## Terms Completed

ORDE	ER SUMMAR	RY – Case Number	er: C-04-046	5	
Name(s):	Clark County Carpet Cleaning & Damage Restoration Inc				
	dba Free Republic Finance				
	Donald Railsb	ack			
Order Number:	C-04-046-04-FO01				
Effective Date:	March 24, 2005				
License Number:	DFI: 19189-0	DFI: 19189 – Clark County			
Or NMLS Identifier [U/L]	DFI: 22096 -Railsback				
	(Revoked, suspended,	, stayed, application denied or			
License Effect:	If applicable, you muse Revoked	st specifically note the ending	dates of terms.		
Electise Effect.	Revoked				
Not Apply Until:	March 24, 2010				
Not Eligible Until:					
Prohibition/Ban Until:	March 24, 2010 (only from acting as principal or designated broker)				
Investigation Costs	\$	Due	Paid	Date	
Fine	\$	Due	Paid	Date	
Assessment(s)	\$	Due	Paid	Date	
Restitution	\$	Due	Paid	Date	
Judgment	\$	Due	Paid $\square Y \square N$	Date	
Satisfaction of Judgment H	Y N		1		
	No. of Victims:				

Comments:

STATE OF WASHINGTON
DEPARTMENT OF FINANCIAL INSTITUTIONS
CONSUMER SERVICES DIVISION

IN THE MATTER OF DETERMINING Whether there has been a violation of the Mortgage Broker Practices Act of Washington by:

Clark County Carpet Cleaning & Damage Restoration, Inc., dba Free Republic Finance, and Donald E. Railsback, President and Designated Broker

Respondents.

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## NO. C-04-046-04-FO01

FINAL ORDER

## I. DIRECTOR'S CONSIDERATION

A. <u>Default</u>. This matter has come before the Director of the Department of Financial Institutions of the State of Washington (Director) pursuant to RCW 34.05.440(1). On March 1, 2004, the Director through her designee Consumer Services Division Director and Enforcement Chief Chuck Cross, entered a Statement of Charges and Notice of Intention to Enter an Order to Revoke License and Prohibit From Participation in the Mortgage Broker Industry (Statement of Charges). A copy of the Statement of Charges is attached and incorporated into this order by this reference. The Statement of Charges that was successfully served was accompanied by a cover letter dated September 22, 2004, a Notice of Opportunity to Defend and Opportunity for Hearing, and blank Applications for Adjudicative Hearing for Clark County Carpet Cleaning & Damage Restoration, Inc and Donald Railsback, President and Designated Broker. The Department of Financial Institutions of the State of Washington (Department) served the Statement of Charges, cover letter dated September 22, 2004, Notice of Opportunity to Defend and Opportunity for Hearing for Clark Statement 22, 2004, Notice of Opportunity to Defend and Opportunity for Hearing for Clark County Adjudicative Hearing for Clark County Carpet Cleaning & Damage Restoration, Inc

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FINAL ORDER – CLARK COUNTY CARPET CLEANING & DAMAGE RESTORATION, INC.

DEPARTMENT OF FINANCIAL INSTITUTIONS Division of Consumer Services 150 Israel Rd SW PO Box 41200 Olympia, WA 98504-1200 (360) 902-8795

1	Railsback on Respondents by Certified Mail on October 5, 2004. Respondents have not requested an			
2	adjudicative hearing within twenty days of service as required by Department rule WAC 208-08-050			
3	B. <u>Record Presented</u> . The record presented to the Director for her review and for entry of			
4	a final decision included the Statement of Charges, cover letter dated September 22, 2004, Notice of			
5	Opportunity to Defend and Opportunity for Hearing, blank Applications for Adjudicative Hearing for			
6	Clark County Carpet Cleaning & Damage Restoration, Inc and Donald Railsback, and documentation of			
7	service.			
8	C. <u>Factual Findings and Grounds For Order</u> . Pursuant to RCW 34.05.440(1), the			
9	Director hereby adopts the Statement of Charges, which is attached hereto.			
10	II. FINAL ORDER			
11 12	Based upon the foregoing, and the Director having considered the record and being			
12				
13	otherwise fully advised, NOW, THEREFORE:			
15	A. IT IS HEREBY ORDERED, That:			
16	1. The mortgage broker license held by Respondent Clark County Carpet Cleaning &			
17	Damage Restoration, Inc. be revoked; and			
18	2. Respondent Donald E. Railsback be prohibited from acting as a principal or designated			
19	broker for a licensed mortgage broker for a period of five (5) years;			
20	B. <u>Reconsideration</u> . Pursuant to RCW 34.05.470, Respondent[s] has [have] the right to			
21	file a Petition for Reconsideration stating the specific grounds upon which relief is requested. The			
22	Petition must be filed in the Office of the Director of the Department of Financial Institutions by courier			
23				
24	at 150 Israel Road SW, Tumwater, Washington 98501, or by U.S. Mail at P.O. Box 41200, Olympia,			
25	Washington 98504-1200, within ten (10) days of service of the Final Order upon Respondent[s]. The			
	FINAL ORDER - DEPARTMENT OF FINANCIAL INSTITUTIONS CLARK COUNTY CARPET CLEANING & DAMAGE Division of Consumer Services RESTORATION, INC. 150 Israel Rd SW			
	PO Box 41200 Olympia, WA 98504-1200 (360) 902-8795			

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Petition for Reconsideration shall not stay the effectiveness of this order nor is a Petition for Reconsideration a prerequisite for seeking judicial review in this matter.

A timely Petition for Reconsideration is deemed denied if, within twenty (20) days from the date the petition is filed, the agency does not (a) dispose of the petition or (b) serve the parties with a written notice specifying the date by which it will act on a petition.

C. <u>Stay of Order</u>. The Director has determined not to consider a Petition to Stay the effectiveness of this order. Any such requests should be made in connection with a Petition for Judicial Review made under chapter 34.05 RCW and RCW 34.05.550.

D. <u>Judicial Review</u>. Respondents have the right to petition the superior court for judicial review of this agency action under the provisions of chapter 34.05 RCW. For the requirements for filing a Petition for Judicial Review, see RCW 34.050.510 and sections following.

E. <u>Service.</u> For purposes of filing a Petition for Reconsideration or a Petition for Judicial Review, service is effective upon deposit of this order in the U.S. mail, declaration of service attached hereto.

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DATED this 24 day of March, 2005.



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FINAL ORDER – CLARK COUNTY CARPET CLEANING & DAMAGE RESTORATION, INC. STATE OF WASHINGTON DEPARTMENT OF FINANCIAL INSTITUTIONS

Gloria Papiez Acting Director

DEPARTMENT OF FINANCIAL INSTITUTIONS Division of Consumer Services 150 Israel Rd SW PO Box 41200 Olympia, WA 98504-1200 (360) 902-8795

1	STATE OF WASHINGTON DEPARTMENT OF FINANCIAL INSTITUTIONS CONSUMER SERVICES DIVISION			
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	IN THE MATTER OF DETERMINING NO. C-04-046-04-SC01 Whether there has been a violation of the			
4	Mortgage Broker Practices Act of Washington by: STATEMENT OF CHARGES and			
5	Clark County Carpet Cleaning & DamageNOTICE OF INTENT TO REVOKE LICENSE AND PROHIBIT FROM PARTICIPATION IN THE			
6	Restoration, Inc., dba Free Republic Finance, and MORTGAGE BROKER INDUSTRY Donald E. Railsback,			
7	President and Designated Broker,			
8	Respondents.			
9				
10	INTRODUCTION			
	Pursuant to RCW 19.146.220 and RCW 19.146.223, the Director of the Department of Financial Institutions			
11	of the State of Washington ("Director") is responsible for the administration of chapter 19.146 RCW, the Mortgage			
12	Broker Practices Act ("Act"). The referenced statutes (RCW) and rules (WAC) are attached, in pertinent part. After			
13	having conducted an investigation, and based upon the facts available as of March 8, 2004, the Director institutes this			
14	proceeding and finds as follows:			
15				
16				
17	I. FACTUAL ALLEGATIONS			
18	1.1 Respondents:			
	A. Clark County Carpet Cleaning & Damage Restoration, Inc. dba Free Republic Finance			
19	("Clark County Carpet") is known to have conducted the business of a mortgage broker at:			
20	10721 NW 11 <sup>th</sup> Avenue			
21	Vancouver, Washington 98685			
22	B. <b>Donald E. Railsback ("Respondent Railsback")</b> is known to be an owner of Clark County			
23	Carpet. Railsback was named designated broker on November 24, 1999, and continues in that capacity to date.			
24	<b>1.2</b> License: Clark County Carpet was licensed by the Department of Financial Institutions ("Department")			
25	to conduct business as a mortgage broker on November 24, 1999, and has continued to be licensed to date.			
	STATEMENT OF CHARGES - C-04-046-04-SC01 1 DEPARTMENT OF FINANCIAL INSTITUTIONS 150 Israel Rd SW			
	CLARK COUNTY CARPET CLEANING & DAMAGE PO Box 41200 RESTORATION, INC. and DONALD E. RAILSBACK Olympia, WA 98504-1200			

1	1.3	Failure	e to Pay Annual Assessment:	Payment of the annual	assessment is due to the Department no
2	later than the last business day of November of each year. To date, the Department has not received the following				
3	annual assessments due from Respondents, in the amount of \$2,075.67:				
4	A. Payment of the annual assessments of \$500.00 for the year 2000 was due to the Department no later than the last business day of November 2000.				
5 6		B.	Payment of the annual assess later than the last business da		e year 2001 was due to the Department no
7		C.	•		ch of the years 2002 and 2003 (two years) ness day of November of each year.
8 9		D.	In addition, payment of the an Department no later than the		30.86 for the year 2004 will be due to the vember 2004.
10	1.4	Failure	to Maintain Bond: Effective	e November 28, 2000, V	Washington International Insurance
11	Compa	ny cance	elled Clark County Carpet's su	rety bond. To date, Re	spondents have not notified the Department
12	that Cla	ark Cou	nty Carpet's surety bond had b	een cancelled, nor have	Respondents replaced the surety bond.
13	<b>1.5</b> Failure to Submit Continuing Education Certificate: A certificate of satisfactory completion of an			ertificate of satisfactory completion of an	
14	approv	ed conti	uing education course was du	e to the Department no	later than the last day of November of 2000
15	through 2003. To date, the Department has not received the required certificates due from Respondent Railsback				
16	<b>1.6</b> Failure to Respond to Directive Requirement: On November 26, 2003, the Department issued a				
17	directive to Respondents requiring payment of the annual assessments; replacement of Clark County Carpet's				
18	surety bond; and submittal of certificates of completion for continuing education. To date, the Department has				
19	not received a response to its directive. On October 21, 2002, the Department mailed a directive to Respondents				
20	by certified mail to Respondent Clark County Carpet's last known address. That directive was returned				
21	unclaimed.				
22	1.7	Failure	e to Notify DFI of Significant	Developments:	
23		А.	As stated in 1.4 above, to dat	e, Respondents have no	t notified the Department of the cancellation
24			of Clark County Carpet's sur	ety bond.	
25					
	CLAR	K COUNTY	CHARGES - C-04-046-04-SC01 CARPET CLEANING & DAMAGE INC, and DONALD E. RAILSBACK	2	DEPARTMENT OF FINANCIAL INSTITUTIONS 150 Israel Rd SW PO Box 41200 Olympia, WA 98504-1200

1	B.	Clark County Carpet's corporate license, maintained with the office of the Secretary of State,	
2		expired on June 30, 2002. To date, Respondents have not notified the Department of Clark	
3	County Carpet's change in status with the Secretary of State, nor has Clark County Carpet		
4	renewed its corporate license.		
5	C. Clark County Carpet's Master Business License account with the Washington State Departmen		
6		of Licensing was dissolved on September 23, 2002. To date, Respondents have not notified the	
7		Department of this change in Clark County Carpet's Master Business License.	
8			
9		II. GROUNDS FOR ENTRY OF ORDER	
10	2.1 Requi	rement to Pay Annual Assessments: Based on the Factual Allegations set forth in Section I	
11	above, Respon	dents are in apparent violation of RCW 19.146.228(1), WAC 208-660-060(3) and WAC 208-660-	
12	061 for failing	to pay to the Director an annual assessment fee no later than the last business day of the month in	
13	which the anni	versary date of the issuance of the mortgage broker's license occurs.	
14	<b>2.2</b> Requirement to Maintain Bond: Based on the Factual Allegations set forth in Section I above,		
15	Respondents are in apparent violation of RCW 19.146.205(4)(a) and WAC 208-660-080(1) for failing to file and		
16	maintain a surety bond or approved alternative with the Department.		
17	<b>2.3</b> Requirement to Submit Certificate of Completion of Continuing Education: Based on the Factual		
18	Allegations set	forth in Section I above, Respondent Donald E. Railsback is in apparent violation of RCW	
19	19.146.215 and WAC 208-660-042 for failing to complete the annual continuing education requirement and file a		
20	certificate of satisfactory completion no later than the last business day of the month in which the anniversary		
21	date of the issuance of the licensee's license occurs.		
22	2.4 Requi	rement to Notify of Significant Developments: Based on the Factual Allegations set forth in	
23	Section I above	e, Respondents are in apparent violation of WAC 208-660-150(1)(e), WAC 208-660-150(2), and	
24	WAC 208-660	-150(3)(b), (e) and (f) for failing to notify the Director in writing within thirty days after receipt of	
25	notification of	cancellation of the licensee's surety bond, failing to notify the Director in writing ten days prior to	
		F CHARGES - C-04-046-04-SC01 3 DEPARTMENT OF FINANCIAL INSTITUTIONS 150 Israel Rd SW	
		Y CARPET CLEANING & DAMAGE PO Box 41200 INC. and DONALD E. RAILSBACK Olympia, WA 98504-1200	

1	a change of the location of the licensee's principal place of business or any of its branch offices, and failing to				
2	notify the Director in writing within five days after a change in mailing address or telephone number or State				
3	master business license or standing with the state of Washington Secretary of State.				
4	<b>2.5</b> Authority to Revoke License: Pursuant to RCW 19.146.220(2)(b)(ii) and (iii), and WAC 208-660-				
5	160(1), (2), (8), and (13), the Director may revoke a license for failure to pay a required annual assessment, for				
6	failure to maintain the required surety bond, and for failure to comply with any directive or order of the Director.				
7	<b>2.6</b> Authority to Prohibit from the Industry: Pursuant to RCW 19.146.220(2)(e)(i) and (iv), the Director				
8	may prohibit a covered individual from participation in the conduct of the affairs of a licensed mortgage broker for				
9	failure to maintain the required surety bond and for failure to comply with any directive or order of the Director.				
10					
11	III. NOTICE OF INTENT TO ENTER ORDER				
12	Respondents' violations of the provisions of chapter 19.146 RCW and chapter 208-660 WAC, as set forth in				
13	the above Factual Allegations and Grounds for Entry of Order, constitute a basis for the entry of an Order under RCV				
14	19.146.220. Therefore, it is the Director's intention to ORDER that:				
15	3.1 The mortgage broker license held by Respondent Clark County Carpet Cleaning & Damage Restoration, Inc. be revoked; and				
16 17	3.2 Respondent Donald E. Railsback be prohibited from participation in the conduct of the affairs of any licensed mortgage broker for a period of five (5) years; and				
18	IV. AUTHORITY AND PROCEDURE				
19	This Statement of Charges and Notice is entered pursuant to the provisions of RCW 19.146.220,				
20	RCW 19.146.221 and RCW 19.146.230, and is subject to the provisions of chapter 34.05 RCW (The				
21	Administrative Procedure Act). Respondents may make a written request for a hearing as set forth in the				
22	NOTICE OF OPPORTUNITY TO DEFEND AND OPPORTUNITY FOR HEARING accompanying this				
23	Statement of Charges and Notice of Intent to Revoke License and Prohibit from Participation in the Mortgage				
24	Broker Industry.				
25					
	STATEMENT OF CHARGES - C-04-046-04-SC01 4 DEPARTMENT OF FINANCIAL INSTITUTIONS 150 Israel Rd SW CLARK COUNTY CARPET CLEANING & DAMAGE RESTORATION, INC. and DONALD E. RAILSBACK Olympia, WA 98504-1200				

1	Dated this <u>18<sup>th</sup></u> day of <u>March</u> 2004.	
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4		/s/ CHUCK CROSS, ACTING DIRECTOR DIVISION OF CONSUMER SERVICES
5		DEPARTMENT OF FINANCIAL INSTITUTIONS
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7	Presented by:	
8	Tresented by:	
9	Victoria W. Sheldon, Financial Legal Examiner	
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	STATEMENT OF CHARGES - C-04-046-04-SC01 5 CLARK COUNTY CARPET CLEANING & DAMAGE RESTORATION, INC. and DONALD E. RAILSBACK	DEPARTMENT OF FINANCIAL INSTITUTIONS 150 Israel Rd SW PO Box 41200 Olympia, WA 98504-1200