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March 3, 2005

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

STATE OF WASHINGTON
CLERK OF THE SUPREME COURT
BY: L. BAUSCH
03 MAR 10 11 00 AM '05

Re: Iolita proposal

Dear Ms. Bausch,

After having worked for commercial banks for over 30 years and now working for Harborstone Credit Union, I am confused as to the reasoning behind the Washington State Bar Association proposal to limit Iolita accounts to financial institutions insured only by FDIC.

Credit Unions insured through the National Credit Union Share Insurance Fund (NCUSIF) offer similar deposit insurance as those insured by FDIC

- The NCUSIF is managed by the National Credit Union Administration, a U.S. Government Agency.
- The NCUSIF is a federal fund backed by the full faith of the United State Government.
- The fund was established by the U. S. Congress in 1970. Not one penny of insured deposits has ever been lost by a member of a federally insured credit union.

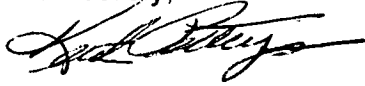
Currently there at least 9 credit unions in Washington State offering Iolita accounts. Have there been any problems with these Iolita accounts with these current credit unions?

The attorneys can use the financial institution of their choice, can they not? Why limit where they can establish these accounts. It would make more sense I believe to, let the individual attorneys make the decision.

Federally insured credit unions are insured, examined, regulated as are all federally insured banks. Limiting the establishment of IOLTA accounts to only FDIC insured financial institutions offers the accounts no more security, safety or soundness than NCUSIF insured deposit accounts.

Thank you for your consideration. I can be reached directly by telephone at 253-983-7109 or by e-mail at keith.petteys@harborstone.com.

Sincerely,

A handwritten signature in black ink, appearing to read "Keith Petteys", written in a cursive style.

Keith Petteys
Vice President
Harborstone Business Banking