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**STATE OF WASHINGTON
DEPARTMENT OF FINANCIAL INSTITUTIONS
SECURITIES DIVISION**

IN THE MATTER OF DETERMINING
whether there has been a violation
of the Securities Act of the State
of Washington by:

Northwest Financial Group; Timothy Morris;
Respondents.

Order Number S-05-136-07-FO01

FINAL ORDER TO CEASE AND DESIST,
DENY REGISTRATION, AND IMPOSE
FINES AND COSTS

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THIS MATTER having come before Scott Jarvis, Director ("Director") of the Washington State Department of Financial Institutions ("Department") under RCW 34.05.440 and RCW 34.05.464, the Director does hereby enter the following final order pursuant to his authority under RCW 21.20.390, and is subject to the provisions of RCW 21.20.395 and Chapter 34.05 RCW:

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I. DIRECTOR'S CONSIDERATION

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A. Default. On March 15, 2006, the Director through his designee Securities Administrator, Michael E. Stevenson, entered a Statement of Charges and Notice of Intent to Enter Order to Cease and Desist, Deny Registration, and To Impose Fines and Costs ("Statement of Charges") against Northwest Financial Group and Timothy Morris ("Respondents"). A copy of the Statement of Charges is attached and incorporated into this order by reference.

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On March 24, 2006, the Department served the Statement of Charges together with a Notice of Opportunity to Defend and Opportunity for Hearing ("Notice of Opportunity for Hearing") and an Application for Adjudicative Hearing ("Application for Hearing") via personal service on Respondents.

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1 The Notice of Opportunity for Hearing advised Respondents that they had twenty days from the date
2 that the notice was received to file a written application for an adjudicative hearing on the Statement of
3 Charges. The Statement of Charges further advised that if Respondents did not request a hearing the
4 Securities Administrator intended to adopt the Tentative Findings of Fact and Conclusions of Law set
5 forth in the Statement of Charges as final, enter a permanent order to cease and desist and impose the
6 fine costs, and other relief sought in the Statement of Charges.

7 On April 5, 2006, the Department received Respondents' Application for hearing.

8 On June 2, 2006, the Department assigned this matter to the Office of Administrative Hearings
9 for a hearing. The Office of Administrative Hearings set this matter for a pre-hearing conference on and
10 sent written notice to the Department and to the Respondents by United States Mail. In the Notice of
11 Pre-Hearing Conference by Telephone, the parties were advised that the failure to participate in the pre-
12 hearing conference, hearing, or any other schedule stage of these proceedings might result in the loss of
13 the right to a hearing as described in RCW 34.05.440.

14 On November 17, 2006, the Office of Administrative Hearings issued a Pre-hearing Order and
15 Notice of Hearing setting the deadline for completion of discovery on January 31, 2007. The Order
16 advised that any party failing to appear, attend, or otherwise participate at any stage of this proceeding
17 might be held in default and a decision may be entered against their interest.

18 On November 29, 2006, Respondents were sent Department's First Set of Interrogatories and
19 Requests for Production. Respondents were advised that their answers, documents, and other responses
20 were due no later than thirty (30) days from the date the document was served upon them. Respondents
21 failed to provide their responses within the thirty (30) days.

1 On January 12, 2007, a Motion to Compel Responses to Department's Discovery Requests was
2 sent to Respondents and to the Office of Administrative Hearings. Respondents were consulted on the
3 date and time of a telephonic conference regarding the Motion and the conference was set for January
4 30, 2007. On January 30, 2007, the Office of Administrative Hearings held the telephonic conference
5 on the Motion. The Department appeared at the telephonic conference; however, Respondents failed to
6 appear for the telephonic conference.

7 On January 31, 2007, the Office of Administrative Hearings issued an Order Compelling
8 Responses to Department's Discovery Requests to Northwest Financial Solutions and Timothy Morris
9 instructing Respondents to deliver responses to the Department's First Interrogatories and Requests for
10 Production to Respondents by February 6, 2007. The Order further advised that in the event that
11 Respondents failed to produce said discovery responses, they may be deemed to be in contempt and
12 subject to immediate dismissal of their appeal. Respondents failed to produce said discovery responses.

13 On February 16, 2007, the Office of Administrative Hearings issued a Default Order ordering
14 Respondents in default pursuant to RCW 34.05.440(2) and dismissing the Respondents' appeal. The
15 Default Order advised Respondents that a request to vacate the order must be filed within seven days of
16 service of the order. Absent a timely petition for review, the Default Order would become the Final
17 Order. Respondent did not file a request to vacate the order.

18 B. Record Presented. The record presented to the Director for his review and for entry of
19 a final decision included the Statement of Charges, Notice of Opportunity to Defend, and an Application
20 for Adjudicative Hearing served on Respondents; proof of service; Respondents' Application for
21 Adjudicative Hearing; Letter to the Office of Administrative Hearings dated June 2, 2006; Department's
22 Motion to Compel Responses to Discovery Requests dated January 12, 2007; Office of Administrative

1 Hearings' Order Compelling Responses to Department's Discovery Requests dated January 31, 2007;
2 and Office of Administrative Hearings' Default Order dated February 16, 2007.

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4 C. Factual Findings and Grounds For Order. The Director hereby adopts the Findings of Fact and
5 Conclusions of Law as set forth in the Statement of Charges which is attached hereto.

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7 II. FINAL ORDER

8 Based upon the foregoing, which incorporates the Findings of Fact and Conclusions of Law as set
9 forth in the Statement of Charges:

10 A. IT IS HEREBY ORDERED:

- 11 1. Respondents Northwest Financial Group and Timothy Morris shall cease and desist
12 from violations of RCW 21.20.010, RCW 21.20.040, and RCW 21.20.140.
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- 14 2. Respondent Timothy Morris shall be denied registration as a securities salesperson,
15 broker-dealer, investment adviser, or investment adviser representative for a period
16 of ten (10) years.
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- 18 3. Respondents Northwest Financial Group and Timothy Morris shall pay a fine in the
19 amount of \$10,000. Such payment shall be: (a) made by United States postal money
20 order, certified check, bank cashier's check or bank money order; (b) made payable
21 to the Washington State Treasurer; (c) delivered by certified mail to Michael E.
22 Stevenson, Securities Administrator, Department of Financial Institutions, PO Box

1 9033, Olympia, Washington 98507; and (d) submitted with a cover letter that
2 identifies Northwest Financial Group and Timothy Morris as respondents under
3 these proceedings and an order number of these proceedings.
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5 4. Respondents Northwest Financial Group and Timothy Morris shall pay the costs,
6 fees, and other expenses incurred in the conduct of the administrative investigation
7 of this matter in the amount of \$3,950.
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9 B. Reconsideration. Pursuant to RCW 34.05.470, Respondents have the right to file a Petition
10 for Reconsideration stating the specific grounds upon which relief is requested. The Petition must be filed
11 in the Office of the Director of the Department of Financial Institutions by courier at 150 Israel Road SW,
12 Tumwater, WA 98501, or by U.S. Mail at P.O. Box 41200, Olympia, Washington 98504, within ten (10)
13 days of service of the Final Order upon Respondents. The Petition for Reconsideration shall not stay the
14 effectiveness of this order nor is a Petition for Reconsideration a prerequisite for seeking judicial review in
15 this matter. A timely Petition for Reconsideration is deemed denied if, within twenty (20) days from the
16 date the petition is filed, the agency does not (a) dispose of the petition or (b) serve the parties with a written
17 notice specifying the date by which it will act on a petition.
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19 C. Stay of Order. The Director has determined not to consider a Petition to Stay the
20 effectiveness of this order. Any such requests should be made in connection with a Petition for Judicial
21 Review made under chapter 34.05 RCW and RCW 34.05.550.
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1 D. Judicial Review. Respondents have the right to petition the superior court for judicial
2 review of this agency action under the provisions of chapter 34.05 RCW. For the requirements for filing
3 a Petition for Judicial Review see RCW 34.050.510 and the sections following.

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5 E. Service. For purposes of filing a Petition for Reconsideration or a Petition for Judicial
6 Review, service is effective upon deposit of this order in the U.S. Mail declaration of service attached
7 hereto.

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9 DATED this 28th day of February, 2007.



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11 STATE OF WASHINGTON
12 DEPARTMENT OF FINANCIAL INSTITUTIONS

13 
14 SCOTT JARVIS
Director

15 STATE OF WASHINGTON)
16) ss. AFFIDAVIT OF SERVICE BY MAIL
17 COUNTY OF THURSTON)

18 I, SUSAN PUTZIER, hereby certify that on the 1st day of March 2007, I served by
depositing in the mails of the United States Postal Service, postage prepaid, at Tumwater, Washington, a
copy of the foregoing Final Order to the following parties:


19 Michael E. Stevenson
20 Securities Administrator
21 Department of Financial Institutions
22 Securities Division
23 P.O. Box 9033
24 Olympia, WA 98507

25 Northwest Financial Group

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REGISTRATION, AND IMPOSE FINES AND COSTS

1 Timothy Morris
1402 Auburn Way N, #442
2 Auburn, WA 98002

3 Dated at Tumwater, Washington, this 18th day of March 2007.

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Susan Putzier, Executive Assistant
6 Department of Financial Institutions

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DEPARTMENT OF FINANCIAL INSTITUTIONS
Securities Division
PO Box 9033
Olympia, WA 98507-9033
360-902-8760