

MLSC

MARYLAND LEGAL SERVICES CORPORATION



IOLTA

INTEREST ON LAWYER
TRUST ACCOUNTS

Annual Report

July 1, 2018 – June 30, 2019

MLSC

The Mission of the Maryland Legal Services Corporation is to ensure low-income Marylanders have access to stable, efficient and effective civil legal assistance through the distribution of funds to nonprofit legal services organizations.



Photo by Greg Kahn.

With the help
of civil legal aid,
Sinta has
restarted
her life

Sinta, originally from Southeast Asia, paid approximately \$3,000 (2.5 times her family's annual income) to a recruiter who offered to find her a job in the United States. The "recruiter" was actually a labor trafficker, and the family "employing" her took Sinta's passport along with other personal items, such as her national ID card, her address book and her purse with all its contents. Sinta was forced to work seven days a week, seventeen hours per day for the family, cooking and cleaning, in addition to hours she was forced to work at the family's business. Sinta was able to escape from her traffickers and found the Asian Pacific American Legal Resource Center. The APALRC assisted Sinta in applying for a T-visa and recruited pro bono counsel to file a civil suit against her trafficker for unpaid wages. Sinta's T-visa was approved, and the APALRC is currently representing Sinta in her petition to USCIS to become a lawful permanent resident. With the help of civil legal aid, Sinta has restarted her life in the U.S. in Montgomery County.

Name has been changed.

Dear Friends & Colleagues,

Sometimes, you just need a lawyer.

That was a message Maryland Legal Services Corporation heard time and again from our nonprofit grantees. These legal services providers were encountering large numbers of Marylanders attempting to go it alone in complex court cases, but the organizations did not have dedicated resources to adequately assist clients in litigation. In response, we launched the Extended Representation Project for fiscal year 2019. Approximately \$1 million in funding went directly to placing attorneys in court with clients – clients who very likely would have otherwise gone unrepresented. These clients now have full representation in rent court, family law proceedings, benefits hearings and more. The FY19 pilot projects provided representation in 600 cases, and we are excited to see how this program continues to unfold.

Including the Extended Representation Project, MLSC made \$21.7 million in grants for the fiscal year ending June 30, 2019, which you'll read more about in this annual report. Not only was that the highest amount ever awarded in a single year in our history, but we also surpassed \$300 million in grants made since our founding in 1982. These milestones were made possible in large part due to increases in interest rates and therefore IOLTA revenue, which was up 48% from FY18. While we are closely watching ongoing changes in interest rates, MLSC is proud to support civil legal services across the state with stable funding.

Your support of civil legal aid is critical in ensuring access to justice for all Marylanders. Thank you for being a partner in this effort.



M. Natalie McSherry
M. Natalie McSherry
Chair



Susan Erlichman
Susan M. Erlichman
Executive Director

In Fiscal Year 2019

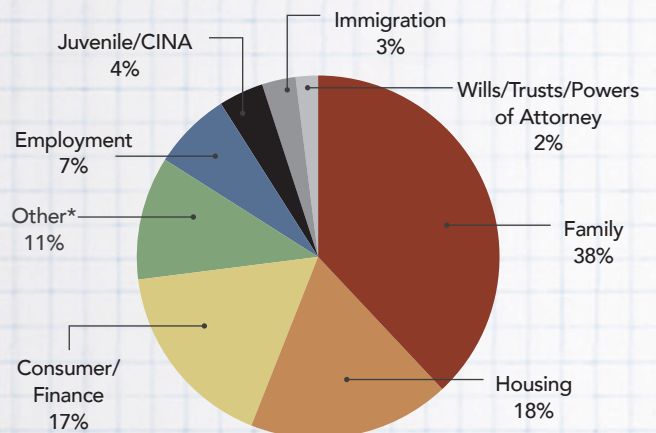
MLSC made **\$21.7 million** in operating, Judicare and special project grants to **37 nonprofits** serving low-income Marylanders.

Our grantees closed **205,953 cases** (up 2% from FY18), **benefiting 283,352 people.**

Types of Closed Cases

MLSC grantees helped **3,368 tenants** avoid eviction, obtain redress for illegal charges or enforce their right to decent, habitable housing

Attorneys and advocates assisted **2,149 survivors** of domestic violence or sexual assault in obtaining protection and exercising their rights

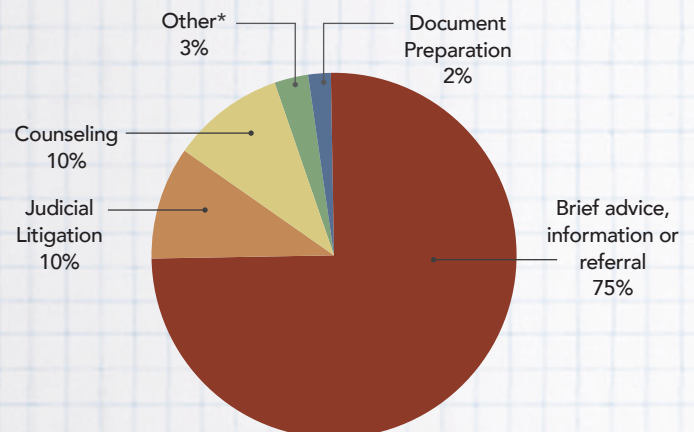


* Education, health, income maintenance, individual rights & miscellaneous

Types of Service

Nearly **3,400 private attorneys** donated pro bono services to MLSC grantees, valued at almost **\$32 million**

Clients obtained more than **\$20 million in economic awards** and avoided more than **\$21 million in costs** through their cases, for issues such as child support, consumer judgments and discharged debts

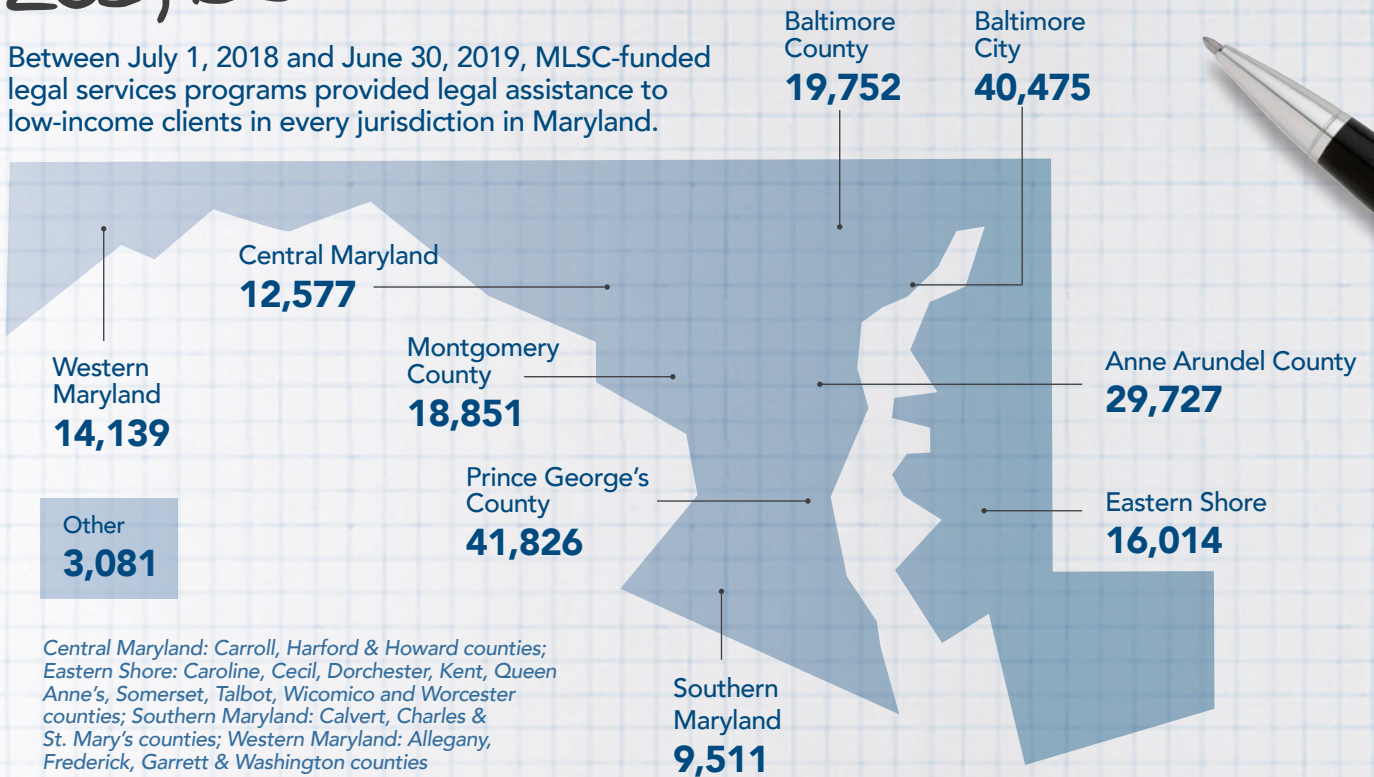


* Negotiation, administrative proceedings and other appropriate remedies

Cases Closed Statewide

205,953

Between July 1, 2018 and June 30, 2019, MLSC-funded legal services programs provided legal assistance to low-income clients in every jurisdiction in Maryland.



Heartly House stood with Anne for years

When Anne left her fiancé after years of abuse, Heartly House in Frederick quickly helped her obtain a protective order. But a few months later, her abuser ambushed and kidnapped her. She was able to escape, and her abuser was arrested and pled guilty to the kidnapping. Under Maryland law at the time, Anne was not eligible for a permanent protective order, meaning her order would expire. Inspired by Anne's story, the Maryland General Assembly expanded eligibility for permanent protective orders. Blaine Hoffmann, Heartly House's legal director, closely monitored the changing law and represented Anne in her hearing for a permanent protective order, which the judge granted. Anne is relieved she doesn't have to appear in court year after year trying to extend her protection. Heartly House stood with Anne for years as her case evolved, dedicated to her safety and peace of mind.

MLSC Grantees

In May 2019, MLSC approved for the coming year \$17,139,448 in unconditional operating and one-time grant awards to 37 organizations. Three organizations were awarded a total of \$280,000 as challenge grants. In addition, through a grant from the Administrative Office of the Courts, MLSC approved funding in the amount of \$1,900,000 for the continuation of the Judicare project, which pays reduced fees to private attorneys for contested family law representation. Also, MLSC awarded extension funding of \$1,049,900 restricted for foreclosure prevention and \$765,936 restricted for workforce legal services. Finally for FY20, MLSC awarded \$1,110,277 for a second year of the extended representation project, promoting full attorney representation for clients in need. More information about the grant process, application deadline and descriptions of current grantees is available at www.mlsc.org.

Allegany Law Foundation

- \$64,000 Operating Grant to support pro bono and reduced fee services in Allegany County
- \$132,000 Judicare Grant
- \$11,400 Foreclosure Prevention Grant

Alternative Directions, Inc.

- \$254,480 Operating Grant and \$25,000 Challenge Grant to support civil legal workshops and pro se assistance with civil legal matters for those incarcerated in Maryland's correctional institutions

Asian Pacific American Legal Resource Center

- \$42,642 Operating Grant to support legal services for low income, limited English proficient Asian Americans

Ayuda

- \$45,531 Operating Grant to assist low-income immigrants, especially those who are crime victims

Baltimore Bar Foundation Senior Legal Services

- \$74,000 Operating Grant to provide legal services to low-income seniors in Baltimore City

CASA de Maryland

- \$145,333 Operating Grant to support legal services for low-wage workers and low-income immigrant communities

Catholic Charities of Baltimore

- \$133,690 Operating Grant to support legal services for low-income immigrants

Catholic Charities of the Archdiocese of Washington

- \$156,148 Operating Grant to support legal services for low-income immigrants in Maryland

Citizens Assisting and Sheltering the Abused (CASA)

- \$39,140 Operating Grant to support legal services for low-income victims of domestic violence and sexual assault in Washington County

Community Law Center

- \$106,193 Operating Grant to support legal representation of nonprofit organizations comprised of or serving low-income people

Community Legal Services of Prince George's County

- \$299,627 Operating Grant to support pro bono services in Prince George's County
- \$354,200 Judicare Grant
- \$157,000 Foreclosure Prevention Grant
- \$154,500 Extended Representation Grant to represent low-income tenants in rent court in Prince George's County

Disability Rights Maryland

- \$921,128 Operating Grant to support legal services for low-income people with disabilities, including a pro bono referral program for special education and Medicaid services

Foundation for Baltimore County Public Library

- \$35,000 One-time Grant to complete the purchase of a vehicle to provide mobile legal services in Baltimore County communities

FreeState Justice

- \$50,000 Operating Grant to support legal services for low-income LGBTQ Marylanders

Harford County Bar Foundation

- \$63,910 Operating Grant to support pro bono services in Harford County
- \$298,100 Judicare Grant

Heartly House

- \$75,500 Operating Grant to support legal services for low-income victims of domestic violence and sexual assault in Frederick County

Homeless Persons Representation Project

- \$265,534 Operating Grant to support legal services for the homeless population or those at risk of homelessness
- \$128,936 Workforce Legal Services Grant
- \$100,123 Extended Representation Grant to represent public housing tenants in rent court and administrative hearings in Baltimore City

HopeWorks of Howard County

- \$49,500 Operating Grant to support legal services for low-income victims of domestic violence and sexual assault in Howard County

House of Ruth Maryland

- \$426,521 Operating Grant to support legal services for low-income victims of domestic violence
- \$75,131 Extended Representation Grant to represent low-income domestic violence victims in divorce and custody proceedings

Life Crisis Center

- \$36,977 Operating Grant to support legal services for low-income victims of domestic violence and sexual assault in Somerset, Wicomico and Worcester counties

Maryland Crime Victims' Resource Center

- \$131,428 Operating Grant to support legal services for low-income victims of crime
- \$43,393 Extended Representation Grant to represent low-income victims of crime in Criminal Injuries Compensation Board appeals

For nearly 30 years...

MLSC has provided funding to the Pro Bono Resource Center of Maryland to offer statewide support to pro bono civil legal services. One important resource PBRC offers is co-hosting attorney trainings with other providers. PBRC markets and coordinates the trainings, which are often free for attorneys in return for a pro bono commitment. Many of the trainings are recorded and available on PBRC's website. Pictured: Shana Roth-Gormley of the Community Law Center presents "Advising New Nonprofits & Community Organizations in Maryland," a training co-hosted with PBRC. Volunteer attorneys received information on bylaws, nonprofit incorporation and more.

Maryland Legal Aid

- \$11,710,360 Operating Grant and \$250,000 Challenge Grant to support statewide legal representation of Maryland's low-income population
- \$533,400 Foreclosure Prevention Grant
- \$420,000 for two Workforce Legal Services Grants
- \$386,205 for three Extended Representation Grants to represent low-income tenants in rent court in Baltimore City and Baltimore County, and to represent low-income non-custodial parents in Baltimore City child support cases

Maryland Public Interest Law Project

- \$52,800 Operating Grant to support stipends for six University of Maryland and six University of Baltimore law students to intern with MLSC grantees

Maryland Volunteer Lawyers Service

- \$433,685 Operating Grant to support statewide pro bono and reduced fee services
- \$486,200 Judicare Grant
- \$100,000 Foreclosure Prevention Grant
- \$217,000 Workforce Legal Services Grant

Mid-Shore Council on Family Violence

- \$131,112 Operating Grant to support legal services for low-income victims of domestic violence in Caroline, Dorchester, Kent, Queen Anne's and Talbot counties

Mid-Shore Pro Bono

- \$95,790 Operating Grant to support pro bono and reduced fee services in Caroline, Dorchester, Kent, Queen Anne's, Talbot and Wicomico counties
- \$306,625 Judicare Grant
- \$50,000 Foreclosure Prevention Grant
- \$64,375 Extended Representation Grant to represent low-income clients in non-family law cases

Montgomery County Bar Foundation

- \$237,000 Operating Grant to support pro bono services in Montgomery County
- \$205,480 Judicare Grant

Pro Bono Resource Center

- \$244,263 Operating Grant and \$5,000 Challenge Grant to provide statewide integration and support to pro bono civil legal services providers
- \$10,000 Pro Bono Litigation Fund
- \$24,335 Judicare Litigation Fund
- \$91,400 Foreclosure Prevention Grant
- \$136,550 Extended Representation Grant to represent low-income tenants in rent court in Baltimore City

Public Justice Center

- \$267,182 Operating Grant to support direct individual representation, primarily for low-income tenant housing issues in Baltimore City
- \$41,700 Foreclosure Prevention Grant
- \$150,000 Extended Representation Grant to represent low-income tenants in rent court in Baltimore City

St. Ambrose Housing Aid Center

- \$53,560 Operating Grant to support legal representation focusing on foreclosure, landlord-tenant disputes and other housing preservation issues
- \$65,000 Foreclosure Prevention Grant

Sexual Assault Legal Institute

- \$58,710 Operating Grant to support statewide direct legal services for low-income victims of sexual assault

Sexual Assault/Spouse Abuse Resource Center (SARC)

- \$29,664 Operating Grant to support legal services for low-income victims of domestic violence and sexual assault in Harford County

Southern Maryland Center for Family Advocacy

- \$67,980 Operating Grant to support legal services for low-income victims of domestic violence and sexual assault in Calvert, Charles and St. Mary's counties

Tahirih Justice Center

- \$30,000 Operating Grant to support legal services for low-income immigrants who are victims of gender-based persecution

University of Maryland Carey School of Law Medical-Legal Partnership Clinic

- \$49,205 Operating Grant to support operation of a law clinic that provides direct representation to low-income people living with HIV in the Baltimore area by student attorneys under the supervision of clinical faculty

Whitman-Walker Health

- \$59,255 Operating Grant to support legal services for low-income LGBTQ or HIV-positive clients

Women's Law Center

- \$192,600 Operating Grant to support operation of statewide family law and employment law hotlines
- \$93,060 Judicare Grant

ANNUAL AWARDS

2019 Award Recipients

Hon. Cathy Hollenberg Serrette, associate judge at the Circuit Court for Prince George's County, was the 2019 recipient of the **Arthur W. Machen, Jr. Award**, recognizing her as a steadfast advocate for access to justice and as an active participant in many county and statewide activities promoting civil legal services and pro bono work.

MLSC presented the **Benjamin L. Cardin Distinguished Service Award** to **Nina Shore**, chief attorney of Maryland Legal Aid's Midwestern Maryland office, for her leadership, compassion and advocacy for low-income clients.

MLSC presented two **Rising Star Awards** in 2019. **Amy Hennen**, managing attorney for housing and consumer law at Maryland Volunteer Lawyers Service, has shown leadership, energy and a profound commitment to serving low-income Marylanders. **Ingrid Löfgren**, director of the Homeless Youth Initiative at Homeless Persons Representation Project, has revolutionized the way legal services are provided to homeless youth in Baltimore and significantly shifted policy conversations surrounding the needs of homeless youth on a state level in Maryland.

Nora Eidelman, deputy director at Community Legal Services of Prince George's County, was the 2019 recipient of the **William L. Marbury Outstanding Advocate Award** in recognition of her active leadership, outreach and contributions to service expansion.

The Charles W. Gilchrist Immigrant Resource Center was the 2019 recipient of the **Herbert S. Garten Public Citizen Award**. The Gilchrist Center has been a key partner in providing legal clinics and intake for immigration and other civil legal services.

Each year MLSC solicits nominations and presents awards to individuals and organizations that have contributed significantly to the provision of legal services to low-income Marylanders. MLSC held its Annual Awards Reception at the Lord Baltimore Hotel on December 9, 2019.



Seated: Hon. Cathy Hollenberg Serrette, Nina Shore **Standing:** Amy Hennen, Hans Löfgren (accepting on behalf of Ingrid Löfgren), Kaori Hirakawa of the Charles W. Gilchrist Immigrant Resource Center, Chief Judge Mary Ellen Barbera, Nora Eidelman

2019 MLSC Contributors

We are pleased to acknowledge the generous contributions of the individuals and organizations that support the work of MLSC.

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Brian Yeh

IN HONOR OF INGRID LÖFGREN

Jane Harrison

MEDIA SPONSOR



Honor Roll Banks

The IOLTA Honor Roll, a joint initiative of the Maryland State Bar Association and MLSC, consists of financial institutions that pay premium rates on IOLTA accounts, supporting critically needed legal aid for low-income Marylanders. We salute these institutions and encourage our supporters to patronize Honor Roll members.

BCT – Bank of Charles Town
Blue Ridge Bank
Carroll Community Bank
CFG Bank
Congressional Bank
First Shore Federal Savings & Loan Assn.
Homewood Federal Savings Bank
HSBC Bank USA, N.A.

Industrial Bank
MainStreet Bank
M&T Bank
NWSB Bank, A Division of ACNB Bank
PeoplesBank, A Codorus Valley Company
Premier Bank, Inc.
Standard Bank, PaSB

MLSC Revenue

MLSC revenue for grants is primarily generated from the MLSC Fund, which is composed of three special funding sources:

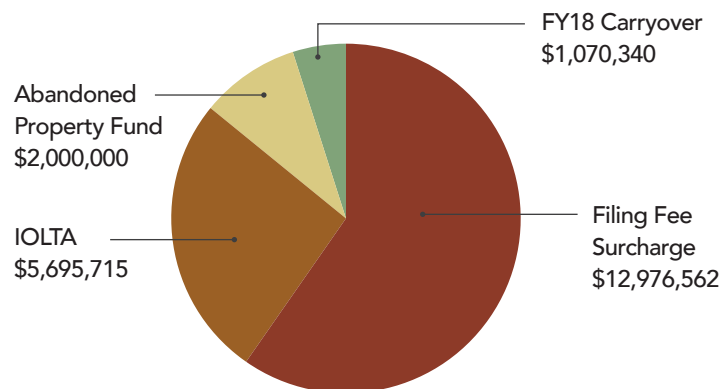
- **Interest on Lawyer Trust Accounts (IOLTA) held by Maryland-licensed lawyers**
- **A surcharge on certain Circuit and District Court filing fees**
- **\$2,000,000 from the Abandoned Property Fund**

The MLSC Fund Appropriation is set in the State's budget each year based on projected revenues. The appropriation sets an upper limit on the amount that can be spent but does not guarantee the Fund will receive the full amount. MLSC receives the amount actually collected in the Fund, up to the appropriation limit.

FY19 MLSC Revenue

The FY19 MLSC Fund appropriation was set at **\$19.5 million**, but total revenues in the Fund exceeded that amount.

Revenue of **\$2,249,116** will be carried over to FY20.



SUMMARIZED FINANCIAL INFORMATION

Statement of Net Position June 30, 2019

Assets

Cash and Cash Equivalents	\$3,631,126
Investments	7,409,765
Receivable, IOLTA Receipts	654,012
Due from State of Maryland	1,076,721
Prepaid Expenses	19,597
Capital Assets -	
Net of Accumulated Depreciation	64,391
Other Assets	207,338
Total Assets	13,062,950

Liabilities

Accounts Payable and Accrued Expenses	340,419
Due to State of Maryland	654,012
Deferred Revenue	2,750
Deferred Rent	37,190
Other Liabilities	121,217
Total Liabilities	1,155,588

Net Position

Net Investment in Capital Assets	\$64,391
Unrestricted	9,599,248
Temporarily Restricted	2,243,723
Total Net Position	\$11,907,362

Statement of Activities For the Year Ended June 30, 2019

Program Expenses - Legal Assistance \$22,612,551

General Revenues

State of Maryland Appropriations -	
Legal Assistance	19,500,000
Judicare Program	3,354,772
Contributions	8,672
Investment Income, Net	290,771
Other Revenues	32,325

Total General Revenues 23,186,540

Increase in Net Position 573,989
Net Position at Beginning of Year 11,333,373

Net Position at End of Year \$11,907,362

Note

This report is a summary of the financial statements incorporated in the annual audit report issued by Gross, Mendelsohn & Associates, P.A. for the year ended June 30, 2019. The complete financial statements and notes are available upon request from MLSC.

MLSC Board

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Principal, Kramon & Graham, PA

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RSP Operations Manager, The
Retirement Savings Plan of the City
of Baltimore

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Anne Arundel County

Aileen M. Eskildsen, CPA

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Director and Chief Operating Officer,
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Christina R. Garcia

Prince George's County
Community Development Officer,
Maryland Department of Housing and
Community Development



Pictured: Hon. Sidney Butcher, Hon. Mark Scurti, Natalie McSherry, Corey Robey

Hon. Martha F. Rasin

Kent County
Chief Judge (Retired), District Court
of Maryland

Susan M. Erlichman, Esq., Secretary (ex officio)

Executive Director, Maryland Legal
Services Corporation

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Associate Judge, District Court for
Baltimore City

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Susan M. Erlichman, Esq.

Executive Director

Kaa Andam

IOLTA Compliance Manager

Eleanor Goldstein

Program Assistant

Athana Kontinos

Program Coordinator

Susan S. Lentz

Finance Manager

Jasmine O'Grady

Office Assistant

Deb Seltzer

Program Director



*Seated: Athana Kontinos, Jasmine O'Grady
Standing: Susan Lentz, Deb Seltzer, Eleanor Goldstein, Kaa Andam*



MLSC

MARYLAND LEGAL SERVICES CORPORATION

IOLTA - INTEREST ON LAWYER TRUST ACCOUNTS

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Baltimore, MD 21201

MLSC

FUNDING LEGAL ASSISTANCE SERVING THE ENDS OF JUSTICE

About MLSC

The Maryland Legal Services Corporation, established in 1982 by the Maryland General Assembly, is a nonprofit organization governed by a nine-member Board of Directors appointed by the Governor and confirmed by the Senate. MLSC distributes funds from the Interest on Lawyer Trust Accounts (IOLTA) program and other sources to nonprofit organizations for the provision of civil legal services to low-income Marylanders. MLSC currently provides funding to 37 nonprofit grantees throughout Maryland to ensure that eligible clients in all areas of the state have access to legal assistance.

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 funds into Interest on Lawyer Trust Accounts (IOLTA). The generated interest is used by the Maryland Legal Services Corporation for grants to programs that provide civil legal services to low-income Marylanders.