

Terms Completed

ORDER SUMMARY – Case Number: C-04-046

Name(s): Clark County Carpet Cleaning & Damage Restoration Inc
dba Free Republic Finance
Donald Railsback

Order Number: C-04-046-04-FO01

Effective Date: March 24, 2005

License Number: DFI: 19189 –Clark County
Or NMLS Identifier [U/L] DFI: 22096 -Railsback

(Revoked, suspended, stayed, application denied or withdrawn)
 If applicable, you must specifically note the ending dates of terms.

License 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 <input type="checkbox"/> Y <input type="checkbox"/> N	Date
Fine	\$	Due	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
Assessment(s)	\$	Due	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
Restitution	\$	Due	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
Judgment	\$	Due	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
Satisfaction of Judgment Filed?	<input type="checkbox"/> Y <input type="checkbox"/> N			
	No. of Victims:			

Comments: _____

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**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:

NO. C-04-046-04-FO01

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

FINAL ORDER

Respondents.

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I. DIRECTOR'S CONSIDERATION

A. Default. 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, and blank Applications for
Adjudicative Hearing for Clark County Carpet Cleaning & Damage Restoration, Inc and Donald

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. Record Presented. 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. Factual Findings and Grounds For Order. Pursuant to RCW 34.05.440(1), the
9 Director hereby adopts the Statement of Charges, which is attached hereto.
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11 II. FINAL ORDER

12 Based upon the foregoing, and the Director having considered the record and being
13 otherwise fully advised, NOW, THEREFORE:

14 A. IT IS HEREBY ORDERED, That:

- 15 1. The mortgage broker license held by Respondent Clark County Carpet Cleaning &
16 Damage Restoration, Inc. be revoked; and
17 2. Respondent Donald E. Railsback be prohibited from acting as a principal or designated
18 broker for a licensed mortgage broker for a period of five (5) years;
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20 B. Reconsideration. 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 at 150 Israel Road SW, Tumwater, Washington 98501, or by U.S. Mail at P.O. Box 41200, Olympia,
24 Washington 98504-1200, within ten (10) days of service of the Final Order upon Respondent[s]. The
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1 Petition for Reconsideration shall not stay the effectiveness of this order nor is a Petition for
2 Reconsideration a prerequisite for seeking judicial review in this matter.

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

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

9 D. Judicial Review. Respondents have the right to petition the superior court for
10 judicial review of this agency action under the provisions of chapter 34.05 RCW. For the requirements
11 for filing a Petition for Judicial Review, see RCW 34.050.510 and sections following.
12

13 E. Service. For purposes of filing a Petition for Reconsideration or a Petition for
14 Judicial Review, service is effective upon deposit of this order in the U.S. mail, declaration of service
15 attached hereto.
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17 DATED this 24th day of March, 2005.



STATE OF WASHINGTON
DEPARTMENT OF FINANCIAL INSTITUTIONS

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Gloria Papiez
Acting Director

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**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.

NO. C-04-046-04-SC01

STATEMENT OF CHARGES and
NOTICE OF INTENT TO REVOKE LICENSE
AND PROHIBIT FROM PARTICIPATION IN THE
MORTGAGE BROKER INDUSTRY

INTRODUCTION

Pursuant to RCW 19.146.220 and RCW 19.146.223, the Director of the Department of Financial Institutions of the State of Washington (“Director”) is responsible for the administration of chapter 19.146 RCW, the Mortgage Broker Practices Act (“Act”). The referenced statutes (RCW) and rules (WAC) are attached, in pertinent part. After having conducted an investigation, and based upon the facts available as of March 8, 2004, the Director institutes this proceeding and finds as follows:

I. FACTUAL ALLEGATIONS

1.1 Respondents:

A. **Clark County Carpet Cleaning & Damage Restoration, Inc. dba Free Republic Finance** (“Clark County Carpet”) is known to have conducted the business of a mortgage broker at:

10721 NW 11th Avenue
Vancouver, Washington 98685

B. **Donald E. Railsback (“Respondent Railsback”)** is known to be an owner of Clark County Carpet. Railsback was named designated broker on November 24, 1999, and continues in that capacity to date.

1.2 License: Clark County Carpet was licensed by the Department of Financial Institutions (“Department”) to conduct business as a mortgage broker on November 24, 1999, and has continued to be licensed to date.

1 **1.3 Failure 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
5 later than the last business day of November 2000.
- 6 B. Payment of the annual assessment of \$513.95 for the year 2001 was due to the Department no
7 later than the last business day of November 2001.
- 8 C. Payment of the annual assessment of \$530.86 for each of the years 2002 and 2003 (two years)
9 was due to the Department no later than the last business day of November of each year.
- 10 D. In addition, payment of the annual assessment of \$530.86 for the year 2004 will be due to the
11 Department no later than the last business day of November 2004.

12 **1.4 Failure to Maintain Bond:** Effective November 28, 2000, Washington International Insurance
13 Company cancelled Clark County Carpet's surety bond. To date, Respondents have not notified the Department
14 that Clark County Carpet's surety bond had been cancelled, nor have Respondents replaced the surety bond.

15 **1.5 Failure to Submit Continuing Education Certificate:** A certificate of satisfactory completion of an
16 approved continuing education course was due to the Department no later than the last day of November of 2000
17 through 2003. To date, the Department has not received the required certificates due from Respondent Railsback.

18 **1.6 Failure to Respond to Directive Requirement:** On November 26, 2003, the Department issued a
19 directive to Respondents requiring payment of the annual assessments; replacement of Clark County Carpet's
20 surety bond; and submittal of certificates of completion for continuing education. To date, the Department has
21 not received a response to its directive. On October 21, 2002, the Department mailed a directive to Respondents
22 by certified mail to Respondent Clark County Carpet's last known address. That directive was returned
23 unclaimed.

24 **1.7 Failure to Notify DFI of Significant Developments:**

- 25 A. As stated in 1.4 above, to date, Respondents have not notified the Department of the cancellation
of Clark County Carpet's surety bond.

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 **2.5 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 **2.6 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.

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 RCW
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
16 Restoration, Inc. be revoked; and

17 3.2 Respondent Donald E. Railsback be prohibited from participation in the conduct of the affairs of any
18 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.

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Dated this 18th day of March 2004.

/s/ _____
CHUCK CROSS, ACTING DIRECTOR
DIVISION OF CONSUMER SERVICES
DEPARTMENT OF FINANCIAL INSTITUTIONS

Presented by:

Victoria W. Sheldon, Financial Legal Examiner