

YARMUTH WILSDON CALFO PLLC
ATTORNEYS AT LAW

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(in Consumer Protection)

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C. SETH WILKINSON
DIRECT 206.971.3615
swilkinson@yarmuth.com

FOURTH & MADISON
925 FOURTH AVENUE, SUITE 2500
SEATTLE WASHINGTON 98104

T-206-516-3800
P-206-516-3888
www.yarmuth.com
Jill, DIC
Petersen
Chief Hearing Officer

November 8, 2007

VIA FEDERAL EXPRESS™

John Hamje
Deputy Insurance Commissioner
Office of the Insurance Commissioner
P.O. Box 40257
Olympia, WA 98504-0257

Re: Arthur Cervantes and Northwest Financial Exchange, Inc.
Order Revoking License No. D 07-0323

Dear Mr. Hamje:

Our firm represents Arthur Cervantes and Northwest Financial Exchange, Inc. (collectively, "Mr. Cervantes"). We are in receipt of Order Revoking License No. D 07-0323 issued by the Office of the Insurance Commission ("OIC") and entered on October 23, 2007. Mr. Cervantes requests a hearing on OIC's Order by an administrative law judge from the Office of Administrative Hearings and further requests that all action in furtherance of OIC's Order be stayed pending such a hearing.

The principal grounds upon which Mr. Cervantes intends to challenge Order No. D 07-0323 are briefly summarized as follows:

1. As outlined in prior correspondence with OIC, which OIC has never acknowledged and appears to have given little or no consideration while instead adopting in their entirety the assertions of fact made by Investigator Overholt, Mr. Cervantes contends that some or all of the factual allegations referenced in the Order in connection with transactions involving Consumers #1, #2 and #3. Mr. Cervantes further contends, as set forth in prior correspondence with OIC, that Investigator Overholt has not been objective and impartial in conducting his investigation, as is evident from, among other things, the frequently accusatory and belittling tone of Requests for Information authored by Investigator Overholt and directed to Mr. Cervantes.

2. Mr. Cervantes disagrees with OIC's contention that the NFOA product referenced in paragraph 2 of the Order, and by implication in paragraphs 11 and 12 of the Order, required OIC approval or that the product is properly subject to regulation by OIC.

3. Mr. Cervantes disputes that he engaged in the dissemination of false, deceptive and/or misleading representations as alleged in paragraphs 9, 10, 13 and 14 of the Order, and further disputes that any statements he made in connection with the transactions referenced in the Order were made with the *scienter* specified in RCW 48.30.040, 48.30.210 and/or 48.17.530(1)(b) and (e).

4. Mr. Cervantes disputes that the NFOA product referenced in the Order is a form of insurance triggering the submission of a replacement form, as alleged in paragraph 15 of the Order, when it was substituted for an annuity.

5. Finally, Mr. Cervantes disputes the conclusion that, while acting as a licensee of OIC, he has acted in an untrustworthy manner, that he represents a source of injury or loss to the public and/or that he is not qualified to be an insurance agent in the State of Washington. Mr. Cervantes believes that the terms "untrustworthy" and "source of injury or loss" are insufficiently defined to put him on notice of what conduct violates RCW 48.17.530(1)(b), (e) and (h) and, thus, deprives him of procedural due process in violation of the Washington State and federal Constitutions.

Revocation of Mr. Cervantes' insurance license will deprive him of his right to earn a livelihood practicing his chosen profession. The above summary of grounds on which Mr. Cervantes disputes OIC's Order is a summary only and Mr. Cervantes does not intend to waive his right to argue and to assert any and all grounds and defenses by not asserting all such grounds and defense in detail at this time.

Thank you for your attention to and consideration of this matter.

Sincerely,



C. Seth Wilkinson

CSW:lt

cc: Art Cervantes