



State of Washington

DEPARTMENT OF FINANCIAL INSTITUTIONS
DIVISION OF CONSUMER SERVICES

P.O. Box 41200 ● Olympia, Washington 98504-1200
Telephone (360) 902-8700 ● TDD (360) 664-8126 ● <http://www.dfi.wa.gov>

June 18, 2010

Dave McGrane
McGrane & Schuerman, PLLC
Town Center Building, Suite 304
298 South Main
Colville, WA 99114

RE: Revised No Action Letter for McGrane & Schuerman, PLLC under the Escrow Agent Registration Act

Dear Mr. McGrane,

This letter is revised in accordance with the June 10, 2010 draft of the Department of Financial Institution's interim guidance for attorneys who conduct escrow transactions, available at <http://dfi.wa.gov/cs/pdf/rulemaking/2010/eara-laws-2010-interim-guidance.pdf>.

The Department of Financial Institutions, Consumer Services Division ("the Division") has received and reviewed your letter of June 2, 2010, requesting a no-action letter regarding your legal practice, McGrane & Schuerman, PLLC, and the recent changes to the Escrow Agent Registration Act, RCW 18.44 (the Act). As you know, Substitute House Bill 2564 (chapter 34, Laws of 2010) made significant changes to the attorney exception in the Act.

Escrow is defined in the Act as a transaction where a person (the escrow agent) receives any written instrument, money, evidence of title to real or personal property, or other thing of value from one person and transfers it to another, based on instructions from the two principal parties to the transaction. This transaction must be for the purpose of effecting and closing the sale, purchase, exchange, transfer, encumbrance, or lease of real or personal property. Escrow does not include activities that require the exercise of legal discretion by an attorney. The Division considers an escrow transaction that involves exercise of legal discretion by an attorney as incidental to the practice of law and not subject to licensing under the Act.

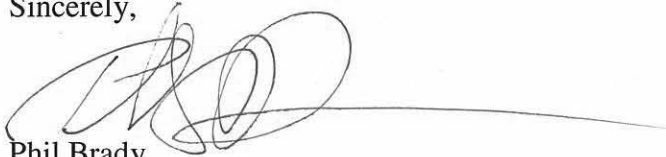
In your request for a no action letter and our telephone conversation, you stated that when your firm provides escrow services, such services are provided in closing transactions, represent no more than 20% of your revenues, and are not your principal business. You also stated that McGrane & Schuerman, PLLC only advertises and identifies itself as a law firm, all business is conducted through the law firm, and that no non-attorney employees conduct escrow transactions without active supervision and approval by an attorney.

Based on the facts as you present them, the Division will not require McGrane & Schuerman to apply for an escrow license and will take no action against your firm for unlicensed escrow activity. Because this determination is based upon the representations set forth in your letter, it should be noted that any different facts or conditions might result in a different conclusion. The Division reserves the right to make a different determination in the future, should either your circumstances or the law change.

This is an individual determination for your firm based on the firm's specific circumstances, and has no effect or precedential value for persons in similar situations. Your attorney exceptions are individual exceptions based on your admission to practice law in Washington, and do not apply to any non-attorney employees that might conduct escrow transactions independent of an attorney's oversight.

Thank you for contacting DFI. If you have any questions, please let me know. I may be reached at (360) 902 – 8755 or pbrady@dfi.wa.gov.

Sincerely,

A handwritten signature in black ink, appearing to read 'P. Brady', with a long horizontal line extending to the right.

Phil Brady
Staff Attorney