

# Terms Completed

## ORDER SUMMARY – Case Number: C-06-163

**Name(s):** Ronald Billock

**Order Number:** C-06-163-07-CO01

**Effective Date:** April 2, 2007

**License Number:** DFI:

**Or NMLS Identifier [U/L]** (Revoked, suspended, stayed, application denied or withdrawn)

**License Effect:** None  
If applicable, you must specifically note the ending dates of terms.

**Not Apply Until:** n/a

**Not Eligible Until:** \_\_\_\_\_

**Prohibition/Ban Until:** n/a

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

**Comments:** Agree to testify on Dept or AGO request

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**RECEIVED**  
DEPENDENT

**MAR 29 2007**

CONSUMER SERVICES DIVISION  
DEPT OF FINANCIAL INSTITUTIONS

**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:

FAIRWOOD MORTGAGE LLC, and  
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-CO01

CONSENT ORDER

RONALD PATRICK BILLOCK

COMES NOW the Director of the Department of Financial Institutions (Director), through his designee Deborah Bortner, Division Director, Division of Consumer Services, and Ronald Patrick Billock (Respondent Billock), and finding that the issues raised in the captioned matter may be economically and efficiently settled, agree to the entry of this Consent Order. This Consent Order is entered pursuant to chapter 19.146 of Revised Code of Washington (RCW), and RCW 34.05.060 of the Administrative Procedure Act, based on the following:

**AGREEMENT AND ORDER**

The Department of Financial Institutions, Division of Consumer Services (Department) and Respondent Billock have agreed upon a basis for resolution of the matters alleged in Statement of Charges No. C-06-163-06-SC01, entered February 12, 2007, (Statement of Charges), a copy of which is attached hereto. Pursuant to chapter 19.146 RCW, the Mortgage Broker Practices Act (Act), and RCW 34.05.060 of

CONSENT ORDER  
C-06-163-07-CO01  
RONALD PATRICK BILLOCK

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DEPARTMENT OF FINANCIAL INSTITUTIONS  
Division of Consumer Services  
150 Israel Rd SW  
PO Box 41200  
Olympia, WA 98504-1200  
(360) 902-8795

1 the Administrative Procedure Act, Respondent Billock hereby agrees to the Department's entry of this  
2 Consent Order and further agrees that the issues raised in the above captioned matter may be economically  
3 and efficiently settled by entry of this Consent Order. The parties intend this Consent Order to fully resolve  
4 the Statement of Charges against Respondent Billock based upon the following Agreements:

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

7       B. **Waiver of Hearing.** It is AGREED that Respondent Billock has been informed of the right to a  
8 hearing before an administrative law judge, and that he has waived his right to a hearing and any and all  
9 administrative and judicial review of the issues raised in this matter, or of the resolution reached herein.

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

12       D. **Ownership.** Respondent Billock represents that he has not participated in Respondent Fairwood  
13 Mortgage LLC business since approximately September 2005 when Respondents Jeffery and Barbara Creter  
14 stopped returning his phone calls and would not open the doors at their home where the business was located.  
15 Respondent Billock further represents that he formally relinquished all ownership interest in Fairwood  
16 Mortgage LLC as early as December 18, 2005.

17       E. **Declaration.** It is AGREED that Respondent Billock provided the Department with a signed  
18 statement made under oath stating that he has not been involved in Fairwood Mortgage LLC business since  
19 September 2005. It is further AGREED that a true and correct copy of the same statement is attached hereto and  
20 incorporated by this reference as though fully set forth herein.

21       F. **Complete Cooperation with the Department and the Office of the Attorney General**  
22 **(Statements).** It is AGREED that Respondent Billock shall provide the Department and the Office of Attorney  
23 General truthful and complete sworn statements outlining his activities with respect to Fairwood Mortgage LLC  
24 and any and all

1 persons involved or in any way associated with Fairwood Mortgage LLC, including but not limited to the named  
2 Respondents, employees, businesses and persons with whom Fairwood Mortgage LLC, Jeffery Creter, and/or  
3 Barbara Creter dealt, communicated, or otherwise related. The "sworn statements" may take the form of  
4 affidavits, declarations, depositions, or testimony at the Department's and the Office of Attorney General's  
5 discretion.

6 **G. Complete Cooperation with the Department and the Office of the Attorney General.** It is  
7 AGREED that Respondent Billock shall cooperate fully, truthfully and completely with the Department and the  
8 Office of Attorney General and provide any and all information known to him relating in any manner to  
9 Fairwood Mortgage LLC, Jeffery Creter, and Barbara Creter and any and all persons involved or in any way  
10 associated with Fairwood Mortgage LLC, Jeffery Creter, and/or Barbara Creter including but not limited to the  
11 named Respondents, employees, businesses and persons with whom Fairwood Mortgage LLC dealt,  
12 communicated, or otherwise related. It is further AGREED that Respondent Billock shall provide any and all  
13 documents, writings, materials, objects or evidence of any kind in his possession or under his care, custody, or  
14 control that he is authorized to possess, obtain, or distribute relating directly or indirectly to all areas of inquiry  
15 and investigation. A failure to cooperate fully, truthfully and completely is a breach of this Consent Order. It is  
16 further AGREED that Respondent shall testify fully, truthfully and completely at any proceeding related to the  
17 Department's investigation and enforcement actions related to this matter, including, but not limited to Fairwood  
18 Mortgage LLC, Jeffery Creter, and Barbara Creter.

19 **H. Future Applications.** It is AGREED that the circumstances giving rise to the issuance of the  
20 above-referenced Statement of Charges will not be considered by the Department in assessing any future  
21 application for a mortgage broker or loan originator license for Respondent Billock in the state of Washington,  
22 in the event Respondent Billock wishes to pursue such applications.

23 //

24 //

1 I. **Compliance with the Law.** It is AGREED that Respondent Billock shall comply with the  
2 Mortgage Broker Practices Act and the rules adopted thereunder.

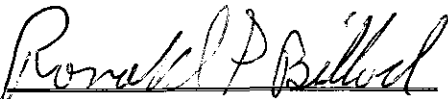
3 J. **Authority of the Department.** It is AGREED that nothing in this Consent Order shall be  
4 construed as preventing the Department from fully exercising its authority and enforcing any provision of Title  
5 19.46 Revised Code of Washington and Chapter 208-660 of the Washington Administrative Code.

6 K. **Authority to Execute Order.** It is AGREED that the undersigned have represented and warranted  
7 that they have the full power and right to execute this Consent Order on behalf of the parties represented.

8 L. **Voluntarily Entered.** It is AGREED that Respondent Billock has voluntarily entered into this  
9 Consent Order, which is effective when signed by the Director's designee.

10 M. **Completely Read, Understood, and Agreed.** It is AGREED that Respondent Billock has read this  
11 Consent Order in its entirety and fully understand and agree to all of the same.

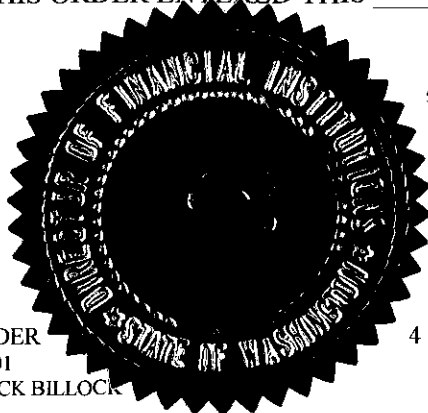
12 **RESPONDENT BILLOCK:**

13  
14   
15 RONALD PATRICK BILLOCK  
16 Individually

3/26/07  
DATE

17  
18 \_\_\_\_\_  
DO NOT WRITE BELOW THIS LINE

19  
20 THIS ORDER ENTERED THIS 2<sup>nd</sup> DAY OF April, 2007.





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

CONSENT ORDER  
C-06-163-07-CO01  
RONALD PATRICK BILLOCK

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DEPARTMENT OF FINANCIAL INSTITUTIONS  
Division of Consumer Services  
150 Israel Rd SW  
PO Box 41200  
Olympia, WA 98504-1200  
(360) 902-8795

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**STATE OF WASHINGTON  
DEPARTMENT OF FINANCIAL INSTITUTIONS  
DIVISION OF CONSUMER SERVICES**

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

NO. C-06-163-06-SC01

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

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

Respondents.

**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). After having conducted an investigation pursuant to RCW 19.146.210 and RCW 19.146.235, and based upon the facts available as of the date of this Statement of Charges, the Director institutes this proceeding and finds as follows:

**I. FACTUAL ALLEGATIONS**

**1.1 Respondents.**

A. **Fairwood Mortgage LLC** was licensed by the Department of Financial Institutions of the State of Washington (Department) to conduct business as a mortgage broker on July 22, 2005, and has continued to be licensed to date. Respondent Fairwood Mortgage LLC is licensed to conduct the business of a mortgage broker at one (1) location.

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  
25

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.

25



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.

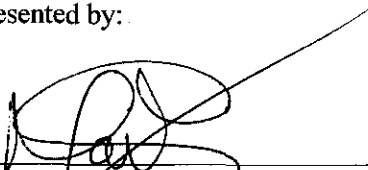
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**V. AUTHORITY AND PROCEDURE**

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 12<sup>th</sup> day of February, 2007.

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

Presented by:  
  
MARNIE SHEERAN  
Financial Legal Examiner



Approved by:  
  
JAMES R. BRUSSELBACK  
Enforcement Chief