

ORDER SUMMARY – Case Number: C-06-163

Name(s): Fairwood Mortgage LLC
Jeffery Scott Creter
Barbara Diane Creter

Order Number: C-06-163-07-CO02

Effective Date: July 16, 2007

License Number: DFI: 28300 - Fairwood; DFI: 28301 - Jeffery
Or NMLS Identifier [U/L] (Revoked, suspended, stayed, application denied or withdrawn)
 If applicable, you must specifically note the ending dates of terms.

License Effect: Surrendered

Not Apply Until: July 16, 2012

Not Eligible Until: _____

Prohibition/Ban Until: July 16, 2012

Investigation Costs	\$830.32	Due	Paid <input checked="" type="checkbox"/> Y <input type="checkbox"/> N	Date
Fine	\$	Due	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
Assessment(s)	\$1,061.72	Due	Paid <input checked="" type="checkbox"/> Y <input type="checkbox"/> N	Date
Restitution	\$1,000	Due	Paid <input checked="" 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:

1
2 **STATE OF WASHINGTON**
3 **DEPARTMENT OF FINANCIAL INSTITUTIONS**
4 **DIVISION OF CONSUMER SERVICES**

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

8 FAIRWOOD MORTGAGE LLC, and
9 JEFFERY SCOTT CRETER, President, Owner
and Designated Broker, and BARBARA
DIANE CRETER, Owner and COO, and
RONALD PATRICK BILLOCK, Owner, and
CFO,

Respondents.

NO. C-06-163-07-CO02

CONSENT ORDER

FAIRWOOD MORTGAGE LLC, and
JEFFERY SCOTT CRETER, and
BARBARA DIANE CRETER

10 COMES NOW the Director of the Department of Financial Institutions (Director), through his designee
11 Deborah Bortner, Division Director, Division of Consumer Services, and Fairwood Mortgage LLC (hereinafter
12 Respondent Fairwood), Jeffery Scott Creter, President, Owner and Designated Broker (hereinafter Respondent
13 Jeffery Creter), and Barbara Diane Creter, Owner and COO (hereinafter Respondent Barbara Creter), and finding
14 that the issues raised in the captioned matter may be economically and efficiently settled, agree to the entry of this
15 Consent Order. This Consent Order is entered pursuant to chapter 19.146 of Revised Code of Washington
16 (RCW), and RCW 34.05.060 of the Administrative Procedure Act, based on the following:

17 **AGREEMENT AND ORDER**

18 The Department of Financial Institutions, Division of Consumer Services (Department) and
19 Respondents have agreed upon a basis for resolution of the matters alleged in Statement of Charges No. C-
20 06-163-06-SC01, entered February 12, 2007, (Statement of Charges), a copy of which is attached hereto.
21 Pursuant to chapter 19.146 RCW, the Mortgage Broker Practices Act (Act), and RCW 34.05.060 of the
22 Administrative Procedure Act, Respondents hereby agree to the Department's entry of this Consent Order
23 and further agree that the issues raised in the above captioned matter may be economically and efficiently
24

25 CONSENT ORDER
C-06-163-07-CO02
FAIRWOOD MORTGAGE LLC and
JEFFERY SCOTT CRETER and
BARBARA DIANE CRETER

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DEPARTMENT OF FINANCIAL INSTITUTIONS
Division of Consumer Services
150 Israel Rd SW
PO Box 41200
Olympia, WA 98504-1200
(360) 902-8703

1 settled by entry of this Consent Order. The parties intend this Consent Order to fully resolve the Statement
2 of Charges.

3 Based upon the foregoing:

4 A. **Jurisdiction.** It is AGREED that the Department has jurisdiction over the subject matter of the
5 activities discussed herein.

6 B. **Waiver of Hearing.** It is AGREED that Respondents have been informed of the right to a hearing
7 before an administrative law judge, and that they have waived their right to a hearing and any and all
8 administrative and judicial review of the issues raised in this matter, or of the resolution reached herein.

9 Accordingly, Respondents agree to withdraw their appeal and to inform the Office of Administrative Hearings in
10 writing of their withdrawal.

11 C. **Consent to be Bound by Order.** It is AGREED that the parties shall be bound by the terms and
12 conditions of this Consent Order as set forth herein.

13 D. **Mortgage Broker License.** It is AGREED that Respondents Jeffery Creter and Barbara Creter shall
14 surrender their mortgage broker license upon entry of this Consent Order. It is further AGREED that Respondents
15 shall provide the Department with a fully completed Mortgage Broker Office Closure/License Surrender Form and
16 original license upon entry of this Consent Order.

17 E. **Prohibition from Industry.** It is AGREED that Respondents Jeffery Creter and Barabar Creter are
18 prohibited from participating in the conduct of the affairs of any mortgage broker licensed by the Department or
19 any mortgage broker exempt from Washington law under RCW 19.146.020(1)(b), (e), or (g) for five (5) years
20 from the date of entry of this Consent Order in any capacity, including but not limited to: (1) any financial
21 capacity whether active or passive or (2) as an officer, director, principal, or designated broker or (3) any
22 management, control, oversight or maintenance of any trust account(s) in any way related to any residential
23 mortgage transaction or (4) receiving, disbursing, managing or controlling in any way, consumer trust funds in any
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1 way related to any residential mortgage transaction. This provision is not intended to restrict Respondents' ability
2 to work as a loan originator, accounts executive, or employee in the mortgage broker industry.

3 **F. Annual Assessments.** It is AGREED that Respondents shall pay to the Department \$1061.72 in past
4 due annual assessments in the form of a cashier's check made payable to the Washington State Treasurer upon
5 entry of this Consent Order.

6 **G. Third Party Payment.** It is AGREED that Respondents shall pay appraisal fees owed to Bollinger
7 Appraisal Service totaling \$1000 for the following appraisals:

- 8 1. Appraisal dated August 15, 2005 (2005G02) for \$600.
- 9 2. Appraisal dated December 12, 2005 (2005L03) for \$400.

10 It is further AGREED that Respondents shall provide proof to the Department of said payment to
11 Bollinger Appraisal Service no later than thirty (30) days after entry of this Consent Order.

12 **H. Investigation Fee.** It is AGREED that Respondents shall pay to the Department an investigation fee
13 of \$830.32, in the form of a cashier's check made payable to the "Washington State Treasurer," upon entry of this
14 Consent Order.

15 **I. Declaration.** It is AGREED that Respondents Jeffery Creter and Barabara Creter provided the
16 Department with declarations made under oath stating that they have not been involved in originating loans under
17 Respondent Fairwood's name since at least April 2006. It is further AGREED that a true and correct copy of the
18 declarations are attached hereto and incorporated by this reference as though fully set forth herein.

19 **J. Authority to Execute Order.** It is AGREED that the undersigned Respondents have represented and
20 warranted that they have the full power and right to execute this Consent Order on behalf of the parties
21 represented.

22 **K. Non-Compliance with Order.** It is AGREED that Respondents understand that failure to abide
23 by the terms and conditions of this Consent Order may result in further legal action by the Director. In the
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1 event of such legal action, Respondents may be responsible to reimburse the Director for the cost incurred in
2 pursuing such action, including but not limited to, attorney fees.

3 **L. Compliance with the Law.** It is AGREED that Respondents shall comply with the Mortgage
4 Broker Practices Act and the rules adopted thereunder.

5 **M. Authority of the Department.** It is AGREED that nothing in this Consent Order shall be construed
6 as preventing the Department from fully exercising its authority and enforcing any provisions of Title 19.146
7 Revised Code of Washington and Chapter 208-660 of Washington Administrative Code.

8 **N. Voluntarily Entered.** It is AGREED that the undersigned Respondents have voluntarily entered into
9 this Consent Order, which is effective when signed by the Director's designee.

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1 O. Completely Read, Understood, and Agreed. It is AGREED that Respondents have read this
2 Consent Order in its entirety and fully understand and agree to all of the same.

3 **RESPONDENTS:**

4 **Fairwood Mortgage LLC, and Jeffery Scott Creter, and Barbara Diane Creter**

5 By:

[Redacted Signature]

6 Jeffery Scott Creter
7 President, Owner and Designated Broker

7/10/07
Date

8 [Redacted Signature]

9 Barbara Diane Creter
10 Owner and COO

07/10/07
Date

11 [Redacted Signature]

12 Jeffery Scott Creter
13 Individually

7/10/07
Date

14 [Redacted Signature]

15 Barbara Diane Creter
16 Individually

07/10/07
Date

17 DO NOT WRITE BELOW THIS LINE

18 THIS ORDER ENTERED THIS 16th DAY OF July, 2007.

19 [Redacted Signature]

20 DEBORAH BORTNER
21 Director
22 Division of Consumer Services
23 Department of Financial Institutions



1 B. **Jeffery Scott Creter** is President, Owner and CEO of Respondent Fairwood Mortgage LLC.
2 Respondent Jeffery Creter was named Designated Broker of Respondent Fairwood Mortgage LLC on July 22,
3 2005, and has continued as Designated Broker to date.

4 C. **Barbara Diane Creter**, is Owner and COO of Respondent Fairwood Mortgage LLC.

5 D. **Ronald Patrick Billock**, is Owner and CFO of Respondent Fairwood Mortgage LLC.

6 **1.2 Third Party Payment and Failure to Respond.** Between February 2005 and December 2005,
7 Respondent Fairwood Mortgage LLC requested and received numerous appraisals on property from Bollinger
8 Appraisal Service. Despite numerous requests for payment from Bollinger Appraisal Services, Respondents
9 failed to pay for these services. The appraisal fees owed to Bollinger Appraisal Service totaling \$6250 is as
10 follows:

11	Appraisal dated February 20, 2005 (2005A25)	\$400
12	Appraisal dated March 29, 2005 (2005C03)	\$350
13	Appraisal dated May 6, 2005 (2005D12)	\$400
14	Appraisal dated May 23, 2005 (2005E11)	\$400
15	Appraisal dated May 24, 2005 (2005E15)	\$400
16	Appraisal dated May 31, 2005 (2005D21)	\$800
17	Appraisal dated June 6, 2005 (2005DE24)	\$550
	Appraisal dated June 20, 2005 (2005E37)	\$500
	Appraisal dated June 20, 2005 (2005E39)	\$500
	Appraisal dated July 14, 2005 (2005F19)	\$950
	Appraisal dated August 2005 (2005G02)	\$600
	<u>Appraisal dated December 12, 2005 (2005L03)</u>	<u>\$400</u>
	Total	\$6250

18 **1.3 Failure to Pay Annual Assessments.** An annual assessment fee for each license is due to the
19 Department no later than the last business day of July for the year then ended. To date, the Department has not
20 received the following annual assessments due from Respondents, totaling \$530.86 for July 2005 through the
21 year ended July 2006. In addition, payment of the annual assessment of \$530.86 for July 2006 through July
22 2007 will be due to the Department no later than the last business day of July 2007.

23 **1.4 Failure to Maintain Bond.** On April 21, 2006, the Department received notice from St. Paul Travelers
24 Casualty and Surety Company of America that Respondent Fairwood Mortgage LLC's surety bond would be
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1 cancelled, effective May 26, 2006. To date, Respondents have failed to notify the Department of the
2 cancellation of the surety bond, and have failed to provide the required surety bond or an approved alternative.

3 **1.5 Failure to Submit Continuing Education Certificates.** A certificate of satisfactory completion of an
4 approved continuing education course by a licensee's Designated Broker is due to the Department no later than
5 the last business day of July of each year. To date, the Department has not received the required certificates
6 from Respondents for July 2005 through July 2006.

7 **1.6 Failure to Respond to Directives.**

8 A. On June 1, 2006, the Department served directives on Respondents seeking numerous
9 documents. In addition, on July 18, 2006, the Department sent a subpoena compelling production of records
10 and explanation to Respondent Fairwood Mortgage LLC's last known address via first class mail. These
11 documents variously required Respondents to respond to the allegations in the complaint related to failure to
12 pay for third party services for numerous appraisals provided by Bollinger and Associates. To date, the
13 Department has not received a response to any of these directives and subpoenas.

14 B. On April 24, 2006, the Department also successfully sent correspondence to Respondents by
15 facsimile, and on May 4, 2006 by certified mail, notifying Respondents of the cancellation of Respondent
16 Fairwood Mortgage LLC's surety bond and of the steps necessary to rectify the situation. In addition, on July
17 8, 2006 the Department served directives to Respondents related to the impending cancellation of Respondents'
18 surety bond. On August 4, 2006, the Department sent a subpoena compelling production of records and
19 explanation to Respondents' last known address via federal express. These directives and subpoena variously
20 required an explanation for the lapse in bond coverage. To date, the Department has not received a response to
21 any of these directives or subpoenas.

22 **1.7 Failure to Notify Department of Significant Developments.**

23 A. As stated in paragraph 1.4, to date, Respondents have not notified the Department of the
24 cancellation of Respondent Fairwood Mortgage LLC's surety bond.

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1 B. Respondent Fairwood Mortgage LLC's corporate license, maintained with the State of
2 Washington Secretary of State, expired on April 30, 2006. To date, Respondents have not notified the
3 Department of this change in standing with the State of Washington Secretary of State.

4 **1.8 On-Going Investigation.** The Department's investigation into the alleged violations of the Act by
5 Respondents continues to date.

7 II. GROUNDS FOR ENTRY OF ORDER

8 **2.1 Requirement to Pay Third Party Service Providers:** Based on the Factual Allegations set forth
9 in Section I above, Respondents are in apparent violation of RCW 19.146.0201(11) for failing to pay third-party
10 providers no later than thirty days after the recording of the loan closing documents or ninety days after
11 completion of the third party service, whichever comes first, unless otherwise agreed or unless the third-party
12 service provider has been notified in writing that a bona fide dispute exists regarding the performance or quality
13 of the third-party service.

14 **2.2 Requirement to Maintain Surety Bond.** Based on the Factual Allegations set forth in Section I
15 above, Respondents are in apparent violation of RCW 19.146.205(4)(a) and WAC 208-660-080(1) for failing to
16 file and maintain a surety bond or approved alternative with the Department.

17 **2.3 Requirement to Submit Certificate of Completion of Continuing Education.** Based on the
18 Factual Allegations set forth in Section I above, Respondent Jeffery Scott Creter is in apparent violation of
19 RCW 19.146.215 and WAC 208-660-042 for failing to complete the annual continuing education requirement
20 and file a certificate of satisfactory completion no later than the last business day of the month in which the
21 anniversary date of the issuance of the licensee's license occurs.

22 **2.4 Requirement to Pay Annual Assessments.** Based on the Factual Allegations set forth in Section I
23 above, Respondents are in apparent violation of RCW 19.146.228(1), WAC 208-660-060(3) and WAC 208-
24 660-061 for failing to pay to the Director an annual assessment fee no later than the last business day of the
25 month in which the anniversary date of the issuance of the mortgage broker's license occurs.

1 **2.5 Requirement to Notify Department of Significant Developments.** Based on the Factual
2 Allegations set forth in Section I above, Respondents are in apparent violation of WAC 208-660-150(1)(e),
3 WAC 208-660-150(2), and WAC 208-660-150(3)(b), (e) and (f) for failing to notify the Director in writing
4 within thirty days after receipt of notification of cancellation of the licensee's surety bond, failing to notify the
5 Director in writing ten days prior to a change of the location of the licensee's principal place of business or any
6 of its branch offices, and failing to notify the Director in writing within five days after a change in mailing
7 address or telephone number or State master business license or standing with the state of Washington Secretary
8 of State.

9 III. AUTHORITY TO IMPOSE SANCTIONS

10 **3.1 Authority to Revoke License.** Pursuant to RCW 19.146.220(2)(b)(ii), (iii) and (iv), and WAC
11 208-660-160, the Director may revoke a license for failure to pay a fee required by the Director, failure to
12 maintain the required bond, or failure to comply with any directive or order of the Director, any violation of
13 RCW 19.146.205(4), or RCW 19.146.265.

14 **3.2 Authority to Impose Fine.** Pursuant to RCW 19.146.220(2)(c)(i) and (ii) and WAC 208-660-165,
15 the Director may impose fines on a licensee, employee or loan originator of the licensee, or other person subject
16 to the Act for any violations of RCW 19.146.205(4), or RCW 19.146.265, or failure to comply with a directive
17 or order of the Director.

18 **3.2 Authority to Prohibit from the Industry.** Pursuant to RCW 19.146.220(2)(e)(i), and (iv), the
19 Director may issue orders removing from office or prohibiting from participation in the conduct of the affairs of
20 a licensed mortgage broker, or both, any officer, principal, employee, or loan originator of any licensed
21 mortgage broker or any person subject to licensing under the Act for any violation of RCW 19.146.205(4),
22 RCW 19.46.265 or failure to comply with a directive or order of the Director.

23 **3.4 Authority to Collect Investigation Fee.** Pursuant to RCW 19.146.228(2), WAC 208-
24 660-060(4) and WAC 208-660-061, upon completion of any investigation of the books and records of
25 a licensee or other person subject to the Act, the Department will furnish to the licensee or other

1 person subject to the Act a billing to cover the cost of the investigation. The investigation charge will
2 be calculated at the rate of forty-seven dollars and seventy-eight cents (\$47.78) per hour that each staff
3 person devoted to the investigation.

4 IV. NOTICE OF INTENTION TO ENTER ORDER

5 Respondents' violations of the provisions of chapter 19.146 RCW and chapter 208-660 WAC, as set forth
6 in the above Factual Allegations and Grounds for Entry of Order, constitute a basis for the entry of an Order under
7 RCW 19.146.220, RCW 19.146.221 and RCW 19.146.223. Therefore, it is the Director's intention to ORDER
8 that:

- 9 **3.1** Respondent Fairwood Mortgage LLC's license to conduct the business of a mortgage broker be revoked;
10 and
- 11 **3.2** Respondents Fairwood Mortgage LLC, Jeffery Scott Creter, Barbara Diane Creter, and Ronald Patrick
12 Billock jointly and severally pay the cumulative delinquent main office Annual Assessments due through
13 July 2006 totaling \$530.86, as calculated in paragraph 1.3. Additionally, Respondents Fairwood Mortgage
14 LLC, Jeffery Scott Creter, Barbara Diane Creter, and Ronald Patrick Billock jointly and severally pay the
15 \$530.86 main office Annual Assessment for the year ending July 2007 no later than the last business day
16 of July 2007; and
- 17 **3.3** Respondents Fairwood Mortgage LLC, Jeffery Scott Creter, Barbara Diane Creter, and Ronald Patrick
18 Billock jointly and severally pay a fine of \$6000 for:
19 a. Violating RCW 19.146.205(4), calculated at \$100 per day for 30 days; and
20 b. Failing to comply with a directive of the director, calculated at \$100 per day for 30 days; and
- 21 **3.4** Respondents Fairwood Mortgage LLC, Jeffery Scott Creter, Barbara Diane Creter, and Ronald Patrick
22 Billock jointly and severally pay all fees due to Bollinger Appraisal Services for services provided at the
23 request of Respondents.
- 24 **3.5** Respondents Fairwood Mortgage LLC, Jeffery Scott Creter, Barbara Diane Creter, and Ronald Patrick
25 Billock be prohibited from participation in the conduct of the affairs of any mortgage broker subject to
licensure by the Director, in any manner, for a period of five (5) years; and
- 3.6** Respondents Fairwood Mortgage, LLC, Jeffery Scott Creter, Barbara Diane Creter and Ronald Patrick
Billock jointly and severally pay an investigation fee in the amount of \$800.32 calculated at \$47.78 per
hour for the sixteen and three-fourths (16.75) staff hours devoted to the investigation; and
- 3.7** Respondents maintain records in compliance with the Act and provide the Department with the location of
the books, records and other information relating to Respondent Fairwood Mortgage LLC's mortgage
broker business, and the name, address and telephone number of the individual responsible for maintenance
of such records in compliance with the Act.

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V. AUTHORITY AND PROCEDURE

This Statement of Charges and Notice of Intention to Enter an Order to Revoke License, Collect Annual Assessments, Impose Fine, Order Payment for Third Party Services and Collect Investigation Fee (Statement of Charges) is entered pursuant to the provisions of RCW 19.146.220, RCW 19.146.221, RCW 19.146.223 and RCW 19.146.230, and is subject to the provisions of chapter 34.05 RCW (The Administrative Procedure Act). Respondent may make a written request for a hearing as set forth in the NOTICE OF OPPORTUNITY TO DEFEND AND OPPORTUNITY FOR HEARING accompanying this Statement of Charges.

Dated this 12th day of February, 2007

[Redacted Signature]

DEBORAH BORTNER
Acting Director
Division of Consumer Services
Department of Financial Institutions

Presented by:

[Redacted Signature]

MARNIE SHEERAN
Financial Legal Examiner

Approved by:

[Redacted Signature]

JAMES R. BRUSSELBACK
Enforcement Chief

