WM. MICHAEL HANBEY, PS
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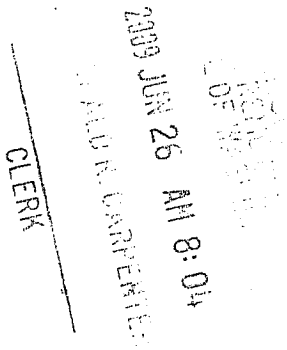
25 June 2009



Mr. Ronald R. Carpenter
Clerk of the Supreme Court
PO Box 40929
Olympia, WA 98504-0929

RE: Comments on Proposed Rule Change to RPC 15.7(e)

Dear Mr. Carpenter:

I am writing in support of the proposed change to RPC 15.7(e) concerning Trust Accounts held by attorneys. I have been admitted to the Washington State Bar for over thirty years. For the past twenty-five years, I have been in private practice. Prior to that time, I was employed by the Attorney General for Washington State.

As you know, in private practice, attorneys are required to maintain trust accounts if they accept funds from clients or serve businesses that involve keeping funds in escrow. I have maintained a Trust Account for all of the years I have been in private practice.

I have always supported the IOLTA concept as a beneficial means of providing funding for civil legal services. I have subscribed to the notion that the *de minimus* amounts of interest income earned for small deposits in a trust account serve a better use for assisting people who do not otherwise have the means to obtain legal counsel than they do for the client. As you may recognize, it is frankly more cost effective to shift those limited sums from the bank account through the IOLTA system than it is to attempt to account for and return the funds to the client who had deposited the funds.

The proposed rule seeks to bring a level of consistency to the application of interest on the Trust Accounts required by the Rules of Professional Conduct. It is my impression that the credit union I have used as a repository for the Trust Funds under my control has paid interest at a higher level than some commercial banks. It seems unfair to me that because of an inadvertent election, some trust accounts can generate more interest than do others. In my view, all IOLTA accounts should earn an interest rate that is consistent throughout the state.

In my discussions with attorneys from other states, I have learned that many of those states already require an equivalent level of interest to be applied to trust accounts.

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The attorneys with whom I have spoken have indicated that while there was some initial resistance to the notion of a standard of interest for trust accounts, when it was recognized that the larger deposited sums would be enhanced as well as the smaller sums subject to IOLTA transfer, the resistance diminished.

I do not perceive that the proposed change being considered by the high court will cause any undue burden to those of us who are private practitioners. Simply stated, if all private practitioners are required to deposit their trust funds in institutions that meet the standard for a consistent level of interest, the others will follow suit. Also, with the advent of on-line banking, I believe many private practitioners will not have a problem moving an account if their current repository is not on the list your court is proposing that the Legal Foundation of Washington publish.

Finally, it appears to me that if all trust funds are deposited in accounts that apply the same level of interest on trust deposits, then additional funds should be generated for use in the provision of civil legal services than is currently true where there is disparity among financial institutions. The court is aware that the IOLTA system is in place and works efficiently. This proposed change should not create any serious difficulty for the private practitioner or for the financial institution.

Please inform the Court that as a long-term private practitioner I support the proposed rule change requiring comparability of interest to be applied to Trust Accounts.

Sincerely,

Wm. Michael Hanbey
Attorney at Law

CC: The Honorable Gary L. Alexander, C.J.