major victory for low-income Marylanders needing legal assistance with the passage of Maryland Senate Bill 316 — legislation that provides modest surcharge increases to our court's civil filing fees to help fund legal services. The importance of the support of the Maryland General Assembly, Governor Ehrlich, and Chief Judge Bell for this legislation cannot be overstated. Without this legislative success, our legal services delivery system would be in the midst of a serious crisis. During fiscal year 2004 we witnessed a drop in IOLTA revenue of more than twenty percent due to historically low interest rates, which would have resulted in unavoidable severe funding cuts to legal services providers throughout our state.

Moreover, this filing fee surcharge increase provides a degree of funding stability to Maryland's delivery system that has not previously existed. For the first time in the Corporation's history, IOLTA revenue, which by its very nature is unpredictable, will no longer comprise MLSC's primary source of funding. In addition to our gratitude to Maryland's Legislature, Governor and Chief Judge, we extend our sincere thanks to the legal services providers, the Maryland State Bar Association, and the many others whose efforts made this success possible.

This has also been a year of significant change for the leadership of the Corporation. In July 2003, I was elected by the MLSC Board to replace outgoing Chairman Herbert Garten, who had served as the Corporation's chair since 1994. Also, after seventeen years of exemplary service as the Corporation's executive director, Robert Rhudy resigned to pursue other opportunities and was replaced by the Corporation's long-time deputy director and director of operations, Susan Erlichman, providing for a seamless, effective transition during an extremely busy and challenging period.

During my first full year as MLSC's chairman, I have had the privilege of working with members of Maryland's legal services community, as well as members of the bench, bar, General Assembly, Office of the Governor, law firms, financial institutions and many other entities and individuals committed to access to justice for all. I look forward to our continued work together to ensure adequate funding to meet the legal needs of our most needy citizens and make "equal justice under law" a reality for all Marylanders.

Sincerely,

A handwritten signature in dark ink, appearing to read "E. Vernon Booser". The signature is fluid and cursive, written over a light-colored background.

E. Vernon Booser
Chairman

Overview — Maryland Legal Services Corporation

The Maryland Legal Services Corporation (MLSC) was established by the Maryland General Assembly in 1982 (Maryland Code Article 10, Sections 45A - 45O). The Corporation receives and distributes funds to nonprofit grantees that provide legal assistance to eligible clients in noncriminal proceedings or matters. MLSC assures that grants and contracts are made so as to provide the most stable, economical and effective delivery of legal assistance. It also ensures that eligible clients in all areas of the state have access to such services.

The Corporation, a nonprofit organization, is governed by a nine-member Board of Directors appointed by the Governor and confirmed by the Senate for three-year terms. Five members are attorneys admitted to practice in Maryland; four members are non-attorneys. The Board appoints the Corporation's Executive Director, who serves *ex officio* as a nonvoting member of the Board.

Legislative History

1982	MLSC & IOLTA enacted
1985	Unclaimed Property Fund appropriation - \$500,000
1989	IOLTA becomes mandatory
1998	Filing fee surcharge established; MLSC Fund created
2003	General revenue appropriation - \$300,000
2004	Filing fee surcharge increased; 2003 general revenue appropriation eliminated

The Maryland General Assembly also enacted the Interest on Lawyer Trust Accounts (IOLTA) program in 1982, constituting the Corporation's primary funding source. In 1984, the General Assembly amended Article 10, Section 45-O, effective July 1, 1985, directing the Governor to appropriate at least \$500,000 annually from the State Unclaimed Property Fund for the activities of the Corporation. During the 1989 legislative session, the General Assembly enacted legislation converting the State's voluntary IOLTA program to a mandatory program, effective July 1, 1989, in which all Maryland attorneys are required to place small or short-term client trust funds into an IOLTA account (Maryland Code Business Occupations, Section 10-303). During its 1998 term, the Maryland General Assembly, effective July 1, 1998, established a \$10 filing fee surcharge on all cases filed in circuit court and a \$2 surcharge on district court cases to help fund civil legal services. The legislature also created the "Maryland Legal Services Corporation Fund" (Courts and Judicial Proceedings, Section 7-408), into which all IOLTA revenues, Unclaimed Property money, and filing fee surcharge revenue for civil legal services are collected. Money from the fund is appropriated by the Maryland General Assembly annually for the purposes articulated in the Maryland Legal Services Corporation statute. The Maryland General Assembly approved a \$300,000 general revenue appropriation for the Corporation in 2003. During its 2004 term, the Maryland General Assembly amended Maryland Code Courts and Judicial Proceedings, Title 7, Sections 7-202 and 7-301, effective June 1, 2004, increasing the filing fee surcharge on all cases filed in circuit court to \$25; summary ejectment actions to \$5; and small claims actions to \$10. During that session, the 2003 general revenue appropriation was eliminated.

MLSC is statutorily required to publish an annual report describing its activities. This annual report covers the fiscal year July 1, 2003 through June 30, 2004.



An increase in court filing fee surcharges, effective June 1, 2004, will help stabilize civil legal services for low-income Marylanders.

Highlights of Activities

- An increase in filing fee surcharges enacted in the 2004 Maryland legislative session is estimated to generate an additional \$4.9 million in revenue for MLSC to support civil legal services for low-income Marylanders.
- Although IOLTA revenue was down more than 20%, the increased filing fee revenue averted severe funding cuts, enabled the MLSC Board to solicit supplemental grant requests for the second half of FY 2005, and will bring much needed stability to legal services funding in Maryland.
- Child custody representation through a reduced-fee model will be expanded beginning in January 2005 to cover most Maryland jurisdictions. Based on a successful pilot project in three counties through a joint initiative of MLSC and the Administrative Office of the Courts, private attorneys represent low-income persons in complex child custody cases at significantly reduced rates.
- Capital funding for computer software and hardware, telephone systems, other equipment and other one-time activities was made available in late 2004 using a *cy pres* award received in the prior year.
- Services to clients were up 4% in FY 2004, with MLSC grantees providing legal assistance in 109,419 cases. In addition, the programs reported that approximately 237,000 people (including client family members and others) directly benefited from services provided during this fiscal year.
- Staffing changes in 2004 brought a wealth of experience, assuring continued smooth operation of the organization. Susan M. Erlichman, long-time director of operations, replaced Robert J. Rhudy as executive director; Harriet Robinson joined MLSC as deputy director after many years of experience at the Legal Aid Bureau; and Rebecca Parker came on board as office assistant.
- At the close of FY 2004, MLSC committed grants totaling \$9,088,325 to 28 legal services programs for FY 2005. With help from the new filing fee surcharge, MLSC significantly increased its operating grant to the Legal Aid Bureau and solicited Requests for Proposals later in 2004 from other grantees for the second half of the fiscal year. The MLSC website, at www.mlsc.org, provides additional information about MLSC's grants, training, legal services employment opportunities, and other activities.

The Maryland Legal Assistance Network (MLAN), a project initiated by MLSC in partnership with Maryland's major legal services programs, completed its sixth year of operation engaged in the continued development, implementation, and expansion of legal information websites, a centralized intake system, and other initiatives to increase access to justice for low and moderate income persons. A comprehensive evaluation of MLAN was completed this year, which included findings documenting the project's many accomplishments and recommendations for MLAN's future development and direction. Several of the study's major recommendations have already been implemented, including the convening by Chief Judge Robert Bell of an MLAN Planning Summit, the relocation of MLAN's institutional home from MLSC to the Legal Aid Bureau, and the creation of a new MLAN Advisory Committee to assist with implementation and provide guidance and oversight for future MLAN development. For more information on MLAN activities and projects, contact Ayn Crawley at acrawley@mdjustice.org and visit www.peoples-law.org or www.mdjustice.org.

Legal Services Delivery Statistics

2003 - 2004

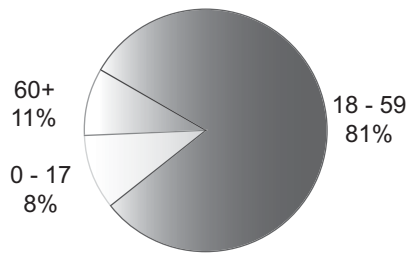
Legal Services by MLSC Grantees

Between July 1, 2003 and June 30, 2004, MLSC-funded legal services programs provided legal assistance to low-income clients in every jurisdiction in Maryland.

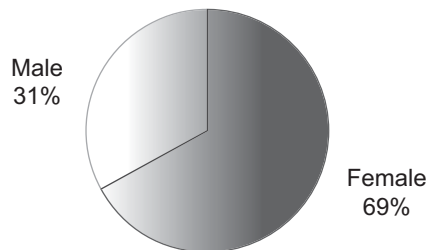
County/City of Origin	No. Cases
Anne Arundel County	12,219
Baltimore City	36,680
Baltimore County	9,051
Central Maryland	6,542
Eastern Shore	5,248
Montgomery County	6,457
Prince George's County	18,884
Southern Maryland	3,709
Western Maryland	8,574
Other	2,055
	109,419

Client Characteristics

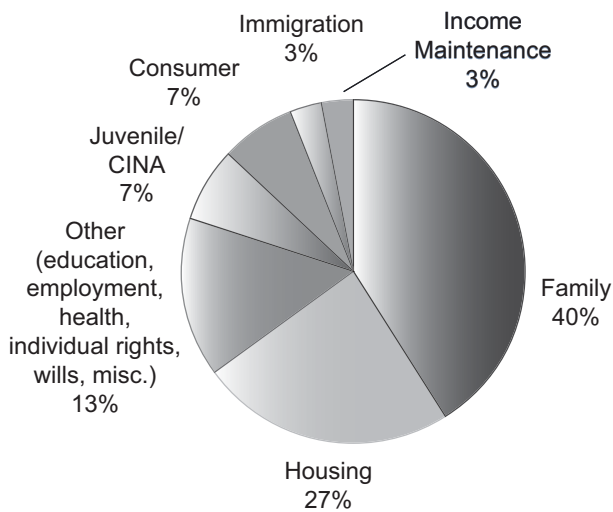
Age



Gender



Types of Cases



Services to clients were up 4% in FY 2004, with MLSC grantees providing legal assistance in 109,419 cases.



Lawyers in private practice in Maryland must place eligible client funds into an IOLTA account.

What Is IOLTA?

Attorneys routinely receive client funds to be held in trust for future use. If the amount is large or the funds are to be held for a long period, the attorney places the funds at interest for the benefit of the client. However, in the case of amounts that are small or are to be held for a short time, it is financially impractical to establish separate interest-bearing accounts for individual clients. Maryland Code Business Occupations Section 10-303 provides the rules governing IOLTA accounts.

LAWYERS — If you are a lawyer in private practice in the state of Maryland, you must place all eligible client trust funds into an IOLTA account. Your escrow accounts and banking relations will remain the same, and the Maryland Legal Services Corporation will pay reasonable and customary service charges on your IOLTA escrow account. (Maryland Rule 16-610 (b)(1)(D) prohibits extraordinary charges from deduction against IOLTA interest.)

FINANCIAL INSTITUTIONS — If you offer commercial checking accounts, you should provide the Interest on Lawyer Trust Accounts (IOLTA) Program to your lawyer customers. We will work directly with your representative to show you how easy it is to begin this worthwhile program.

We encourage attorneys, financial institutions and other interested parties to call or write for more information: Maryland Legal Services Corporation, 15 Charles Plaza, Suite 102, Baltimore, Maryland 21201 or call 410.576.9494 / Toll Free 1.800.492.1340.

Maryland Code Business Occupations Section 10-303

(a) In general. — Subject to this section a lawyer shall deposit trust money in an attorney trust account, all interest on which is payable to the Maryland Legal Services Corporation Fund established under §7-408 of the Courts Article.

(b) Trust money eligible for deposit. — A lawyer shall deposit trust money in an interest bearing account under this section whenever the lawyer reasonably expects that, for the period that the lawyer expects to hold the trust money, the interest that it would earn:

- (1) would not exceed \$50; or
- (2) (i) would exceed \$50; but

(ii) would not cover the cost of administering an interest bearing account on which interest is payable to the client or beneficial owner.

(c) Waiver. — The administrative office of the courts, in consultation with the Maryland Legal Services Corporation, may waive the provisions of subsection (b) of this section with respect to a lawyer or law firm that demonstrates that it will cost the Maryland Legal Services Corporation Fund more in service charges to open and maintain an attorney trust account with the interest payable to the Maryland Legal Services Corporation Fund than will be generated in interest by the attorney trust account.

(d) Duties of financial institutions.

(1) At least quarterly, each financial institution that has an account described under this section shall:

(i) deduct from the total interest accumulated in the account any service charge due on the account; and

(ii) pay the net interest to the Maryland Legal Services Corporation Fund.

(2) A financial institution:

(i) may not charge against the individual accounts of a lawyer any service charges for trust moneys in an account under this section; and

(ii) may charge the Maryland Legal Services Corporation Fund.

Financial Institution Relations

IOLTA accounts are offered to attorney clients by virtually every financial institution in the state that has been approved by the Attorney Grievance Commission of Maryland to receive escrow accounts of attorneys in accordance with Chapter 600 of the Maryland Rules governing Attorney Trust Accounts.

The Corporation publishes “A Guide to the IOLTA Program for Financial Institutions,” and regularly updates this publication. Updated copies of the guide are available by contacting MLSC at 410.576.9494 or 1.800.492.1340.

We appreciate the participation and support of Maryland’s financial institutions in the operation of the IOLTA program. We especially commend those banks and savings and loans which pay favorable interest rates on IOLTA accounts and have agreed to waive their normal account fees and service charges as an additional contribution to MLSC’s charitable activities.

IOLTA Honor Roll

We wish to acknowledge with special appreciation financial institutions of Maryland’s IOLTA Honor Roll. This initiative of the Maryland State Bar Association and MLSC recognizes financial institutions paying an annual net interest rate (gross interest minus charges) of at least 2% on all IOLTA deposits for Gold membership and at least 1.25% for Silver membership. Attorneys are encouraged to consider these “IOLTA-friendly” institutions for their banking needs.

IOLTA Nationwide

The American IOLTA programs, modeled on similar programs begun successfully in Canada, Australia and elsewhere in the 1970s, originated in Florida in 1981 to help replace federal and state funding cuts to civil legal services for the poor. All 50 states and the District of Columbia have established IOLTA programs.

MLSC is pleased to recognize financial institutions participating in Maryland’s IOLTA Honor Roll.

Gold Members

American Bank
Harbor Bank of Maryland
Maryland Bank & Trust Co., N.A.
Maryland Permanent Bank & Trust Co.
NBRS Financial
Provident State Bank
Sandy Spring Bank

Silver Members

Bay National Bank
Mercantile Safe-Deposit & Trust
Susquehanna Bank

Twenty-eight states in addition to Maryland have “comprehensive” or mandatory IOLTA programs (Arizona, Arkansas, California, Colorado, Connecticut, Florida, Georgia, Hawaii, Illinois, Indiana, Iowa, Louisiana, Massachusetts, Michigan, Minnesota, Montana, New Jersey, New York, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, Texas, Vermont, Washington, West Virginia, Wisconsin), requiring all attorneys to deposit their non-interest-bearing client escrow funds in IOLTA accounts, while the remaining 22 programs allow for voluntary or “opt-out” participation.

The American Bar Association (ABA) Commission on IOLTA, the ABA IOLTA Clearinghouse and the National Association of IOLTA Programs provide technical assistance on the establishment and operation of IOLTA programs.

MLSC is pleased to recognize financial institutions participating in the IOLTA Honor Roll program.



*MLSC
committed
operating
grants
totaling
\$9,088,325
to 28 legal
services
programs for
the coming
year.*

Grants and Grantee Profiles

The Maryland Legal Services Corporation approved 2004-2005 operating grants totaling \$9,088,325 to 28 legal services providers. MLSC funding supplements other federal, state and private sources for civil legal assistance. The MLSC grant recipients are:

Allegheny Law Foundation, Inc. - \$28,759. Christie Fontaine-Covington, Executive Director. The Foundation serves low-income clients through the efforts of a small in-house staff and a panel of attorneys handling cases on a pro bono or reduced fee basis.

Alternative Directions, Inc. - \$128,558. Mary Joel Davis, Executive Director. Alternative Directions provides free legal assistance, primarily with family and domestic legal issues, to persons in prison or recently released from incarceration. The program also provides monthly workshops to prisoners on legal rights and responsibilities.

American Civil Liberties Union of Maryland (ACLU) - \$36,965. Susan Goering, Executive Director. ACLU receives MLSC funding to provide legal representation to low-income persons statewide in matters involving racial discrimination, police abuse and jail conditions.

Associated Catholic Charities - Baltimore (ACC) - \$27,000. Cindy Fickes, Director. Associated Catholic Charities Immigration Legal Services Project provides client screening, counseling and legal representation for low-income persons in the Baltimore metropolitan area in a wide array of immigration matters.

Baltimore Neighborhoods, Inc. (BNI) - \$74,163. Joseph J. Coffey, Executive Director. MLSC's grant award supports BNI's operation of its statewide landlord/tenant counseling hotline.

CASA of Maryland, Inc. - \$57,376. Gustavo Torres, Executive Director. CASA receives MLSC funding for its Employment Rights Project, which assists Latin Americans and other day laborers in Montgomery and Prince George's counties and Baltimore City with employment related legal issues.

Catholic Charities of the Archdiocese of Washington, Inc. - \$89,528. Edward Orzechowski, Executive Director. Catholic Charities/Archdiocese of Washington Immigration Legal Services provides legal assistance and representation to low-income persons with immigration problems from its offices in Silver Spring and Washington, D.C. The MLSC grant supports services to clients residing primarily in Prince George's and Montgomery counties.

Community Law Center, Inc. (CLC) - \$47,295. Anne Blumenberg, Executive Director. CLC provides legal counsel and representation to nonprofit organizations that represent issues of low-income people and are unable to afford private counsel. MLSC's grant supports CLC's pro bono project.

Domestic Violence Center of Howard County - \$24,130. Jodi Finkelstein, Executive Director. Howard County's Domestic Violence Center receives funding from MLSC to support its legal services project, which serves low-income domestic violence victims in Howard County.

Harford County Bar Foundation, Inc. - \$33,160. Sharon Hill, Executive Director. The Harford County Bar Foundation operates a pro bono legal services program, providing intake and referral services to low-income persons with civil legal problems.

Health Education Resource Organization (H.E.R.O.) - \$48,722. Leonardo Ortega, Executive Director. H.E.R.O. is a Baltimore-based nonprofit agency that helps persons with HIV infection and AIDS cope with the health, social, economic and emotional problems caused by their illness. MLSC's grant enables the organization to provide legal services to this client population.

Heartly House, Inc. - \$39,092. Sue Hecht, Executive Director. Heartly House is a private, nonprofit agency serving victims of domestic violence, rape and sexual assault in Frederick County. MLSC's grant enables the organization to provide legal services to low-income victims of domestic violence.

Homeless Persons Representation Project (HPRP) - \$130,890. Dianne Pasternack, Acting Executive Director. HPRP provides staff and pro bono assistance in a range of housing and other legal matters to clients in homeless shelters in Baltimore City and Anne Arundel, Baltimore, Howard and Montgomery counties.

House of Ruth - \$242,254. Carole Alexander, Executive Director. House of Ruth's Domestic Violence Legal Clinic provides legal assistance to low-income victims of domestic violence from offices in Baltimore City and Prince George's and Montgomery counties. The clinic also provides technical assistance and training to spouse abuse centers and interested community organizations statewide.

Law Foundation of Prince George's County - \$111,834. Neal Conway, Executive Director. The Law Foundation of Prince George's County provides civil legal assistance to low-income persons of Prince George's County through a panel of volunteer attorneys.

Legal Aid Bureau, Inc. (LAB) - \$6,245,200; \$250,000 Challenge Grant. Wilhelm H. Joseph, Jr., Executive Director. Established in 1911, LAB is Maryland's primary provider of civil legal services to low-income persons. MLSC funds are used to fund attorney and paralegal positions providing general civil legal assistance to low-income persons throughout Maryland.

Maryland Crime Victims Resource Center, Inc. - \$82,800. Russell Butler, Executive Director. Formerly the Stephanie Roper Foundation, this statewide victim's rights organization receives MLSC funding to disseminate information on victim's rights to all Marylanders and provide specialized legal services to indigent crime victims.

Maryland Disability Law Center (MDLC) - \$475,537. Gary Weston, Executive Director. MDLC provides free representation for disabled children and adults statewide with legal problems related to their disabilities. It continues its collaboration with the **Maryland Coalition for Inclusive Education** through a subcontract of \$25,056 to provide representation to disabled children seeking to be educated in the least restrictive environment. MDLC, in conjunction with MVLS and LAB, also administers the School House Legal Services Project.

Maryland Public Interest Law Project (MPILP) - \$28,000. Alexandra Freemire and Megan Rector, Co-Presidents. MPILP, located at the University of Maryland School of Law, encourages law students to enter public interest law practice and offers law students from the University of Maryland and the University of Baltimore paid internships at public interest organizations of their choice. MLSC's grant will provide funding for eight summer internships at MLSC-funded legal services programs.

Maryland Volunteer Lawyers Service (MVLS) - \$234,015. Winifred C. Borden, Executive Director. MVLS is a statewide program that places low-income persons with civil legal problems with volunteer or reduced-fee attorneys. In addition to funding for its direct referral program, MLSC also funds a litigation expense fund administered by MVLS for other pro bono programs throughout the state.

Mid-Shore Council on Family Violence, Inc. - \$26,125. Jeanne Yeager, Executive Director. The Mid-Shore Council receives MLSC funding for its reduced-fee legal services program to provide representation for low-income victims of domestic violence in Caroline, Dorchester, Kent, Queen Anne's and Talbot counties.

Montgomery County Bar Foundation - \$104,580. Beverly C. Mondin-VanderHaar, Executive Director. The Montgomery County Bar Foundation operates a pro bono program in which attorneys are recruited to take pro bono cases in their area of expertise. The program also conducts community outreach to Montgomery County's Latin American population.

Pro Bono Resource Center (PBRC) - \$137,972. Sharon E. Goldsmith, Executive Director. PBRC is a statewide pro bono support center created in 1990 by the Maryland State Bar Association to coordinate pro bono training and activities and maximize volunteer attorney services provided to low-income Maryland residents. The Center provides support for pro bono programs throughout the state.

Public Justice Center, Inc. (PJC) - \$117,189. John Nethercut, Executive Director. PJC provides legal representation to the underrepresented, particularly children, the mentally ill and victims of discrimination, through the services of both an in-house staff and pro bono attorneys. The Center also operates the Tenant Advocacy Project, providing low-income tenants representation in rent court by qualified lay advocates.

St. Ambrose Housing Aid Center, Inc. - \$97,888. Vincent P. Quayle, Executive Director. St. Ambrose Legal Services Program, a project of St. Ambrose Housing Aid Center, Inc., provides free legal assistance to low-income homeowners who are in danger of losing their homes because of fraudulent mortgage schemes, tax or judicial liens or have been victimized by home improvement fraud. Services are provided by in-house staff and a panel of volunteer attorneys.

Southern Maryland Center for Family Advocacy - \$39,318. Laura Joyce, Executive Director. The former Southern Maryland Women's Center provides legal services to low-income clients of St. Mary's, Charles and Calvert counties. Services provided are primarily in the area of domestic relations, with particular emphasis on cases involving domestic violence.

University of Maryland School of Law - \$63,475. Brenda Blom, Clinical Director. An MLSC grant to the University of Maryland Clinical Law Office helps to continue the HIV Legal Representation Project, in which law students provide legal services to persons with AIDS and HIV infection at the University of Maryland Hospital.

Women's Law Center, Inc. (WLC) - \$66,500. Tracy Brown, Executive Director. The Women's Law Center was established in 1971 to meet the special legal needs of women. MLSC's grant enables WLC to continue its statewide Family Law Hotline. In collaboration with the Legal Aid Bureau, WLC operates its hotline five days per week. It is staffed with experienced pro bono family law practitioners and LAB staff attorneys.

The MLSC Board of Directors also provided a \$257,500 grant made available through the Administrative Office of the Courts to continue the staff attorney component of the Child Custody Project undertaken by the Legal Aid Bureau, as well as granting \$129,000 for the reduced-fee component of the project to the Law Foundation of Prince George's County, the Montgomery County Bar Foundation and YWCA of Annapolis and Anne Arundel County.

MLSC also awarded one-time funding of \$33,500 to the **Community Mediation Program, Inc.**, which provides trained volunteer mediators to resolve conflicts to achieve stability for separating families and assistance with small claims in partnership with over 130 community groups in Baltimore City.



Child custody representation through a reduced-fee model will be expanded in the coming year to cover most Maryland jurisdictions.



Awards and Annual Reception

Each year, the Corporation solicits nominations and presents the Arthur W. Machen, Jr. Award, the Benjamin L. Cardin Distinguished Service Award and the William L. Marbury Outstanding Advocate Award to persons who have contributed significantly to the provision of legal services to the poor. Beginning in 2004, the Herbert S. Garten Public Citizen Award will also be given annually. The new Maryland Legal Services Corporation Medal for Access to Justice, MLSC's highest honor, will be given only when warranted.



The Corporation honored award recipients at the Annual Awards Reception on December 6, 2004 at the Radisson Plaza Lord Baltimore Hotel. *Standing (L-R):* Del. Joseph Vallario, Jervis Finney, Robert Rhudy, Chief Judge Robert M. Bell, Del. Samuel Rosenberg, Sen. Brian Frosh. *Seated (L-R):* Patricia Campbell, Del. Pauline Menes, Peter Holland, Susan Erlichman.

Award Winners

Robert J. Rhudy

Anne B. Gallagher

Patricia A. Campbell

Office of the Governor

Maryland General Assembly

Hon. Robert M. Bell

The Arthur W. Machen, Jr. Award is presented to a person who has rendered extraordinary public service by providing legal representation to the poor or by improving the delivery of legal services in Maryland. This year's award was presented to **Robert J. Rhudy**, whose many years of dedicated service to legal services included serving as executive director of MLSC for 17 years, where his contributions greatly enhanced access to justice for Maryland's low-income residents.

The William L. Marbury Outstanding Advocate Award was created to recognize a person who has demonstrated outstanding advocacy in Maryland on behalf of low-income persons. MLSC presented this award to **Patricia A. Campbell**, victim advocate of Heartly House, who has represented victims of domestic violence, rape and sexual assault in Frederick County for the past 12 years.

The Benjamin L. Cardin Distinguished Service Award is presented to an outstanding public interest lawyer who regularly provides civil legal services to the poor. This award was presented posthumously to **Anne B. Gallagher**. During her 10-year legal career, Ms. Gallagher of Lee, Leahy & McCaig, L.L.C. served hundreds of children in need of assistance on Maryland's Eastern Shore.

The Herbert S. Garten Public Citizen Award is presented to an entity or organization that has demonstrated an extraordinary commitment to increase access to justice for the poor in Maryland. This year the award was presented to the **Office of the Governor** and the **Maryland General Assembly** for their overwhelming support of the increase in filing fee surcharges to provide a stable source of revenue to help meet the legal needs of Maryland's low-income residents.

THE CORPORATION IS PLEASED TO ACKNOWLEDGE, WITH SPECIAL APPRECIATION, THE SUPPORT OF THE FOLLOWING INDIVIDUALS AND ORGANIZATIONS FOR THEIR GENEROUS CONTRIBUTIONS:

PATRON

Law Offices of Peter G. Angelos • Ballard Spahr Andrews & Ingersoll LLP • Fedder & Garten, PA • Gallagher Evelius & Jones LLP • Goodell, DeVries, Leech & Dann, LLP • M&T Bank • Village Settlements, Inc. • Whiteford, Taylor & Preston L.L.P.

DONOR

Beins, Goldberg & Gleiberman • Gordon, Feinblatt, Rothman, Hoffberger & Hollander, LLC • Lerch, Early & Brewer, Chtd. • Linowes and Blocher LLP • Arthur W. Machen, Jr. • Maryland State Bar Association • Ober, Kaler, Grimes & Shriver • Piper Rudnick LLP • Saul Ewing LLP • Shapiro Sher Guinot & Sandler, P.A. • University of Baltimore School of Law • University of Maryland Baltimore Foundation, Inc. • Wilmer, Cutler & Pickering

SPONSOR

Baxter Baker Sidle Conn & Jones, PA • Ellin & Tucker, Chtd. • Jervis Spencer Finney • Law Offices of Mark B. Martin, P.A. • George W. McManus, Jr. • Network Business Solutions • Nolan, Plumhoff & Williams, Chtd.

MLSC Awards Nominations

Nominations for the 2005 Arthur W. Machen, Jr. Award, the Benjamin L. Cardin Distinguished Service Award, the William L. Marbury Outstanding Advocate Award and Herbert S. Garten Public Citizen Award must be received by the Corporation NO LATER THAN 5:00 p.m., JUNE 30, 2005. Anyone may submit a nomination; however, current members of the Board of Directors and staff are not eligible for the awards. Nomination forms are available from the Corporation, but are not required. The Corporation will honor the awardees at the MLSC 2005 Annual Awards Reception. For further information, please contact the Maryland Legal Services Corporation (410.576.9494 / 1.800.492.1340 / www.mlsc.org).

The Maryland Legal Services Corporation Medal for Access to Justice, newly created by the Board in 2004 to honor members of the bench or bar who have displayed an extraordinary commitment to furthering access to justice for the poor, was presented to the Honorable Robert M. Bell, Chief Judge of the Maryland Court of Appeals. MLSC, Maryland's legal services providers, and most importantly the low-income clients they serve benefit beyond measure from Chief Judge Bell's multi-faceted support of access to justice for all Marylanders. MLSC is privileged to create this award in Chief Judge Bell's honor and have him as its first recipient.

Chief Judge Robert M. Bell, pictured with MLSC Chairman F. Vernon Boozer, is the first recipient of an award that hereafter will be known as the Robert M. Bell Medal for Access to Justice.



*Chief Judge
Bell received
MLSC's newly
created Medal
for Access to
Justice.*



Financial Statements 2004

Statement of Financial Position

June 30, 2004

ASSETS

CURRENT ASSETS:

Cash and Cash Equivalents	\$ 543,336
Repurchase Agreements	308,201
Investments	3,066,089
Due from the State	1,629,765
Other Current Assets	<u>2,785</u>
Total Current Assets	5,550,176

PROPERTY AND EQUIPMENT:

Equipment	53,233
Computer Software	21,083
Furniture and Fixtures	6,675
Leasehold Improvements	<u>3,261</u>
	84,252
Less: Accumulated Depreciation	<u>75,221</u>
Property and Equipment, Net	<u>9,031</u>

OTHER ASSETS

Total Assets	<u>1,640</u>
	<u>\$5,560,847</u>

LIABILITIES AND DEFICIT

CURRENT LIABILITIES:

Accounts Payable & Accrued Expenses	59,848
Due to the State	80,550
Grant Awards Payable	<u>9,261,826</u>
Total Current Liabilities	9,402,224

DEFERRED COMPENSATION

Total Liabilities	<u>—</u>
	<u>9,402,224</u>

NET ASSETS (DEFICIT):

Unrestricted	(4,026,687)
Temporarily Restricted	<u>185,310</u>
Total Deficit	(3,841,377)
Total Liabilities & Deficit	<u>\$5,560,847</u>

Due to historically low interest rates, FY 2004 IOLTA revenue decreased by more than twenty percent.

Statement of Activities
For the Year Ended June 30, 2004

PUBLIC SUPPORT & REVENUE	Unrestricted	Temporarily Restricted	Total
Public Support			
Contributions	\$ 268	\$ —	\$ 268
Unclaimed Class Action Awards	424,783	—	424,783
State of Maryland Appropriations			
Legal Assistance	6,400,000	1,329,765	7,729,765
Maryland Legal Assistance Network	<u>—</u>	<u>170,000</u>	<u>170,000</u>
	<u>6,825,051</u>	<u>1,499,765</u>	<u>8,324,816</u>
 Revenue			
Investment Income	169,218	3,610	172,828
Annual Awards Reception	14,141	—	14,141
Program Service Revenue	—	147,849	147,849
Other Income	3,185	—	3,185
Net Assets Released from Restrictions	<u>1,749,623</u>	<u>(1,749,623)</u>	<u>—</u>
	<u>1,936,167</u>	<u>(1,598,164)</u>	<u>338,003</u>
Total Public Support & Revenue	<u>8,761,218</u>	<u>(98,399)</u>	<u>8,662,819</u>
 EXPENSES			
Program Services			
Legal Assistance	9,790,860	—	9,790,860
Maryland Legal Assistance Network	<u>599,512</u>	<u>—</u>	<u>599,512</u>
Total Program Services	10,390,372	—	10,390,372
 Support Services			
Management and General	<u>261,256</u>	<u>—</u>	<u>261,256</u>
Total Expenses	<u>10,651,628</u>	<u>—</u>	<u>10,651,628</u>
Change in Net Assets	(1,890,410)	(98,399)	(1,988,809)
 NET ASSETS (DEFICIT)			
Beginning of Year	<u>(2,136,277)</u>	<u>283,709</u>	<u>(1,852,568)</u>
NET ASSETS (DEFICIT)			
End of Year	<u>\$(4,026,687)</u>	<u>\$ 185,310</u>	<u>\$(3,841,377)</u>

Note: The Corporation records a liability for unconditional grant awards when the awards are approved by the Board of Directors. These awards are expected to be disbursed during the fiscal year ended June 30, 2005 primarily from support and revenue received during the year.



*MLSC-funded
legal services
programs
provided legal
assistance to
low-income
clients in
every
jurisdiction in
Maryland.*



MLSC funds are used by grantees to provide legal assistance to eligible clients in noncriminal proceedings or other matters.

Grant Process

How Grants Are Made

The Maryland Legal Services Corporation annually awards grants to nonprofit organizations which provide civil legal services to eligible persons. Grants are awarded pursuant to Maryland Code Article 10, Section 45 with an emphasis on areas of need identified in Maryland's legal needs study, "Action Plan for Legal Services to Maryland's Poor."

By statute, the Corporation's funds must be used by grantees to provide legal assistance to eligible clients in noncriminal proceedings or other matters. The definition of "legal assistance" means the legal representation of eligible clients and includes training, research, coordination with private attorneys and other activities necessary to ensure the delivery of quality legal services.

MLSC annually requires programmatic and financial audits of each grantee to assure compliance with the terms and conditions of the grant award. The Corporation also encourages coordination among the grantees and provides technical assistance to promote improvements in legal services delivery.

For a more detailed description of funding guidelines, potential grantees should review Maryland Code Article 10, Section 45 and request a copy of MLSC's grant application packet. A nonprofit organization interested in applying for a grant should send a brief description of the proposed program to the Corporation. If the proposed program appears to fit grant guidelines, the Corporation will request a formal application and more detailed information.

A decision on each grant application is made by the Corporation's Board of Directors.

Timetable for the 2005-2006 Grant Awards

Deadline for Applications:	March 15, 2005
Selection of Grantees:	May 31, 2005
First Disbursement:	July 15, 2005

Requests for information and inquiries about grants should be directed to:

Harriet Robinson
Deputy Director
Maryland Legal Services Corporation
15 Charles Plaza, Suite 102
Baltimore, Maryland 21201
410.576.9494 or
800.492.1340 (toll free)
e-mail: hrobinson@mlsc.org

Board of Directors and Staff

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Susan M. Erlichman, Executive Director

Harriet Robinson, Deputy Director

Rebecca Parker, Office Assistant



Standing (L-R): Susan Erlichman, Nathaniel Jones, Douglas Bregman, Vernon Boozer, Douglas Snyder, Robert Kershaw, Harriet Robinson. *Seated (L-R):* Bedelia Commodore, Connie Koenig.

About the Board

F. Vernon Boozer, Esq. – Towson – Principal, Cohavey & Boozer, P.A.; Former Member, Maryland Legislature – House of Delegates and Senate; A.B., Duke University; J.D., University of Maryland School of Law.

Douglas M. Bregman, Esq. – Bethesda – Partner, Bregman, Berbert, Schwartz & Gilday, LLC; B.A., Colgate University; J.D., Georgetown University Law Center.

Bedelia Commodore – Barclay – Chaplain, Eastern Pre-Release Unit; Pastor, Boardly's Chapel A.M.E. Church; Bachelor of Christian Ministry, Chesapeake Bible College & Seminary; Master of Ministry, Chesapeake Bible Seminary.

Reginald L. Jenkins – Silver Spring – Consultant, Safety Technologies; Manager, Safety and Environmental Technologies, Verizon Communications (retired); B.A., Macalester College; M.S., Safety Management, West Virginia University.

Nathaniel E. Jones, Jr., Esq. – Baltimore – Member, Jones & Associates, PC; B.S., Cornell University; M.B.A., Stanford University; J.D., Stanford University.

Robert B. Kershaw, Esq. – Baltimore – Managing Principal, Ward Kershaw, P.A.; A.B., Princeton University; J.D., University of Maryland School of Law.

Joyce Knox Moorehead, Esq. – Baltimore – Managing Partner/Owner, Law Offices of Joyce H. Knox; B.S., Bethune Cookman College; M.S., Boston University; J.D., University of Arkansas.

Connie J. Koenig – Brunswick – Field Manager, Center for Studies on Alcohol, WESTAT; Secretary, Brunswick Planning & Zoning Commission; B.S., University of Nebraska; M.S. and M.A., Hood College.

Douglas S. Snyder – Bowie – Adjunct Professor of Sociology, Prince George's Community College; Professor of Sociology (emeritus), Bowie State University; B.A., University of Iowa, M.S., Purdue University, Ph.D., University of Washington.

Susan M. Erlichman, Esq. – Executive Director, Maryland Legal Services Corporation; B.A., University of Vermont; J.D., Temple University School of Law.



There is a need to provide equal access to the system of justice for individuals who seek redress of grievances. There is a need to continue and expand legal assistance to those who would otherwise be unable to afford adequate legal counsel. The availability of legal services reaffirms faith in our government of laws. The funding of legal assistance programs for those who are unable to afford legal counsel will serve the ends of justice and the general welfare of all Maryland citizens.

Preamble, Maryland Legal Services Corporation Act, Maryland Code, Article 10, Section 45B, 1982.



Maryland Legal Services Corporation

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Baltimore, Maryland 21201

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www.mlsc.org