

1 Hearing advised Respondent that he had twenty days from the date he received the notice to file a
2 written application for an adjudicative hearing on the Summary Order. The Summary Order further
3 advised that if Respondent did not request a hearing, the Securities Administrator intended to adopt
4 the Tentative Findings of Fact and Conclusions of Law set forth in the Summary Order as final,
5 revoke Respondent Michael R. Brooks's securities salesperson registration, impose the fine sought,
6 and charge costs.

7 On June 17, 2004, the Department received Brooks' Application for Hearing. The Respondent
8 indicated that he would not be represented by an attorney.

9 On September 21, 2004, the Department assigned this matter to the Office of Administrative
10 Hearings for a hearing. On October 8, 2004, the Office of Administrative Hearings set this matter for a
11 prehearing conference on October 20, 2004, and sent written notice to the Department and to the
12 Respondent by United States Mail. In the October 8, 2004 Order for Telephonic Prehearing
13 Conference, the parties were advised that the failure to participate in the prehearing conference may
14 result in a loss of the right to appeal pursuant to RCW 34.05.440. Respondent failed to participate in
15 the prehearing conference conducted on October 20, 2004. On October 20, 2004, the Office of
16 Administrative Hearings issued Order of Default Docket Number 2004-DFI-0013, ordering
17 respondents in default pursuant to RCW 34.05.440(2) and affirming the Department's Summary Order.
18 The Order of Default advised Respondent that a request to vacate the order must be filed within seven
19 days of service of the order. Respondent did not file a request to vacate the order.

20 On November 2, 2004, Respondent contacted the Department by telephone and indicated he
21 wanted a hearing. On November 3, 2004, the Department sent a letter to Respondent by United States
22 certified and first class mail to his last known address informing him of his right to file a petition for
23 review with the Director within twenty days of service of the Order of Default. The letter sent via first

1 class mail was not returned to the Department by the United States Postal Service. The letter sent by
2 certified mail was unclaimed after three notices and returned to the Department by the United States
3 Postal Service. Respondent did not file a petition for review with the Director.

4 In this matter, absent a timely petition for review, the Order of Default was to become the Final
5 Order.

6 B. Record Presented. The record presented to the Director for her review and for entry of
7 a final decision included the Summary Order and Notice of Opportunity to Defend and a blank
8 Application for Adjudicative Hearing, documentation of service, Respondent's Application for
9 Adjudicative Hearing, Letter to Office of Administrative Hearings dated September 21, 2004, Office of
10 Administrative Hearings' Notice of Telephonic Prehearing Conference dated October 8, 2004, Office of
11 Administrative Hearings' transcript of prehearing conference, Office of Administrative Hearings' Order of
12 Default number 2004-DFI-0013 dated October 20, 2004, and letter to Respondent dated November 3,
13 2004.

14 C. Factual Findings and Grounds For Order. The Director hereby adopts the Summary
15 Order, which is attached hereto.

16 II. FINAL ORDER

17 Based upon the foregoing, which incorporate the Findings of Fact and Conclusions of Law
18 as set forth in the Summary Order:

19 A. IT IS HEREBY ORDERED, That:

- 20 1. Respondent Michael R. Brooks's securities salesperson license shall be
21 permanently revoked from the date of entry of this Order.
- 22 2. Respondent Michael R. Brooks shall cease and desist from violation of RCW
23 21.20.010, the anti-fraud provision of the Securities Act.
- 24 3. Respondent Michael R. Brooks cease and desist from violation of RCW
25 21.20.140, the registration provision of the Securities Act.

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4. Respondent Michael R. Brooks shall pay a fine in the amount of \$15,000. Such payment shall be: (a) made by United States postal money order, certified check, bank cashier's check or bank money order; (b) made payable to the Washington State Treasurer; (c) delivered by certified mail to Michael E. Stevenson, Securities Administrator, Department of Financial Institutions, PO Box 9033, Olympia, Washington 98507-9033; and (d) submitted with a cover letter that identifies Michael R. Brooks as a Respondent under these proceedings, and the Order number of these proceedings.

5. Respondent Michael R. Brooks shall pay the costs, fees, and other expenses incurred in the conduct of the administrative investigation of this matter in the amount of \$7,800.

B. Reconsideration. Pursuant to RCW 34.05.470, Respondent has the right to file a Petition for Reconsideration stating the specific grounds upon which relief is requested. The Petition must be filed in the Office of the Director of the Department of Financial Institutions by courier at 150 Israel Road SW, Tumwater, Washington 98501, or by U.S. Mail at P.O. Box 41200, Olympia, Washington 98504-1200, within ten (10) days of service of the Final Order upon Respondent. The Petition for Reconsideration shall not stay the effectiveness of this order nor is a Petition for Reconsideration a prerequisite for seeking judicial review in this matter. A timely Petition for Reconsideration is deemed denied if, within twenty (20) days from the date the petition is filed, the agency does not (a) dispose of the petition or (b) serve the parties with a written notice specifying the date by which it will act on a petition.

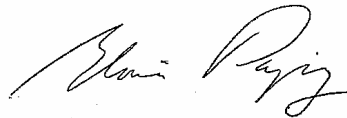
C. Stay of Order. The Director has determined not to consider a Petition to Stay the effectiveness of this order. Any such requests should be made in connection with a Petition for Judicial Review made under chapter 34.05 RCW and RCW 34.05.550.

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

1 E. Service. For purposes of filing a Petition for Reconsideration or a Petition for
2 Judicial Review, service is effective upon deposit of this order in the U.S. mail, declaration of service
3 attached hereto.
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5 DATED this 1st day of March, 2005.
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7 STATE OF WASHINGTON
8 DEPARTMENT OF FINANCIAL INSTITUTIONS

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10 _____
11 GLORIA PAPIEZ
12 Acting Director
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STATE OF WASHINGTON)
) ss. AFFIDAVIT OF SERVICE BY MAIL
COUNTY OF THURSTON)

I, SUSAN PUTZIER, hereby certify that on the ____ day of _____ 2004, I served by depositing in the mails of the United States Postal Service, postage prepaid, at Tumwater, Washington, a copy of the foregoing Final Order to the following parties:

Michael E. Stevenson
Securities Administrator
Department of Financial Institutions
Securities Division
P.O. Box 9033
Olympia, WA 98507-9033

Michael R. Brooks
PO Box 4477
Seattle, WA 98194-0477

Dated at Tumwater, Washington, this ____ day of _____ 2004.

Susan Putzier, Executive Assistant
Department of Financial Institutions