



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>

December 6, 2010

Richard W. Perednia
Law Offices of Richard W. Perednia
28 W. Indiana Avenue, Suite E
Spokane, WA 99205-4825

RE: No Action Letter for the Law Offices of Richard W. Perednia under the Escrow Agent Registration Act

Dear Mr. Perednia,

The Department of Financial Institutions, Consumer Services Division (“the Division”) received and reviewed your letter of December 1, 2010, requesting a no-action letter regarding your law practice 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 changes to the attorney exception in the Act.

An escrow is 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 a person or persons and transfers it to another person or persons, based on instructions from the 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, you assert that real estate closing is only part of your practice, and that you only perform closings as part of your law practice. You also state that you do not advertise real estate closings, and that you only receive compensation for escrow services through your legal practice. Finally, you assert that you supervise all closings (and thus also the escrow component of closings), and that none of your employees independently perform escrow transactions.

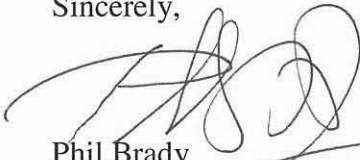
Based on the facts as you present them, the Division will not require you to submit an application for an escrow license and will take no action against you for unlicensed escrow activity. Because this determination is based upon the representations set forth in your letter, it should be noted that any 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 based on your specific circumstances, and has no effect or precedential value for persons in similar situations. Attorney exceptions from licensure are individual exceptions based on admission to practice law in Washington, and do not apply to any non-attorney employee 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,



Phil Brady
Staff Attorney