

Department of Financial Institutions

Introduction

Created by statute RCW 43.320.010, the Department of Financial Institutions provides regulatory oversight for our state's financial service providers. Examples of this regulatory oversight include examination and supervision of state-chartered commercial banks, savings and loan associations, savings banks, trust companies, foreign banks, credit unions, consumer loan companies and check cashers and sellers. Additionally, the Department issues licenses, permits and exemptions for registered securities broker-dealers, investment advisers, agents of securities brokers, active franchises, franchise brokers, active business opportunities, mortgage brokers, and escrow agents and officers operating in the state of Washington.

As presently organized, the Department was established in October 1993, but its historical roots date back to the early 1900s, with the organization of the Division of Banking on June 12, 1907, and the Division of Securities in the 1930s.

The Department's mission of regulating our state's financial services industry in a manner that promotes public confidence in our state's financial markets is accomplished through five divisions:

- Division of Administration**
- Division of Banks**
- Division of Consumer Services**
- Division of Credit Unions**
- Division of Securities**

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Department of Financial Institutions

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Office of the Director

Message from the Director

The Honorable Gary Locke
Governor, State of Washington
Olympia, Washington

Dear Governor Locke:

During 2001, Washington state and the nation experienced great economic change and uncertainty, due in part to the tragic events of September 11th. The year presented significant challenges for many of us in government service, and I am glad to report that the Department of Financial Institutions and the businesses we regulate in the state weathered the storms of 2001 well.

Some of the regulatory duties we perform include examining and supervising state-chartered commercial banks, savings and loan associations, savings banks, trust companies, foreign banks, credit unions, consumer loan companies, and check cashers and sellers. We issue licenses, permits, and exemptions for registered securities broker-dealers, investment advisers, agents of securities brokers, active franchises, franchise brokers, active business opportunities, mortgage brokers, and escrow agents and companies.

The banking and credit union industries in Washington state remained healthy, despite the economic problems that faced the state and the nation in 2001. State chartered banking institutions achieved record profits, as the lowest interest rates in 30 years triggered a refinancing boom. At the same time, banks were faced with more "problem loans" due to the nation's economic downturn.

For the entire Department, greater efficiency and staff development continued to be priorities, with the Division of Credit Unions taking steps to improve the recruiting and retaining of skilled examiners. The Credit Unions Division was also successful in updating its statutes and rules.

The increased mortgage refinancing activity was reflected in the mortgage and lending industries. This led to increased license and enforcement activity by the Division of Consumer Services. The Division also remained actively involved in multi-jurisdictional efforts to curb predatory lending.

The Securities Division brought 94 enforcement actions during the year, including one in which 4000 individuals invested \$90 million, and assisted in the preparation of 11 criminal cases. Educational outreach efforts continued to expand, reaching 12 counties and more than 21,000 citizens around the state.

Doing its part to help Washington maintain a leadership role in digital government, the Department unveiled a completely redesigned website with greatly improved organization and navigability during 2001. The new STAR Licensing and Registration System for the Securities and Consumer Services divisions was also a major step forward in replacing outdated databases.

During the year, the Division of Administration became a separate division within the agency. Previously, Administration was combined with the Consumer Services Division. Given the agency's growing workload, it was necessary to separate the two areas into distinct divisions to allow for more effective management and operations.

Mark Thomson,
Acting Director
(Appointed January 14, 2002)

Office of the Director

DFI Vision

Promote public confidence and trust in the financial services industry.

DFI Mission Statement

We regulate our State's financial services industry to promote economic vitality and protect consumers.

DFI Values

At the Department of Financial Institutions we will:

- Treat employees as our most valuable resource and provide them with skills, knowledge, and opportunities to be successful.
- Empower employees with authority and accountability.
- Respect and promote diversity.
- Treat all individuals and regulated institutions fairly and with respect.
- Respect and support the mission of every division.
- Promote consensus in departmental decision-making
- Deliver quality services with professionalism and integrity.

DFI Regulatory Philosophy

- Stay true to our statutory mission.
- Regulate to the exception.
- Promote competition in financial markets.

Office of the Director

John L. Bley
Director
Department of Financial Institutions
(Resigned January 11, 2002)

Director's Staff
Special Assistant to the Director
Vacant

Confidential Assistant
Susan Putzier

Division of Administration

Message from the Director of Administration

The 2001 calendar year marked the first year of operation for the Division of Administration as a separate division within the Department. Previously, this Division was combined with the Consumer Services Division. Due to overall growth in the agency over time, and growth in services regulated, it became necessary to separate the two areas into distinct divisions to allow for more effective management and operations. This first year of operation has been very successful for the Division of Administration.

In the Human Resources arena, major milestones included:

- Formation of a Workforce Planning Group to identify, study, and make recommendations regarding workforce needs of the Department, both now and into the future. The Group developed general and technical competency requirements (i.e. skill levels) for all positions within the Department, and identified training needed to support these competencies. The competencies will assist us in the areas of recruitment, succession planning, training and development, and performance evaluation.
- Approval to merge two of our unique classes, the Securities Analyst and Financial Examiner, into a new examiner class and creation of a new class of Legal Examiner. The merger and new class will better serve the needs of the Department in meeting the changes and challenges in the industries we regulate and will allow for more flexibility within the Department.
- Continued expansion of our recruiting efforts to recruit a highly trained and diverse workforce. In a memo to the Governor dated August 22, 2001, from the Director of Personnel, DFI was ranked as the third highest state cabinet agency in representation of racial/ethnic minorities and women in state government.

In the Information Technology arena, we celebrated the following accomplishments:

- Going live with our new redesigned DFI website, which improved the look, feel, navigation, and organization of our website content. We continue to add information useful to our customers to the website and measure our success by the increasing numbers of customers accessing our site.
- Implementation of the new STAR Licensing and Registration system for the Securities and Consumer Services Divisions. This new system replaces antiquated databases and provides an integrated licensing and registration system.

- Strengthening and securing the Department's Information Technology Infrastructure by moving all file servers and essential network equipment to a secure, environmentally controlled computer room, deploying virus protection with daily live update on all PCs and servers in the Department, implementing Windows 2000 on all Department PCs, and implementing a new tape backup system along with offsite storage to protect the Agency's data and information. Also noteworthy was that all computers, networks, and servers were up and running within 30 hours after the February 28th Nisqually earthquake hit.
- Participation in the Department of Information Service's Digital Academy on E-Licensing that provided the training ground for deploying licensing renewal via the Internet in the coming year.
- Implementation of a new Remote access system for staff working away from the office.
- Implementation of a new version of Help Desk software that improves responsiveness of our computer support staff. The new system provides for automatic paging of technical staff when a request is made and escalation of non-closed requests.

Successes in the financial arena included:

- Legislation merging our three dedicated funds into one dedicated, non-appropriated fund for the Department. This merged fund will provide flexibility and continuity in meeting our statutory mandate by ensuring an adequate funding source.
- Implementation of a pilot project for an electronic travel voucher system. This system will provide for electronic travel voucher submission and approval through the Internet. Due to large numbers of examiners who travel, we anticipate that the system will reduce turnaround times for processing travel reimbursements.

The focus for the Division of Administration will continue to be information technology and continuous improvement in our processes. We clearly understand that our role is to support the Divisions in carrying out the Department's statutory mandate. We serve both the Department's internal and external customers and we will continue to work both fronts as we strive to implement Best Practices over the next couple of years.

Gloria Papiez
 Director, Division of Administration

Division of Administration

Mission Statement

The Mission of Administration is to plan, facilitate and coordinate the provision of quality support services to all employees and Divisions of the agency in an ethical and professional manner.

Administration performs support functions in the areas of budget and accounting; information technology and support; human resources; and facilities; all areas that keep the Department functioning. In addition to the support functions listed above, Administration manages the Agency's quality initiative and the agency's website. During 2001, the Agency submitted twelve quality projects, all of which were featured in the Governor's Governing For Results publications. We continue to work on improving our processes and the services we provide to our clients.

The Division does not generate its own revenue and is supported by allocations from the direct program areas in the Department.

Division of Administration

Division Staff

Gloria Papiez
Division Director

Financial Office

Michael Schmidlkofer, Manager
Melanie Lee
Nick Klucarich
Truc Le
Ronni Wharton

Information Technology

Ron Seymour, Manager
Mark Cornish
William Davis
Patrick McKee
Brett Stone
Dung Tong

Human Resources

Alayne Goodhart, Manager
Gerri Deach
Holly Dexter

Administration Support

Micheal Anders
Darlene Christianson
Sabrina Thompson

Division of Banks

Message from the Director of Banks

The overall health of the banking industry in the State of Washington remains sound. The year 2001 was characterized by some divergent trends within the banking industry. State chartered institutions ended the year with record profits, and increased equity, reserve for loan losses, and net interest margin ratios. The improved performance was driven primarily from mortgage banking operations, improved net interest margins resulting from lower funding costs, and gains on the sale of securities.

The banking industry was able to achieve these results while facing the most difficult economic conditions experienced in the last decade. The national economy slipped into recession and was further impacted by the September 11 attacks, public accounting irregularities, and loss of confidence in the equity markets. Locally, the State of Washington's economic downturn was more severe, brought on by contraction of aerospace, high tech, manufacturing, construction, and commercial real estate.

The national recession led the Federal Reserve to lower market interest rates to their lowest levels seen in the last thirty years. This caused a massive refinancing boom, where approximately one third of all residential mortgages were refinanced. This produced an extraordinary year for our thrift institutions. State of Washington chartered banking assets remained flat, increasing by only 1% to \$61.7 billion. Loan demand weakened with loan portfolios growing by 5%. Banks were faced with significant increases in problem loans and loan charge-offs, and spent much of the year addressing credit administration issues.

The number of problem banks increased from four to five in 2001. The number of problem banks appears to be rising, given the increases in problem loan portfolios, and the predictions of continued economic weakness. All of the problem banks are being closely supervised and are under enforcement actions initiated by the Division.

In 2001, chartering activity slowed from the rapid pace of the last five years. Only one new bank (Pacific International Bank) and one new trust company (EverTrust Asset Management Trust Company) opened in 2001. Other banks in organization faced more difficulty raising their initial capital, which delayed their openings into 2002. One credit union converted to a state chartered savings bank; one savings and loan association converted to a state chartered commercial bank; and one trust department of a federal savings bank converted to a state chartered trust company. Mergers and Acquisitions were slow, with the primary transactions dealing with affiliate bank mergers. Branching and other chartering activities remained active.

The year 2001 was a good year internally for the Division. We were able to meet our statutory examination schedule with the assistance of the Federal Deposit Insurance Corporation, the Board of Governors of the Federal Reserve System, the Office of Thrift Supervision, and other states' banking departments. Our staff continues to grow in experience, and the responses from the industry to our examinations have been positive. Staff development continues to be a priority, and we remain focused on building an excellent and efficient organization. The work that went into the workforce planning initiative was successful and puts us in a better position to effectively supervise our institutions. We are carefully monitoring our budget and, at the present time, we feel we can meet all of our financial obligations.

In these times of governmental budget shortfalls, federal banking agencies' contractions, and industry consolidation, we are keenly aware of the necessity to become more efficient and use our resources more effectively. We are working closely with the federal banking agencies, the banking industry, trade associations, and CPAs to be responsive to their needs and improve Division operations.

Over the next year, there are many challenges ahead. We are in a period of increasing risk within the banking industry. Our focus and energy must be centered on ensuring that our institutions are operating in a safe and sound manner, and that any supervision issues that come up are effectively addressed.

In closing, I would like to thank the administrative and examination staffs, DFI administration, and our stakeholders for their continued support and dedication to the Division of Banks.

David G. Kroeger,
Director, Division of Banks

Division of Banks

Mission Statement

The Mission of the Division of Banks is to support economic stability and growth in the State of Washington through charters, regulation, and supervision, and by working to keep state-chartered and multi-state financial institutions competitive.

The Division of Banks was organized in 1907 and administers Title 30, Title 32, and Title 33 of the Revised Code of Washington. The Division has responsibility for supervising commercial banks, trust companies, savings banks, savings and loan associations, and alien banks incorporated under the laws of the state of Washington.

Management and policy making power of the Division is vested in the Director of the Department of Financial Institutions and the Assistant Director, Division of Banks. The Director and Assistant Director are responsible for the administration of the policies, laws, and regulations. The Assistant Director exercises general supervisory control over the work of the Division, including the program managers, analysts, and administrative staff.

The Division works directly with the institutions it regulates through examination and supervisory activity in an effort to assure the public of adequate and proper services from the institutions. It seeks to ensure the protection of the interests of depositors, borrowers, shareholders, and consumers.

The Division is a self-supporting division of state government with none of its operating expenditures funded by general tax funds. Revenue is obtained solely from the supervision, examination, and license fees which are assessed upon those financial institutions regulated by the Division.

Division of Banks

Division Staff

David G. Kroeger
Division Director

Program Managers

Mike Abe
Gloria T. McVey

Case Manager

Karen Beller

Financial Examiner Supervisors

John R. Burke
Paula Copley
Cynthia Lee
Albert Moore, Jr.

Information Systems Specialist

Larry Lee

Financial Examiner 3

Tom Galbraith
David Leferink
Janet E. Liming
William A. McCaw
John Ransom
Gerald Spellmeyer
Donald Tyson

Financial Examiner 2

Erin Johnson
Tyler Krutzfeldt
Cristi-Ann Page

Financial Examiner 1

Susan Carlson
Brian Fernald
Donald Hughes
Matthew Mullet

Financial Examiner 1 Assistants

Asha Fuller
Roberta Stewart

Support Staff

Patty Brombacher
Amber Harris
Darolynn Shue

Special Projects

Linda Hurley (intermittent)

Division of Banks

Institutions Under the Division's Regulatory Authority

Regulated Institutions with Aggregate \$95 Billion in Total Assets (as of 12/31/01)

62	Commercial Banks
3	Mutual Savings Banks
11	Stock Savings Banks
3	Alien Banks
11	Trust Companies
8	Trust Departments
2	Savings & Loan Associations

New Banks and Trust Companies Chartered

EverTrust Asset Management
Seattle, WA
May 14, 2001

Pacific International Bank
Seattle, WA
November 15, 2001

Charter Conversions

Riverview Asset Management and Trust Company
Vancouver, WA
February 16, 2001
Changed from a federal trust department to a
state trust company

Cascade Bank
Everett, WA
July 27, 2001
Changed from a federal stock savings bank to a
state commercial bank

Name Changes

First Mutual Savings Bank
Bellevue, WA
October 26, 1999

Changed to First Mutual Bank

The Wheatland Bank
Davenport, WA
February 20, 2001

Changed to Wheatland Bank

Division of Banks

Name Changes continued

Evergreen Bank Seattle, WA Changed to EvergreenBank	February 20, 2001
The Bank of Edmonds Lynnwood, WA Changed to the Bank of Washington	April 10, 2001
The Sumitomo Bank Seattle, WA Changed to Sumitomo Mitsui Banking Corporation	May 3, 2001

Branch Closures and Authorizations

A listing of the individual branches that were opened and closed during the calendar year of 2001 is available to anyone upon a request to the Division of Banks.

Mergers

Home Security Bank, Sunnyside, into AmericanWest Bank, Walla Walla	January 22, 2001
United Security Bank, Spokane, into AmericanWest Bank, Walla Walla	January 22, 2001
Bank of Pullman, Pullman, into AmericanWest Bank, Walla Walla	January 22, 2001
Commercial Bank of Everett, Everett, into EverTrust Bank, Everett	January 31, 2001
Inter Bank, Duvall, into Frontier Bank, Everett	February 1, 2001
Banner Bank of Oregon, Hermiston, Oregon, into Banner Bank, Walla Walla	August 27, 2001
Silverdale State Bank, Silverdale, into American Marine Bank, Bainbridge Island	September 28, 2001
AmericanWest Bank, N.A., Walla Walla, into AmericanWest Bank, Walla Walla	November 30, 2001

Division of Banks

Income Statement (\$000) as of 12/31/01 for Commercial Banks

	2001	2000	1999
Number of institutions reporting	62	65	64
Total interest income	1,492,757	1,385,703	884,818
Total interest expense	667,269	642,589	337,492
Net interest income	825,488	743,114	547,326
Provision for loan and lease losses	92,076	42,312	35,214
Total noninterest income	192,444	144,714	112,943
Fiduciary activities	9,864	10,157	9,173
Service charges on deposit accounts	56,071	48,402	38,940
Trading account gains & fees	0	0	0
Additional noninterest income	126,509	86,155	64,830
Total noninterest expense	641,929	542,917	404,887
Salaries and employee benefits	327,426	285,481	213,274
Premises and equipment expense	92,475	77,727	60,160
All other noninterest expense	222,028	179,710	131,453
Pre-tax net operating income	283,927	302,598	220,163
Securities gains (losses)	10,191	(6,797)	(174)
Applicable income taxes	87,647	88,899	67,734
Income before extraordinary items	206,471	206,902	152,260
Extraordinary gains - net	0	0	0
Net income	206,471	206,902	152,260

Division of Banks

Income Statement (\$000) as of 12/31/01 for Savings Banks

	2001	2000	1999
Number of institutions reporting	14	13	14
Total interest income	2,782,254	2,942,709	2,933,890
Total interest expense	1,447,105	1,899,042	1,715,042
Net interest income	1,335,149	1,043,667	1,218,848
Provision for loan and lease losses	71,670	120,662	28,491
Total noninterest income	581,359	391,158	478,306
Fiduciary activities	83	18	275
Service charges on deposit accounts	223,184	195,701	165,873
Trading account gains & fees	0	0	0
Additional noninterest income	358,092	195,439	312,158
Total noninterest expense	1,084,382	892,496	995,711
Salaries and employee benefits	637,558	505,050	466,454
Premises and equipment expense	204,079	169,132	164,559
All other noninterest expense	242,745	218,314	364,698
Pre-tax net operating income	760,457	421,667	672,952
Securities gains (losses)	161,977	10,114	4,194
Applicable income taxes	305,781	139,357	237,040
Income before extraordinary items	616,653	292,424	440,106
Extraordinary gains - net	47,845	0	0
Net income	664,498	292,424	440,106

Division of Banks

Income Statement (\$000) as of 12/31/01 for Savings and Loan Associations

	2001	2000	1999
Number of institutions reporting	2	2	2
Total interest income	219,015	223,215	192,311
Total interest expense	120,167	127,318	103,840
Net interest income	98,848	95,897	88,471
Provision for loan and lease losses	8,185	4,600	3,960
Total noninterest income	21,148	20,131	14,492
Fiduciary activities	N/A	N/A	N/A
Service charges on deposit accounts	N/A	N/A	N/A
Trading account gains & fees	0	0	0
Additional noninterest income	21,148	20,131	14,492
Total noninterest expense	78,787	72,670	68,202
Salaries and employee benefits	36,664	33,532	30,693
Premises and equipment expense	20,334	20,026	18,932
All other noninterest expense	21,789	19,112	18,577
Pre-tax net operating income	33,024	38,758	30,801
Securities gains (losses)	5,680	1,341	681
Applicable income taxes	13,514	14,634	11,568
Income before extraordinary items	25,190	25,465	19,914
Extraordinary gains - net	0	0	0
Net income	25,190	25,465	19,914

Division of Banks

Director of Banks (Formerly Supervisor) and Term Served since the Division was Organized on June 12, 1907

Name	From	To
Abraham W. Emgle	1907	1909
J. L. Mohundro	1909	1913
W. E. Hanson	1913	1917
Louis H. Moore	1918	1920
Claude P. Hay	1920	1921
John P. Duke	1921	1924
J. C. Minshull	1924	1925
H. C. Johnson	1925	1930
C. S. Moody	1930	1933
Howard H. Hansen	1933	1935
C. E. Jenks	1935	1937
George H. Jackson	1937	1940
J. C. Minshull	1940	1945
Walter A. Johnson	1945	1949
J. C. Minshull	1949	1951
R. D. Carrell	1951	1958
Joseph C. McMurray	1958	1965
R. D. Carrell	January 13, 1965	May 7, 1965
Jack C. Hood	May 7, 1965	March 31, 1968
Frank Cooper	April 1, 1968	April 30, 1970
John McCarthy	May 1, 1970	March 31, 1973
William L. Hart	August 1, 1973	June 30, 1976
G. W. Mutschler	July 1, 1976	April 30, 1977
M. D. Edwards	May 1, 1977	February 2, 1983
Leroy O. Malmberg	February 2, 1983	November 30, 1985
Thomas H. Oldfield	December 1, 1985	September 1, 1991
John L. Bley	September 1, 1991	October 1, 1993
G. R. Zachary	October 1, 1993	August 17, 1998
L. Wayne Fralin	February 1, 1999	June 12, 2000
David G. Kroeger	October 30, 2000	Present

Division of Consumer Services

Message from the Director of Consumer Services

The Division of Consumer Services serves the citizens and businesses of our state by reviewing license applications, issuing licenses, regulating the activities of licensees, examining the books and records of licensees for compliance with state and federal law, investigating consumer complaints against licensees and initiating enforcement actions against licensees when appropriate.

In 2001 we experienced setbacks as members of our team departed for other employment. New hires were trained and by year-end we were fully staffed with license review personnel. The number of auditing and enforcement examiners remained at levels below our allotment.

Consumer Services

Consumer Services regulates the business activities of consumer loan companies, mortgage brokers, escrow agents and designated escrow officers, check cashers and check sellers (including payday loans).

We achieved our mission in 2001. We installed, tested and began using a new computerized data management system for licensing. The system was jointly brought on line in the Consumer Services and Securities Divisions. We also took the first steps toward moving our enforcement and consumer complaints data to the new system. This builds on the review of our business processes conducted in 1998.

Our energetic staff continued to issue large numbers of new licenses, license renewals and branch licenses.

Changes in the economy in 2001, most notably increased refinance activity associated with a downturn in interest rates, were reflected in the mortgage and lending industries. The competitive nature of the industry also led to increased license and enforcement activity. The agency also remained actively involved in multi-jurisdictional efforts to curb predatory lending.

Administrative Changes

The Division of Consumer Services and Administration was changed in 2001. Both areas of responsibility had grown over the years and finally in 2001 had reached a point where it was necessary for each to stand alone. The Division of Administration was separated from the Division of Consumer Services and assigned a Division Director. I remained Director of the Division of Consumer Services where I could spend time focused on emerging regulatory and legislative issues.

Mark P. Thomson,
Director, Division of
Consumer Services

Division of Consumer Services

Mission Statement

The Mission of the Division of Consumer Services is to protect, inform, and serve consumers through fair, effective, and prompt regulation and licensing of consumer loan companies, escrow agents and officers, mortgage brokers, and check cashers and sellers (many of whom are payday lenders).

The Consumer Services Division administers chapters 31.04, 31.45, 18.44, and 19.146 RCW respectively. The division has responsibility for regulation and licensing of consumer loan companies, check casher and seller companies, mortgage brokers, and escrow agents and designated escrow officers. The primary missions of this division are to assure compliance with the statutes and protect the consumers of Washington State. Safety and soundness is also a focal point with check sellers since they accept money from consumers for transmission via a negotiable instrument. The division accomplishes its mission through examination, audit, investigation, and enforcement of licensed and non-licensed companies.

The Consumer Services Division is a revenue-generating, self-supporting area of state government. Operating expenditures are not funded by general tax funds. Revenue is obtained solely from licensing, examination, investigation fees and assessments, and enforcement action.

Division of Consumer Services

Division Staff

Mark P. Thomson
Division Director

Program Manager

Whittier Johnson

Supervising Financial Examiners

Kwadwo Boateng

Ed Burgert

Chuck Cross

Financial Examiners

Alvin Coleman - Sr. Examiner

Patrick Hardman

Vivian Lee - Sr. Examiner

Ronald Boone Mill

John Samuelson

Nicole Scott

Sandy Thomas - Sr. Examiner

Licensing Staff Supervisor

Kae McDonnell

Licensing Customer Service Specialists

Beth Craig

Patty Sinks

Trish Sheatsley

Ann Campbell

Support Staff

Debbie Brown - Licensing

Leslie Matthews - Examinations

Danielle Mortenson -

Enforcement/Consumer

Complaints

Jae Taylor -

Enforcement/Consumer

Complaints

Jeannette Terry - Administrative

Assistant 4/Shared with

Administration

Pauline Yale - Secretary

Administrative

Division of Consumer Services

Jurisdictional Areas & Regulated Entities

Consumer Loan Companies Act - 31.04 RCW

- Some consumers represent a higher than average credit risk. They are unable to obtain credit except at interest rates higher than permitted under other statutory provisions governing interest rates for loans. This chapter authorizes higher interest rates for certain types of loans, subject to conditions and limitations, in order to ensure credit availability.
- Licensees may charge a rate that does not exceed 25% per annum simple interest.
- Licensees grant consumers both secured and unsecured loans for a multitude of purposes.
- The Director or a designee examines the affairs, business, office, and records of each licensee at least once every twenty-four months.
- The Director may revoke or suspend an issued license if it is found that a licensee has violated any provision of this chapter or any rule adopted under this chapter.

Check Cashers and Sellers Act - 31.45 RCW

- There are consumers who do not maintain a deposit relationship with conventional banking sources but require a source to cash checks and obtain payment instruments. Licensed check cashers provide this service by cashing checks for a fee based on the risk assumed when the instrument is negotiated. These licensees may issue money orders as a payment instrument.
- Licensed check sellers must demonstrate financial stability and provide a surety bond or equivalent for the protection of consumers. Check sellers accept cash and issue a payment instrument, as opposed to check cashers, who accept a payment instrument and give the consumer cash.
- The Director or a designee examines the affairs, business, office, and records of each licensee at least once every twenty-four months. An audit prepared by an independent certified public accountant or an examination prepared by another state may be accepted in lieu of the Director's examination.
- Legislation was passed in 1995, allowing either a check casher or seller to obtain a small loan endorsement. The endorsement allows the licensee to make small loans of up to \$500.00 for 31 days or less. The licensee may charge interest or fees that do not in the aggregate exceed 15%. A very high percentage of licensees have secured small loan endorsements and make what have come to be known as "payday loans."
- The Director may issue a statement of charges or a cease and desist order if, in the opinion of the Director, any licensee or non-licensee is engaging in an unsafe or unsound practice or is violating or has violated this statute or any rule in support of this chapter.

Division of Consumer Services

Mortgage Brokers Practices Act - 19.146 RCW

- Some consumers rely on the services of a mortgage broker to obtain a residential real estate loan. The practices of mortgage brokers have a significant impact on the citizens of the state and the real estate industry. This chapter establishes a system of licensure and rules of practice for mortgage brokers to promote honesty and fair dealing with citizens and preserve public confidence in the lending and real estate communities.
- Loan originators or mortgage brokers required to be licensed under this chapter, or mortgage brokers otherwise exempted from this chapter, are prohibited from certain practices in order to protect the consumer.
- The Director or designee may visit the licensee's place or places of business to conduct a compliance examination once during the first two years of licensing. After this one visit, the Director or designee may visit the licensee's place or places of business only to ensure that corrective action has been taken or to investigate a complaint.
- The Division has provided continuing education for mortgage brokers. These sessions have been coordinated through the brokers' statewide association and tend to focus on practices and issues this office sees as problem areas for a large or growing number of brokers. Consumer complaints generally direct us to these areas of concern and emphasis. Recent experience has shown that following a series of educational seminars on a topic, brokers improve their compliance in the area of emphasis for a period.
- The Director may suspend or revoke licenses, deny applications for licenses, or impose penalties upon violators of cease and desist orders issued under this chapter.

Escrow Agent Registration Act - 18.44 RCW

- Some consumers rely on the services of an escrow agent for the purpose of effecting and closing the sale, purchase, exchange, transfer, encumbrance, or lease of real or personal property. This chapter establishes a system of licensure and rules of practice for escrow agents and officers, which provides protection to consumers.
- Escrow agents are required to maintain a fidelity bond in the aggregate amount of \$200,000 with a deductible no greater than \$10,000 and an errors and omissions policy in the minimum aggregate amount of \$50,000 as evidence of financial stability. A surety bond in the amount of \$10,000 is waived if the fidelity bond does not have a deductible.
- The Director or designee may make necessary public or private investigations to determine whether any person has violated this chapter or any rule, regulation, or order under this chapter.
- The Director may suspend or revoke licenses, and deny applications for licenses under this chapter.
- In 2001 the Division continued and refined measures to help focus resources on escrow licensees in need of attention. A voluntary program of quarterly reports was established. Licensees sent reports to the Division showing reconciliation and other key information relating to trust accounting and other business practices. From review of these reports the Division determined which licensees were in need of more careful review or an examination. This enabled the Division to target screening more carefully on licensees who turned in reports with problems or those who did not report at all.

Division of Consumer Services

Regulated Institutions 2001

Consumer loan Companies

	2001	2000	1999
Number of License Applications	148	357	433
Number of Companies	287	304	305
Number of Branch Offices	617	599	684
Number of Examinations	428	186	196
Examination Hours	3,111.99	3,222.13	2,831.92
Refunds to Consumers	\$213,784.77	\$1,034,795.78	\$218,787.34
Number of Consumer Complaints	195	328	157
Number of Enforcement Actions	2	4	1

Mortgage Brokers

	2001	2000	1999
Number of License Applications	318	326	377
Number of Active Companies	839	795	750
Number of Branch Offices	350	337	400
Number of License Exemptions Recognized	189	178	160
Number of Consumer Complaints	185	152	175
Number of Enforcement Actions	18	2	2

Escrow Companies & Officers

	2001	2000	1999
Number of License Applications	25	25	36
Number of Agent Licenses	181	173	176
Number of Escrow Agent Branch Licenses	32	31	40
Number of Active Escrow Officer Licenses	309	247	310
Number of Inactive Escrow Officer Licenses	210	104	109
Number of Examinations	39	47	22
Examination Hours	796.15	722.65	374.75
Number of Consumer Complaints	29	35	24
Number of Enforcement Actions	1	1	1

Division of Consumer Services

Regulated Institutions 2001

Check Cashers, Sellers, & Small Loan Endorsements

2001	Check Cashers	Check Sellers	Small Loan Endorsements	Combined
Number of License Applications	62	0	91	
Number of Companies	110	8	96	
Number of Branch Offices	365	8	286	
Number of Examinations	168	0	168	
Examination Hours	482.7	0	482.7	
Refunds to Consumers	0	0	\$185.85	
Number of Consumer Complaints	0	1	3	4
Number of Enforcement Actions	0	1	0	1

2000	Check Cashers	Check Sellers	Small Loan Endorsements	Combined
Number of License Applications	136	7	123	
Number of Companies	109	10	90	
Number of Branch Offices	306	9	287	
Number of Examinations	96	3	59	
Examination Hours	529.25	0	529.25	
Refunds to Consumers	145.60		145.60	
Number of Consumer Complaints	4	0	0	4
Number of Enforcement Actions	0	0	0	0

1999	Check Cashers	Check Sellers	Small Loan Endorsements	Combined
Number of License Applications	107	3	107	
Number of Companies	80	8	71	
Number of Branch Offices	247	4	239	
Number of Examinations	24	3	24	
Examination Hours	194	19.5	194	
Refunds to Consumers	\$435.00	\$0	\$435.00	
Number of Consumer Complaints	2	0	0	2
Number of Enforcement Actions	0	0	0	0

Division of Consumer Services

Consumer Loan Companies

Analysis of Loans Made Under Consumer Loan Act*

Consumer Loans	2001	2000	1999
Number of Loans Outstanding at Beginning of Period	133,377	124,286	159,733
Total Dollars in Loans Outstanding at Beginning of Period	\$1,759,737,332	\$766,209,938	\$2,461,801,412
Average Dollar Size of Loans Outstanding at Beginning of Period	\$13,193	\$6,165	\$15,412
Number of Non-Real Estate (RE) Loans Made During Period	94,833	72,608	102,092
Total Dollars in Non-RE Loans Made During Period	\$586,636,588	\$568,786,776	\$568,134,418
Average Dollar Size of Non-RE Loans Made During Period	\$6,186	\$7,834	\$5,565
Number of RE Loans Made During Period	59,836	43,254	44,084
Total Dollars in RE Loans Made During Period	\$2,270,449,440	\$1,611,485,003	\$2,526,914,791
Average Dollar Size of RE Loans Made During Period	\$37,944	\$37,256	\$57,320
Number of Loans Outstanding at End of Period	118,880	119,213	153,998
Total Dollars in Loans Outstanding at End of Period	\$2,147,163,648	\$1,507,746,955	\$2,418,391,583
Average Dollar Size of Loans Outstanding at End of Period	\$18,061	\$12,648	\$15,704
Number of Loans Secured by RE in Foreclosure at End of Period *	1,088	994	910
Amount of Loans Secured by RE in Foreclosure at End of Period *	\$94,069,391	\$89,197,668	\$75,080,602
Number of Loans Secured by RE Foreclosed During Period*	1,231	1,210	2,480
Amount of Loans Secured by RE Foreclosed During Period*	\$92,514,699	\$104,239,627	\$79,696,596
Number of Loans Secured by RE Charged Against Loss During Period*	1,654	1,478	386
Amount of Loans Secured by RE Charged Against Loss During Period*	\$33,701,137	\$27,011,814	\$13,864,550
Number of Other Loans Charged Against Loss Reserve During Period	16,689	11,587	13,382
Amount of Other Loans Charged Against Loss Reserve During Period	\$54,356,558	\$22,597,813	\$38,452,912
Number of Loans Contractually Delinquent at End of Period	27,395	17,910	21,330
Total Dollars in Loans Contractually Delinquent at End of Period	\$307,002,836	\$183,930,721	\$763,653,603
Percent of Outstanding Loans Contractually Delinquent (30 days or more) at End of Period	14.30%	12.20%	7.22%

* May include loans not made under the Act.

Division of Consumer Services

Check Cashers, Sellers and Small Loan Endorsements (12/31/01)

Analysis of Check Casher Companies

Check Cashers	2001	2000	1999
Number of checks cashed during period	1,839,397	1,354,427	1,527,742
Dollar amount of checks cashed during period	\$593,882,580	\$575,991,499	\$480,602,605
Average size of checks cashed during period	\$322	\$426	\$315
Dollar amount of fees collected during period	\$16,280,426	\$12,571,376	\$13,649,834
Dollar amount of checks charged to bad debts	\$1,276,771	\$802,350	\$710,840

Analysis of Check Seller Companies

Check Sellers	2001	2000	1999
Number of checks sold during period	1,426,531	1,325,117	1,929,657
Dollar amount of checks sold during period	\$263,592,037	\$252,827,536	\$494,079,053
Average size of checks sold during period	\$184	\$191	\$241
Dollar amount of fees collected during period	\$502,589	\$469,618	\$402,643

(Includes checks sold as an agent of exempt company)

Small Loan Endorsements

	2001	2000	1999
Number of small loans made during period	2,186,333	1,832,782	1,723,316
Dollar amount of small loans made during period	\$739,540,654	\$580,535,734	\$493,584,410
Average size of small loans made during period	\$338	\$317	\$286
Dollar amount of fees collected during period	\$97,538,903	\$80,412,262	\$69,976,116
Dollar amount of small loans charged off during period	\$17,183,107	\$14,421,852	\$10,490,498

Division of Credit Unions

Message from the Director of Credit Unions

2001 was a significant year for strengthening the Division.

First and foremost, we were successful in revamping the examiner series of positions to substantially increase compensation and to provide two new positions in the series to improve the career ladder. These changes will enable us to do a better job of recruiting and retaining skilled examiners.

Second, we were successful in updating our statutes and rules.

Statutes. We were successful in working our Departmental Request bill (HB 1366) through the legislative process. The bill amended the Washington State Credit Union Act, Chapter 31.12 RCW, and the Corporate Credit Union Act, Chapter 31.13 RCW. The primary changes in the bill were:

- Streamlining many provisions of the Acts
- Providing greater power to credit unions to offer insurance products to members, as other state-chartered financial institutions can do
- Providing parity with other state credit unions with a branch in Washington, if the Division reaches a certain finding
- Authorizing the Division to designate low income credit unions
- Authorizing the Division to conduct exams of EDP firms
- Strengthening investigative powers of the Division
- Strengthening the application of the State APA to enforcement actions by the Division.

The bill took effect on July 22, 2001.

Rule-making. Our new member business loan (MBL) rules, at Chapter 208-460 WAC, took effect on June 1, 2001. We were the third state in the nation to obtain the approval of the National Credit Union Administration (NCUA) for our own state-specific MBL rules. As a result, our credit unions will be better able to serve their members with prudent business loans. The National Credit Union Administration (NCUA) is the administrator of the federal deposit insurance fund. All Washington state-chartered credit unions are required to have federal deposit insurance.

We also adopted a rule change providing for an annual increase in the fees we charge to credit unions, up to the statutory limit (the amount of the fiscal growth factor as determined by the Office of Financial Management). The increases will take place on July 1, 2001 and July 1, 2002.

Finally, we initiated a rule-making proceeding to consider changes to streamline our field of membership (FOM) rules. We held a number of sessions with credit unions concerning these changes. The rule-making process on the changes was completed in 2002.

Healthy State Credit Union Movement. The 94 Washington state-chartered credit unions had another good year in 2001, growing by 10.3% to nearly \$13.4 billion in total assets, with strong capital levels.

J. Parker Cann,
Director, Division of Credit Unions

Division of Credit Unions

Mission Statement

A credit union is a cooperative society organized for the purpose of promoting thrift among its members and creating a source of credit for them at fair and reasonable rates. RCW 31.12.015.

We regulate state credit unions to protect their members' financial interests. State statute empowers the Director of the Department of Financial Institutions to examine and supervise state-chartered credit unions. This authority has been delegated to the Director of Credit Unions.

The Division examines credit unions at least every eighteen months for unsafe and unsound practices and violations of statutes and rules. The Division utilizes a variety of examination and supervision tools to accomplish its mission. In addition, the Division processes a variety of applications from state credit unions, such as merger and conversion applications.

Fees paid by state credit unions and other related entities fund the activities of the Division. We rely primarily on fees based on its asset size and paid quarterly. None of the Division's funding comes from the general fund or other tax revenues.

Division of Credit Unions

Division Staff

J. Parker Cann
Director of Credit Unions

Program Manager

Linda Jekel

Financial Examiner Supervisor

Mike Delimont

Jane Johnson

Financial Examiner Senior

Caryl Ausejo

Doug Lacy-Roberts

Rogelio Pascua

Joseph Rogers, Jr.

Glenn Ross

Margaret Ross

Richard Ullrich

Jay Weintraub

Feryl Woodworth

Financial Examiner

Chongsun Abbott

Sue Graham

Austine Izuagbe

Support Staff

Tina Philippsen – Administrative
Assistant

Judy Mortenson

Diane Moye

Division of Credit Unions

Statutes Administered by the Division of Credit Unions

Chapter 31.12 RCW – The Washington State Credit Union Act

The Act provides for the organization and powers of state credit unions. Membership in a credit union is limited to occupational, associational, and community groups. Credit unions cannot undertake certain activities without prior approval of the Division.

The Act also provides for the examination and supervision of credit unions by the Division. The Division must examine each credit union at least every eighteen months.

If appropriate grounds exist, the Division may take enforcement action against a credit union or related parties. The Division has the power to remove directors and employees, issue temporary cease and desist orders, serve notice of charges for the issuance of a permanent cease and desist order, and appoint a conservator or receiver for a credit union.

The Division's rules are set forth in Title 208 WAC.

Chapter 31.13 RCW – The Corporate Credit Union Act

The Act provides for the organization and powers of corporate credit unions, which act as a liquidity source for other credit unions. Corporate credit unions have other credit unions as members and do not have "natural person" members. They are subject to the Division's examination and supervision authority just as any other credit union. Currently, there is no Washington state-chartered corporate credit union.

Division of Credit Unions

Annual Summary

State Credit Unions

As of December 31, 2001, there were 94 credit unions chartered by the State of Washington, with total assets of \$13.4 billion. The number of their members increased over the year from 1,735,153 to 1,773,301.

Mergers and Liquidations

- Credit Union of Puget Sound merged into Washington Credit Union
- Western Credit Union merged into Express Credit Union
- United Sound Credit Union merged into Washington Credit Union
- Lilac City Federal Credit Union merged into Mountain View Credit Union
- Ironworkers Local #14 Credit Union merged into Pacific Northwest Ironworkers Federal Credit Union

Charter Conversions

- Lacamas Community Federal Credit Union converted to a state chartered credit union

Name Changes

- Lucky Lager Credit Union changed its name to Heritage Credit Union
- Telco Community Credit Union changed its name to Sound Credit Union
- King Street Terminal Credit Union changed its name to Express Credit Union
- Northwest Telco Credit Union changed its name to Northwest Plus Credit Union

Division of Credit Unions

State Credit Unions' Consolidated Financial Statement

Comparing Year-End Figures For 1998 Through 2001

	<u>12/31/2001</u>	<u>12/31/2000</u>	<u>12/31/1999</u>	<u>12/31/1998*</u>
Number of state chartered credit unions	94	98	101	102
Assets				
Loans & Contracts	\$8,947,804,197	\$8,537,673,967	\$7,552,358,780	\$6,640,738,677
Other Assets	<u>\$4,440,534,816</u>	<u>\$3,597,014,313</u>	<u>\$4,113,573,905</u>	<u>\$4,206,598,971</u>
Total Assets	13,388,339,013	\$12,134,688,280	\$11,665,932,685	\$10,847,337,648
Liabilities & Net Worth				
Shares & Deposits	\$11,692,689,155	\$10,200,011,728	\$9,828,088,193	\$9,384,709,294
Other Liabilities	\$431,877,274	\$732,748,783	\$724,065,014	\$445,849,194
Net Worth	<u>\$1,263,772,584</u>	<u>\$1,201,927,769</u>	<u>\$1,113,779,478</u>	<u>\$1,016,779,160</u>
Total Liabilities & Net Worth	\$13,388,339,013	\$12,134,688,280	\$11,665,932,685	\$10,847,337,648
<u>Income Data</u>				
Gross Income	\$1,030,496,379	\$962,285,887	\$876,343,911	\$830,465,766
Plus Non-operating Gains	\$2,011,090	\$1,605,409	\$1,287,788	\$2,255,697
Minus Cost of Funds (including borrowings)	\$438,784,131	\$421,187,421	\$375,074,224	\$369,949,139
Minus Operating Expenses	\$449,465,607	\$408,144,410	\$369,619,828	\$330,824,065
Minus Provision for Loan & Lease Expense	<u>\$57,542,684</u>	<u>\$49,353,078</u>	<u>\$42,306,757</u>	<u>\$45,511,654</u>
Net Income	\$86,715,047	\$85,206,387	\$90,630,890	\$86,436,605
Total Number of Members	1,773,301	1,735,153	1,657,600	1,589,285

*Note: The financial data for 1998 was adjusted from what was reported on annual reports prior to 2000.

Division of Credit Unions

Changes In Certain Key State Credit Union Statistics

Changes From Year End 2000 To Year End 2001

	Increase (Decrease)	% Increase (Decrease)
Loans	\$410,130,230	4.8%
Shares and Deposits	\$1,492,677,427	14.6%
Assets	\$1,253,650,733	10.3%
Net Worth	\$61,844,815	5.2%
Members	38,148	2.2%

Division of Securities

Message from the Director of Securities

This has been a year of tragedy, change and market volatility. The shocking events of September 11th have personally affected many members of our industry. My prayers go out to them and their families. We look forward to the recovery of our nation.

I am pleased, though, to present our 2001 annual report. The Securities Division took a number of significant enforcement actions this year. The Division brought 94 enforcement actions and assisted in the preparation of 11 criminal cases. Some of the larger enforcement cases included Health Maintenance Centers in which 4000 investors invested \$90 million, Senior Estate Planning Group involving 40 investors and \$4 million invested, and Sandra Crist with 75 investors and \$6 million invested.

Over the course of the year, investors benefited from our educational presentations and materials on at least 89 occasions. These events brought us to 12 different counties across Washington State and reached over 21,000 citizens. Partnering with school districts scattered across the state, the Division made presentations and distributed basic personal finance and investor educational materials to more than 600 Washington State students.

The Division is working on opportunities for mutual funds to utilize e-commerce to make their filings with us. In addition to updating our internal databases, we joined the Investment Adviser Registration Depository (IARD), a national electronic filing database for investment advisers. IARD has already improved the availability of information to the public about companies that offer investment services. In 2002 the system will expand to include investment adviser representatives.

As the Securities Division continues to develop better ways to protect the investing public and to foster capital formation, I welcome the participation and suggestions of all interested parties. I am proud of our employees and how hard they work to serve all our many constituencies. We intend to continue to do so in the years to come.

Deborah Bortner,
Director, Securities Division

Division of Securities

Mission Statement

To protect the investing public and promote confidence in the capital markets.

The Division accomplishes this by:

- Reviewing securities, franchises, and business opportunity offerings;
- Licensing and auditing Broker/Dealers, Investment Advisers, and their representatives;
- Providing technical assistance to small business;
- Responding to customer complaints, investigating and bringing appropriate administrative, civil and criminal cases; and
- Providing information and investor education.

The Division of Securities was established in the early 1930's. It now administers the Securities Act - 21.20 RCW, Franchise Investment Protection Act - 19.100 RCW, Business Opportunity Fraud Act - 19.110 RCW, and Commodities Act - 21.30 RCW. The primary purpose of the Division of Securities is to protect Washington State residents from the dishonest or fraudulent practices of people selling investments. The Division accomplishes this through a variety of regulatory and enforcement tools, including registration requirements for securities, franchise and business opportunity offerings and licensing and auditing of broker-dealers and investment advisers. It also undertakes investigations based upon complaints and undercover work.

Management and policy-making power of the Division is vested in the Director of the Department of Financial Institutions and the Director of the Division of Securities. These two are responsible for the administration of the laws, regulations, and policies currently in force. The Division Director exercises general supervisory control over the work of the Division including the program managers, examiners, investigators and administrative staff.

The Division works directly with the entities it regulates through audit and market surveillance activity in an effort to assure the public of adequate protection for their investments.

The Division is a revenue-generating, self-supporting division of state government with none of its operating expenditures funded by general tax funds. Revenue is obtained solely from its primary functions of Registration, Licensing, Auditing, and Enforcement. The Division is allotted 13 percent of the total funds it generates. The remaining 87 percent of the funds generated become a part of the General Fund and are used to fund other portions of the state government.

Division of Securities

Division Staff

Deborah R. Bortner
Director of Securities

Program Managers

Michael Stevenson
D. Greg Toms

Financial Legal Examiner Supervisor / Unit Manager

William Beatty
Martin Cordell
Kristina Kneip
Suzanne Sarason
Janet So
Rex Staples

Financial Legal Examiner 3

Anthony Carter

Financial Legal Examiner 2

Brad Ferber
Tyler Letey
Nelda Shannon
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Financial Examiner 3

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William Graeff
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Ed Ives

Administrative Support Staff

Rhonda Caldwell
Carolyn Hawkey
Bruce Johnson
Carol Kelsey
Sara Moriarty
Cheryl Pearson
Patty Rice
Kelli Skeels
Chris Turcotte

Division of Securities

Jurisdictional Areas and Regulated Entities

Securities Act - 21.20 RCW

\$489,215,823,523.12	Securities Permits, Notifications and Exemptions
2,124	Registered Securities Broker-Dealers
416	Registered Investment Advisers
894	Investment Adviser Notice Filers
101,783	Registered Securities Salespersons
4,495	Registered Investment Adviser Representatives (Federal)
672	Registered Investment Adviser Representatives (State)
2,158	Branch Offices of Broker-Dealers
121	Active Enforcement Cases
71	Enforcement Actions

Franchise Act - 19.100 RCW

689	Registered Franchises
74	Registered Franchise Brokers
12	Active Enforcement Cases
10	Enforcement Actions

Business Opportunity Act - 19.110 RCW

40	Registered Business Opportunities
28	Active Enforcement Cases
11	Enforcement Actions

Commodities Act 21.30 RCW

1	Active Enforcement Cases
2	Enforcement Actions

Division of Securities

Registration and Licensing Filing Activity Totals for Calendar Year 2001

Registrations, Exemptions & Notifications

	NEW	RENEW	AMEND	TOTAL
Investment Companies	2,657	13,692	7,103	23,452
SB-2s	21	6	5	32
Other Coordination Filings	37	43	18	98
Qualifications	32	19	50	101
SCOR (Small Company Offering Registration)	0	0	0	0
Franchises	153	629	238	1,020
Exemptions	1,747	0	0	1,747
Opinions	27	0	0	27
Franchise Exemptions	14	83	0	97
Business Opportunities	26	11	6	43
TOTAL	4,714	14,483	7,420	26,586

Firms & Entities

	NEW	RENEW	TOTAL
Securities Broker-Dealers	252	2,115	22,367
Investment Advisers	246	1,297	1,543
Franchise Brokers	30	37	67
TOTAL	528	3,449	3,977

Representatives & Salespersons

	NEW	RENEW	TOTAL
Investment Adviser Representatives	1,343	4,724	6,067
Intrastate Securities Salespersons	36	43	79
Agents of Issuers	19	18	37
Securities Salespersons	37,085	101,737	138,822
Salespersons with Disclosure History	2,079	0	2,079
TOTAL	40,562	106,522	147,084

Examination Statistics

Broker-Dealer Audits Completed	76
Investment Adviser Audits Completed	45
Bank Audits Completed	12
Total Audits Completed	133

Division of Securities

Enforcement Section, Statistics

Total Cases in which Orders were Entered **74**

Types of Orders Entered

	Notice of Intent	Temporary C & D	Final C & D	Consent
Securities	7	33	19	12
Franchises	1	3	1	5
Business Opportunities	0	6	2	3
Commodities	0	2	0	0
Total	8	44	22	20

	Notice of Intent	Summary Suspension	Final Revocation	Consent
Broker Dealer/Investment Adviser Reps	3	0	0	5

Other Enforcement Statistics

- 490 Complaints
- 50 Warning Letters
- 94 Cases Opened
- 162 Cases In Process
- 118 Cases Closed
- 343 Subpoenas Issued
- 3 Criminal Referrals
- 3 Criminal Charges
- 3 Criminal Convictions
- 2 Criminal Sentencings

