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STATE OF WASHINGTON  
OFFICE OF THE INSURANCE COMMISSIONER

*In the Matter of*

**EDMUND C.  
SCARBOROUGH and  
WALTER WOLF,**

Respondents.

No. 13-0084

OIC STAFF'S  
WITHDRAWAL OF  
HEARING REQUEST AS  
TO WALTER WOLF,  
MOTION & ORDER OF  
DISMISSAL AS TO  
WALTER WOLF

NOTICE & MOTION

The OIC and Respondent, Walter Wolf, have settled the issues in this case that pertain to Mr. Wolf by Consent Order Imposing a Fine, entered May 20, 2014, a true copy of which is attached hereto as Exhibit "A." Accordingly, the OIC staff hereby withdraws its hearing request as to Mr. Wolf and requests entry of an Order dismissing that portion of this matter that pertains to Mr. Wolf as settled.

Dated this <sup>9<sup>th</sup></sup> 8<sup>th</sup> day of September, 2014.



Charles Brown  
OIC Senior Insurance Enforcement Specialist

OIC STAFF'S WITHDRAWAL OF  
HEARING REQUEST AS TO WALTER  
WOLF, MOTION & ORDER TO  
DISMISSAL AS TO WALTER WOLF  
OIC NO. 13-0084

State of Washington  
Office of Insurance Commissioner  
Insurance 5000 Building  
PO Box 40255  
Olympia, WA 98504-0244

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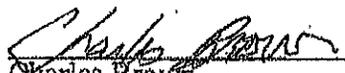
ORDER

It is so Ordered.

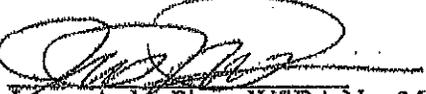
Entered this <sup>9<sup>th</sup></sup> day of September, 2014.

  
\_\_\_\_\_  
Judge George A. Finkle (ret.)  
Presiding Officer

Presented by:

  
Charles Brown  
OIC Senior Insurance Enforcement Specialist

Approved for Entry:

  
\_\_\_\_\_  
James A. McPhee, WSBA No. 26323  
Attorney for Walter Wolf

OIC STAFF'S WITHDRAWAL OF  
HEARING REQUEST AS TO WALTER  
WOLF, MOTION & ORDER TO  
DISMISSAL AS TO WALTER WOLF  
OIC NO. 13-0084



OFFICE OF  
INSURANCE COMMISSIONER

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*In The Matter of*

WALTER W. WOLF.

Licensee.

No. 13-0084

CONSENT ORDER IMPOSING A FINE

The Insurance Commissioner of the State of Washington, pursuant to the authority set forth in RCW 48.15.020 and RCW 48.17.560, and having reviewed the official records and files of the Office of the Insurance Commissioner ("OIC"), makes the following:

**FINDING OF FACT:**

1. Walter W. Wolf ("Mr. Wolf") is a Washington-licensed producer. He has been licensed since 1975 and has not had any other complaints against him. Mr. Wolf is not licensed either as a surety insurer or a surplus lines broker.
2. In May, 2012, OIC received a complaint regarding a construction performance bond for the City of Clarkston, WA in the amount of \$754,543.09. Mr. Wolf and an Edmund C. Scarborough were listed as individual sureties on that performance bond.
3. The performance bond, Bond No. SKYLINEPP05112011, shows that Mr. Wolf is listed as the agent or broker, and the sureties are listed as "Edmund Scarborough & Walter W. Wolf, Individual Sureties." The document is purportedly signed by both Mr. Scarborough and Mr. Wolf under signature lines that say their names and "individual surety."
4. In addition to the surety sold to the City of Clarkston, Mr. Wolf has participated in two other Washington surety transactions with Mr. Scarborough and Mr. Scarborough's company, IBCS, Inc. Mr. Wolf acted solely as an insurance producer as to these two additional surety transactions; he is not an individual surety therein.

EXHIBIT A - Page 1 of 4



5. Neither Mr. Scarborough nor IBCS, Inc. are authorized insurers in the State of Washington.

**CONCLUSIONS OF LAW:**

1. By acting as a surety insurer in this state without a certificate of authority, Mr. Wolf violated RCW 48.05.030(1).
2. By soliciting and transacting insurance business in this state on behalf of an unauthorized insurer or insurers, without being licensed as a surplus lines broker, Mr. Wolf violated RCW 48.15.020 and RCW 48.15.070.
3. RCW 48.15.020 authorizes OIC to levy fines of \$25,000 per violation of RCW 48.15.020(1) and (2)(a), and RCW 48.15.070.

**CONSENT TO ORDER:**

Walter W. Wolf, acknowledging his duty to comply fully with the applicable laws of the State of Washington, consents to the following in consideration of his desire to resolve this matter without further administrative or judicial proceedings. The Insurance Commissioner consents to settle the matter in consideration of Walter W. Wolf's payment of a fine and on such terms and conditions as are set forth below.

1. Walter W. Wolf consents to the entry of this Order, waives any and all hearing rights, and waives further administrative or judicial challenges to this Order.
2. By agreement of the parties, the Insurance Commissioner will impose a fine of \$15,000 (Fifteen Thousand Dollars) and suspend \$14,000 of that, on the conditions that:
  - a. Within thirty days of entry of this Order, Walter W. Wolf pays \$1,000.
  - b. Walter W. Wolf commits no further violations of the statutes and regulations that are the subject of this Order for a period of two years from the date this Order is entered.
  - c. Walter W. Wolf understands and agrees that any future failure to comply with the statutes and regulations that are the subject of this Order constitutes grounds for further penalties, which may be imposed in direct response to further violation, in addition to the imposition of the suspended portion of this fine.

d. The suspended portion of this fine will be imposed at the sole discretion of the Insurance Commissioner subject to the conditions as set forth above, without any right to hearing, appeal, or advance notice.

3. Walter W. Wolf's failure to timely pay the fine and to adhere to the conditions shall constitute grounds for revocation of his Washington Resident Insurance Producer's license, and shall result in the imposition of the entire fine as well as recovery of both the suspended and any unpaid unsuspended amounts of the fine through a civil action brought on behalf of the Insurance Commissioner by the Attorney General of the State of Washington.

EXECUTED this 20<sup>th</sup> day of MAY, 2014.

Walter W. Wolf  
Walter W. Wolf

**ORDER:**

Pursuant to the foregoing Findings of Fact, Conclusions of Law, and Consent to Order, the Insurance Commissioner hereby Orders as follows:

1. Walter W. Wolf shall pay a fine in the amount of \$15,000, (Fifteen Thousand Dollars), of which the amount the sum of \$14,000 (Fourteen Thousand Dollars) is suspended upon the condition that Walter W. Wolf fully comply with the laws and regulations of the State of Washington which are the subject of this Order for the next two years.

2. Walter W. Wolf's failure to pay the fine within thirty days of entry of this Order shall result in the revocation of his Washington Resident Insurance Producer's license as well as

Consent Order Imposing A Fine  
OIC Order No. 13-0084  
Page 3 of 4

EXHIBIT A - Page 3 of 4

imposition of the entire fine and the recovery of both the suspended and any unpaid unsuspended amounts of the fine through a civil action brought on behalf of the Insurance Commissioner by the Attorney General of the State of Washington.

ENTERED AT TUMWATER, WASHINGTON, this 21<sup>st</sup> day of May, 2014.

MIKE KREIDLER  
Insurance Commissioner

By Andrea L. Philhower  
Andrea Philhower  
OIC Staff Attorney  
Legal Affairs Division  
Office of the Insurance Commissioner  
State of Washington

CERTIFICATE OF MAILING

The undersigned certifies under the penalty of perjury under the laws of the State of Washington that I am now and at all times herein mentioned, a citizen of the United States, a resident of the State of Washington, over the age of eighteen years, not a party to or interested in the above-entitled action, and competent to be a witness herein.

On the date given below I caused to be served the foregoing OIC STAFF'S WITHDRAWAL OF HEARING REQUEST AS TO WALTER WOLF, MOTION & ORDER OF DISMISSAL AS TO WALTER WOLF on the following individuals in the manner indicated:

Judge George Finkle, Ret.  
Washington State Insurance Commissioner  
5000 Capitol Blvd  
Tumwater, WA 98501  
(XXX) Via Hand Delivery

Timothy J. Parker  
Carney Badley Spellman  
701 5th Ave Ste 3600  
Seattle WA 98104-7010  
Parker@Carneylaw.com  
(XXX) Via US Mail and Email

Edmund C. Scarborough  
6850 CR 540 East  
Haines City, FL 33845  
(XXX) Via US Mail

**SIGNED** this 9<sup>th</sup> day of September, 2014, at Tumwater, Washington.

  
Chris Tribe