

Maryland Legal Services Corporation  
Celebrates 25 Years!



Fiscal Year 2007 Annual Report  
July 1, 2006 to June 30, 2007

IOLTA  
Interest on Lawyer Trust Accounts

# Maryland Legal Services Corporation Celebrates 25 Years!



Dear Friends and Colleagues,

We are pleased to present the Annual Report of the Maryland Legal Services Corporation (MLSC) for the fiscal year ending June 30, 2007. Since the creation of MLSC and the Interest on Lawyer Trust Accounts (IOLTA) program in 1982, we have made grants of more than \$108 million to help provide civil legal assistance to low-income Marylanders in more than 1.5 million legal matters.

We reached a milestone this year and celebrated twenty-five years of expanding access to justice for all in our state. This report highlights our celebration and awards ceremony in December, chronicles our milestones from 1982 to 2007 and highlights our accomplishments for the past year.

MLSC has accomplished much over its history, from the creation of IOLTA to the commissioning of the Cardin Advisory Council, which led to mandatory IOLTA, the expansion of legal services, including pro bono services and law school clinics. Later MLSC funded an advisory council that ultimately created a Family Court and other improvements to the practice of family law. The delivery of legal services in Maryland has also benefited from the addition of a stable source of revenue from filing fee surcharge legislation.

MLSC continues the excellent working relationships it has enjoyed over the past twenty-five years with members of Maryland's legal services community, as well as members of the bench, bar, General Assembly, Office of the Governor, financial institutions, law schools and many others as it continues to create innovations in legal services delivery and new initiatives to increase revenues. We look forward to working with the judiciary in the implementation of Maryland's new Access to Justice Commission, as well as implementing initiatives underway to assure fair rates of return on IOLTA deposits to help further narrow Maryland's "justice gap."

We look forward to continuing our collaboration to further our mission of ensuring access to justice for all low-income Marylanders.

Sincerely,

A handwritten signature in cursive script, appearing to read "F. Vernon Boozer".

F. Vernon Boozer  
Chair

A handwritten signature in cursive script, appearing to read "Susan M. Erlichman".

Susan M. Erlichman  
Executive Director

# 2007 Highlights

**Grant Awards:** In FY 2007, MLSC awarded \$10.9 million in grants to 34 legal services providers for operating funds, special projects, challenge grants and one-time funds. Two new programs were added: Mid-Shore Pro Bono Project and Whitman-Walker Clinic Legal Services.

**Revenue:** IOLTA income increased significantly in FY 2007, bringing in \$6.4 million to help fund legal services programs. This 49% increase was largely the result of several major banks with large IOLTA deposits joining the IOLTA Honor Roll. Filing fee surcharge revenue generated \$6.9 million, similar to the previous year. Overall, MLSC income was approximately \$14.4 million in FY 2007, up 24%, enabling the corporation to increase some operating grants, provide funding for infrastructure improvements and add new programs in the next grant cycle.

**Judicare Study:** In early 2007 a study was commissioned by the Maryland State Bar Association (MSBA) Section on Delivery of Legal Services with support from the Administrative Office of the Courts (AOC) to review the potential of reinstating “Judicare,” which uses private lawyers paid reduced fees to serve low-income persons who could not otherwise obtain civil legal services, with the anticipation of funding a pilot Judicare project in the coming year.

**MLSC Milestone:** MLSC celebrated its 25th anniversary at its annual awards event in December and held a symposium with the University of Maryland Law Journal of Race, Religion, Gender and Class in October focusing on MLSC history, accomplishments and agenda for the future. The proceedings will be published in the journal and are posted at [www.law.umaryland.edu/journal/rrgc/upcoming\\_symposia.asp](http://www.law.umaryland.edu/journal/rrgc/upcoming_symposia.asp).

**IOLTA Comparability:** In December 2007, the Maryland Court of Appeals adopted an IOLTA “Comparability” Rule, requiring banks to pay rates on IOLTA accounts comparable to those paid to other customers, when the IOLTA account meets the same minimum balance or other requirements. MLSC joins 17 other states with such rules.

**Delivery Statistics:** Services to clients in FY 2007 were similar to the prior year, with MLSC grantees opening 105,824 new cases. Approximately 166,000 individuals and families directly benefited from this legal assistance.

## Delivery Statistics

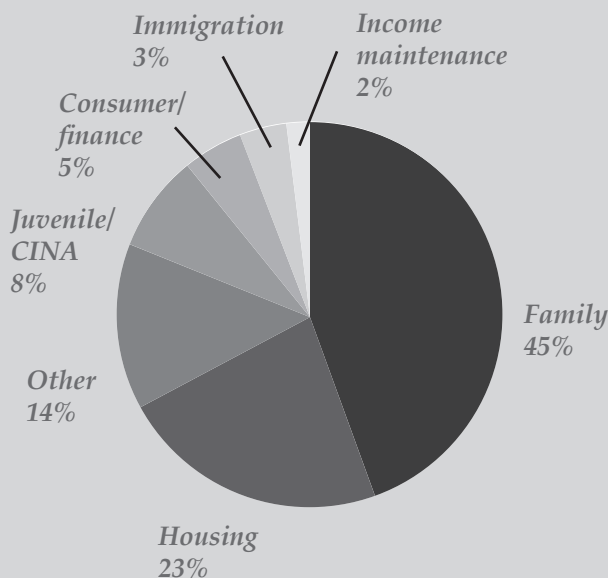
Between July 1, 2006 and June 30, 2007, legal services programs receiving MLSC funding provided legal assistance to low-income clients in every jurisdiction in Maryland.

### Client Residence

Anne Arundel County.....	10,726
Baltimore City .....	34,840
Baltimore County .....	9,417
Central Maryland .....	6,248
Eastern Shore .....	5,453
Montgomery County .....	6,959
Prince George’s County .....	17,717
Southern Maryland .....	3,431
Western Maryland .....	7,156
Other .....	2,386

**Total (closed cases) .....**104,333

## Types of Closed Cases



# Maryland Legal Services Corporation Timeline 1982 - 2007

1982

The Maryland General Assembly established a voluntary Interest on Lawyer Trust Account (IOLTA) program and created the Maryland Legal Services Corporation (MLSC) to administer the program.



1984

MLSC awarded \$307,500 in grants to House of Ruth, Legal Aid Bureau, Maryland Disability Law Center and Maryland Volunteer Lawyers Service.

1987

MLSC asked then Congressman Benjamin L. Cardin to chair an advisory council to study legal services needs in Maryland.

1989

The General Assembly enacted legislation converting IOLTA to a mandatory program, stemming from one of the recommendations of the Cardin "Action Plan."

MLSC awarded "Small Innovative Grants" to encourage nonprofit organizations to develop new approaches to expand civil legal services in the state.

1990

The "People's Pro Bono Campaign" with the Maryland State Bar Association, headed by President Herbert S. Garten, was followed by funding from MLSC to the newly-created Pro Bono Resource Center.



1985

MLSC held its first Awards Banquet and presented the Arthur W. Machen, Jr. Award to Mr. Machen.

The General Assembly appropriated \$500,000 annually from the State Abandoned Property Fund for the activities of MLSC, the only IOLTA program in the country with this source of funding.

## Expanding Civil Legal Assistance to Maryland's Poor

Benjamin L. Cardin\* and Robert J. Rhudy\*\*



In May 1987, the Maryland Legal Services Corporation created a thirty-member Advisory Council of bar leaders, judges, public officials, law school faculty, and human services providers throughout Maryland.

1992

MLSC funded the Advisory Council on Family Legal Needs of Low Income Persons, which produced a report, "Increasing Access to Justice for Maryland's Families," that led to the creation of the Family Court and many new laws to address domestic violence and improve the practice of family law.



1988

Cardin's Advisory Council published the "Action Plan for Legal Services to Maryland's Poor" – the blueprint for the future of legal services in Maryland, which proposed doubling total resources for legal services for Maryland's poor and made 41 recommendations.



# MLSC 2007 Awards Celebration

Each year, the Corporation solicits nominations and presents awards to persons who have contributed significantly to the provision of legal services to the poor. MLSC held a 25th Anniversary Celebration and Awards Ceremony at the Tremont Grand on December 10, 2007. The event featured guest host Marc Steiner of WYPR 88.1 FM and the premiere showing of a short video of the history of MLSC and our vision for the future of access to justice for all in Maryland.



*J. Joseph Curran, Jr. and Judge Dennis M. Sweeney enjoy the MLSC 25th anniversary commemorative program.*

## Awards

The Robert M. Bell Medal for Access to Justice was presented to Hon. J. Joseph Curran, Jr., former Attorney General for Maryland and now counsel to the Maryland Injured Workers Fund, for his extraordinary commitment to furthering access to justice for the poor throughout his distinguished career. MLSC created this award in 2004 and presented it to Chief Judge Bell, after which the award was named in his honor to be given only when warranted.

The Arthur W. Machen, Jr. Award was presented to Connie Kratovil Lavelle, who has been a legal services attorney, private practitioner and now deputy director of the Department of Family Administration of the Administrative Office of the Courts, for her extraordinary public service by providing legal representation to the poor and improving the delivery of legal services in Maryland.



*Chief Judge Robert M. Bell (far left) and Susan M. Erlichman, MLSC Executive Director (far right) with 2007 awardees: Standing, L-R: Douglas M. Bregman; J. Joseph Curran, Jr.; Barbara Gzrincic and Christopher Eddings, The Daily Record; John H. Michener. Seated, L-R: Maureen Larenas; Lauren Young; Connie Kratovil Lavelle.*



*Former MLSC Board Chairs Benjamin R. Civiletti and Senator Benjamin L. Cardin enjoy a moment at the celebration.*



*Former MLSC Board Chair Herbert S. Garten, Maryland Bar President Alison L. Asti, and current MLSC Board Chair F. Vernon Boozer.*

*MLSC Board member Bernard L. Jennings, Deputy Director Harriet Robinson and former Board members Brady B. Johnson and Michael A. Millemann.*



## Awards

The Benjamin L. Cardin Distinguished Service Award was presented to Lauren Young, director of litigation of the Maryland Disability Law Center, for her outstanding work as a public interest lawyer providing civil legal services to the poor and the developmentally disabled.

The William L. Marbury Outstanding Advocate Award was presented to Maureen Larenas, manager of the Tacoma Park Silver Spring (TESS) Community Service Center, for her outstanding advocacy in Maryland on behalf of low-income persons.



Sharon Goldsmith, Pro Bono Resource Center; Chief Judge Robert M. Bell; Judge Pamela J. White, MLSC Board member.

## Awards

The Herbert S. Garten Public Citizen Award was given to The Daily Record, which has provided Maryland's business and legal news since 1888, for its outstanding coverage of issues of importance in increasing access to justice for the poor in Maryland.

MLSC presented an Award of Special Recognition to John H. Michener, former director of Maryland Volunteer Lawyers Service and the Department of Human Resources Legal Services and Judicare Programs. Outgoing Board member Douglas M. Bregman was honored for his outstanding service to MLSC from 2000 to 2007 and as immediate past treasurer.



John H. Michener and Winifred S. Borden, the former and current executive directors of Maryland Volunteer Lawyers Service.



Past MLSC Board Chairs: Herbert S. Garten, Benjamin R. Civiletti, Herbert J. Belgrad.



Susan M. Erlichman and Robert J. Rhudy, current and former MLSC executive directors.



Marc Steiner of WYPR 88.1 FM hosts the 25th anniversary awards program.

# Grantees

The Maryland Legal Services Corporation annually awards grants to nonprofit organizations that provide civil legal services to eligible persons. MLSC funding supplements other federal, state and private sources for civil legal assistance. In May 2007, MLSC approved for the coming year \$13,328,802 in unconditional grant awards to be disbursed monthly during the fiscal year ending June 30, 2008, and \$281,000 in “challenge grants” to certain organizations, which are required to raise funds equal to the challenge amount. The grants to 38 legal services providers include operating funds, the reduced-fee child custody representation project and one-time funding for infrastructure improvements. More information about the grant process, application deadline and descriptions of current grantees is available at [www.mlsc.org](http://www.mlsc.org).

- Allegany Law Foundation, Inc.** - \$46,669  
(plus \$15,000 for reduced-fee project)
- Alternative Directions, Inc.** - \$274,600
- Asian Pacific American Legal Resource Center** - \$45,000
- Associated Catholic Charities Immigration Legal Services, Baltimore** - \$110,500
- Baltimore Bar Foundation Legal Services to the Elderly Program** - \$50,000
- BNI (Baltimore Neighborhoods, Inc.)** - \$111,246
- CASA of Maryland, Inc.** - \$99,220  
(plus \$25,000 challenge grant)
- CASA, Inc. (Citizens Assisting and Sheltering the Abused)** - \$33,029
- Catholic Charities of the Archdiocese of Washington Immigration Legal Services** - \$127,566
- Community Law Center, Inc.** - \$89,500
- Community Legal Services of Prince George’s County** - \$235,200 (plus \$44,500 for reduced-fee project and \$8,800 one-time grant)
- Domestic Violence Center of Howard County** - \$43,434
- Family Crisis Center of Baltimore County** - \$40,000
- Harford County Bar Foundation** - \$52,000 (plus \$44,000 for reduced-fee project)
- HERO (Health Education Resource Organization)** - \$73,082
- Heartly House, Inc.** - \$67,500
- Homeless Persons Representation Project** - \$215,975  
(plus \$50,000 one-time grant)
- House of Ruth** - \$363,382
- Legal Aid Bureau, Inc.** - \$7,745,200 (plus \$250,000 challenge grant and \$300,000 one-time grant)
- Maryland Civil Liberties Union Foundation** - \$46,206
- Maryland Coalition for Inclusive Education** - \$50,000  
(plus \$6,000 challenge grant)
- Maryland Crime Victims Resource Center, Inc.** - \$111,797 (plus \$46,700 one-time grant)
- Maryland Disability Law Center** - \$692,651
- Maryland Public Interest Law Project** - \$56,000
- Maryland Volunteer Lawyers Service** - \$343,637  
(plus \$10,000 for litigation expense fund, \$18,300 one-time grant and \$69,023 for reduced-fee project)
- Mid-Shore Council on Family Violence, Inc.** - \$70,760 (plus \$43,800 for reduced-fee project)
- Mid-Shore Pro Bono Project** - \$50,000
- Montgomery County Bar Foundation** - \$200,100  
(plus \$82,500 for reduced-fee project)
- Pro Bono Resource Center** - \$201,800
- Public Justice Center, Inc.** - \$225,000
- SARC (Sexual Assault/Sexual Abuse Resource Center)** - \$25,000
- St. Ambrose Housing Aid Center, Inc.** - \$175,000
- Sexual Assault Legal Institute** - \$50,000
- Southern Maryland Center for Family Advocacy** - \$57,750
- University of Maryland School of Law – HIV Project** - \$63,475
- Whitman-Walker Clinic Legal Services** - \$50,000
- Women’s Law Center, Inc.** - \$156,400  
(plus \$48,000 for reduced-fee project)
- YWCA of Annapolis and Anne Arundel County** - \$49,500 for reduced-fee project

The following is a summary of the financial statements incorporated in the annual audit report issued by Councilor, Buchanan & Mitchell, P.C. for the year ended June 30, 2007. The complete financial statements and notes are available upon request from MLSC.

***Statement of Financial Position  
June 30, 2007***

***Assets***

Cash and Cash Equivalents	\$1,493,184
IOLTA Receipts Receivable	877,188
Investments	7,598,279
Capital Assets - Net of Accumulated Depreciation	15,775
Other Assets	12,360
	9,996,786
 Total Assets	 9,996,786

***Liabilities***

Accounts Payable and Accrued Expenses	48,390
Due to State of Maryland	877,523
Grant Awards Payable	500
	926,413
 Total Liabilities	 926,413

***Net Assets***

Invested in Capital Assets	\$15,775
Unrestricted	9,054,598
	\$9,070,373
 <b><i>Total Net Assets</i></b>	 <b><i>\$9,070,373</i></b>

***Statement of Activities  
For the Year Ended June 30, 2007***

<b><i>Program Expenses - Legal Assistance</i></b>	<b><i>\$11,560,598</i></b>
	<b><i>\$11,560,598</i></b>
 <b><i>General Revenues</i></b>	
State of Maryland Appropriations - Legal Assistance	12,500,000
Investment Income	1,033,231
Other	17,009
	13,550,240
 Total General Revenues	 13,550,240
 Increase in Net Assets	 1,989,642
Net Assets - Beginning of Year	7,080,731
	\$9,070,373
 <b><i>Net Assets - End of Year*</i></b>	 <b><i>\$9,070,373</i></b>

\* See page 6 (opposite) for grant commitments made at the close of FY 2007.

## About MLSC

The Maryland Legal Services Corporation (MLSC) was established by the Maryland General Assembly in 1982 to raise funds and make grants to nonprofit organizations for the provision of civil legal assistance to low-income persons in Maryland (Maryland Code Human Services, Title 11, §11-101-11-801). MLSC is governed by a nine-person Board of Directors appointed by the Governor of Maryland and confirmed by the Maryland Senate. One of MLSC's principal funding sources is the Interest on Lawyer Trust Accounts (IOLTA) program, also established by state legislation in 1982 (Maryland Code Business Occupations, §10-303). Other major funding is from surcharges on court filing fees, first enacted by the Maryland General Assembly in 1998 and increased in 2004. The accounts of the Corporation are required to be audited annually (§11-407); in addition, MLSC is subject to audits by Maryland's Office of Legislative Audits (§11-408). MLSC is also required to publish an annual report describing its activities (§11-207).

## About IOLTA

Attorneys routinely receive client funds to be held in trust for future use. In the case of amounts that are small or to be held for a short time, attorneys must place these nominal and short-term funds into Interest on Lawyer Trust Accounts (IOLTA). The income generated is used by the Maryland Legal Services Corporation for grants to programs which provide civil legal services to the poor.

### 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 1.5% for Silver membership. Attorneys are encouraged to consider these "IOLTA friendly" institutions for their banking needs.

### Gold Members

Adams National Bank  
American Bank  
Baltimore County Savings Bank  
Bay National Bank  
Business Bank  
ColomboBank  
First Horizon Bank  
Harbor Bank of Maryland  
HSBC National Bank USA  
K Bank  
Maryland Bank & Trust Company, N.A.  
NBRS Financial  
PNC Bank  
Provident State Bank  
Sandy Spring Bank  
Sovereign Bank  
Wachovia Bank

### Silver Members

Alliance Bank  
Bank of America  
BB&T  
Community Banks  
M & T Bank  
Regal Bank & Trust  
SunTrust Bank  
Susquehanna Bank

## MLSC 25th Anniversary Celebration Contributors

The Corporation is pleased to acknowledge with special appreciation the support of the following individuals and organizations for their generous contributions:

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### Media Partners





*Standing, L-R: Deputy Director Harriet Robinson; MLSC Board members Douglas M. Bregman, Douglas S. Snyder, Bernard L. Jennings; Executive Director Susan M. Erlichman. Seated, L-R: MLSC Board members Judge Pamela J. White, Chairman F. Vernon Boozer, Bedelia Commodore. Not pictured: MLSC Board members Nathaniel E. Jones, Jr.; Judge Robert B. Kershaw; Nancy A. Sachitano.*

## **MLSC Board Members**

**F. Vernon Boozer, Esq., Chair** – Baltimore County – Principal, Covahey & 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., Treasurer** – Montgomery County – Partner, Bregman, Berbert, Schwartz & Gilday, LLC; B.A., Colgate University; J.D., Georgetown University Law Center.

**Bedelia Commodore** – Queen Anne’s County – 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.

**Bernard L. Jennings** – Howard County – Managing Principal, Capstone Consulting Group; B.S., Morgan State University, M.B.A., Columbia University.

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

**Hon. Robert B. Kershaw** – Baltimore – Judge, 8th Judicial Circuit, Baltimore City; A.B., Princeton University; J.D., University of Maryland School of Law.

**\*Nancy A. Sachitano, Esq.** – Montgomery County – Managing Attorney and President, Strickler, Sachitano & Hatfield, P.A.; B.S., Lamar University; J.D., Columbus School of Law, Catholic University of America.

**Douglas S. Snyder, Ph.D.** – Prince George’s County – 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.

**Hon. Pamela J. White**, – Baltimore – Judge, 8th Judicial Circuit, Baltimore City; B.A., University of Mary Washington; J.D., Washington and Lee University.

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

## **MLSC Staff**

**Susan M. Erlichman, Esq.**  
Executive Director

**Harriet Robinson**  
Deputy Director

**Sue Lentz**  
Finance Manager

**Rebecca Parker**  
IOLTA Administrator

\* Nancy A. Sachitano joined the MLSC Board in November 2007 replacing outgoing member Douglas M. Bregman, who served on the Board since 2000. The Corporation wishes to thank Mr. Bregman for his dedicated and outstanding contributions to MLSC.

**“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.” – Preamble, Maryland Legal Services Corporation Act, 1982**



## **Maryland Legal Services Corporation**

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