

1.15A(i)

# AlaskaUSA

Federal Credit Union®

Ms. Lisa Bausch  
Clerk of the Supreme Court  
P.O. Box 40929  
Olympia, WA 98504-0929

February 15, 2005

Dear Ms. Bausch:

Thank you for the opportunity to comment on the proposed changes by the WSBA to the Rules of Professional Conduct. Upon review of the various changes, one section was brought to our attention, Rule 1.15A(i). This section states:

(i) Trust accounts must be interest-bearing and allow withdrawals or transfers without any delay other than notice periods that are required by law or regulation. In the exercise of ordinary prudence, a lawyer may select any bank, savings bank, or savings and loan association that is insured by the Federal Deposit Insurance Corporation, is authorized by law to do business in Washington and has filed the agreement required by ELC 15.4. Trust account funds must not be placed in mutual funds, stocks, bonds, or similar investments.

We believe this section unfairly prohibits by omission the selection of a federally insured credit union for IOLTA accounts. There is fundamentally no difference in the insurance coverage provided by the Federal Deposit Insurance Corporation and the National Credit Union Administration for these types of accounts. Therefore, insurance coverage can be afforded equally by credit unions as well as other listed financial institutions. Additionally, it is frequently the case that dividend rates available from credit unions are superior to interest rates available from many FDIC insured institutions.

While not all federally insured credit unions make IOLTA accounts available, those credit unions that do offer this service should be equally able to provide them in the State of Washington as in other States. Alaska USA Federal Credit Union currently offers these accounts in the State of Alaska and, if permitted, will also make them available in Washington at a future date.

Alaska USA is a federally chartered, federally insured credit union with 33 branch locations throughout Alaska and 12 branches in the Puget Sound area. It has 270,000 members world-wide, with over 35,000 in Washington State.

Thank you again for the opportunity to comment and for your consideration.

Sincerely,



William B. Eckhardt  
President