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BEFORE THE STATE OF WASHINGTON
OFFICE OF INSURANCE COMMISSIONER

In the Matter of

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

Respondents.

) **Docket No. 13-0084**

) **NOTICE OF HEARING**

TO: Walter W. Wolf
7903 E. Broadway
Spokane Valley, WA 99212

James A. McPhee, Esq.
Workland & Witherspoon PLLC
601 W. Main Avenue, Suite 714
Spokane, WA 99201

Timothy J. Parker, Esq.
Carney Badley Spellman, P.S.
701 Fifth Avenue, Suite 3600
Seattle, WA 98104-7010

COPY TO: Mike Kreidler, Insurance Commissioner
James T. Odiorne, J.D., CPA, Chief Deputy Insurance Commissioner
John F. Hamje, Deputy Commissioner, Consumer Protection Division
Charles Brown, Esq., Insurance Enforcement Specialist, Legal Affairs Division
AnnaLisa Gellermann, Deputy Commissioner, Legal Affairs Division
Office of the Insurance Commissioner
PO Box 40255
Olympia, WA 98504-0255

This Notice is provided pursuant to RCW 48.04.010 and RCW 34.05.434.

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On March 8, 2013, the Washington State Insurance Commissioner ("OIC") issued a Notice of Request for Hearing for Imposition of Fines ("Notice") to Edmund C. Scarborough and Walter W. Wolf ("Respondents"). Said Notice proposes that the OIC take disciplinary action against the Respondents for alleged violations of the Insurance Code, including that 1) by being listed and signing as individual sureties on a performance bond issued relative to a City of Clarkston, Washington construction project, the Respondents acted as insurers without having a proper Certificate of Authority in violation of RCW 48.05.030(1), and 2) by soliciting and transacting insurance business in this state on behalf of an unauthorized insurer without being licensed as surplus lines brokers, the Respondents violated RCW 48.15.020 and RCW 48.15.070.

On April 16, 2014, Chief Presiding Officer Patricia D. Petersen entered an Order Denying Scarborough's Motion for Summary Judgment and Granting OIC's Cross-Motion for Summary Judgment ("Summary Judgment Order"), determining that Respondent Scarborough engaged in the unauthorized business of insurance by selling and issuing individual surety bonds without having a Certificate of Authority or being licensed as a surplus lines broker and therefore is subject to the imposition of fines. The Summary Judgment Order did not, however, address the amount of fines to be imposed, nor did it rule as to Respondent Wolf's alleged activities, which issues remain for hearing. Accordingly,

YOU ARE HEREBY NOTIFIED that a hearing will be held at the Office of the Insurance Commissioner, 5000 Capitol Blvd., Tumwater, WA, beginning on October 14, 2014, at 10:00 AM, Pacific Daylight Time. The hearing is expected to conclude by October 16, 2014, but will continue until terminated. The purpose of the hearing is to consider 1) the amount of the fine to be imposed on Respondent Scarborough; and 2) whether the activities of Respondent Wolf, as set forth in the OIC's Notice, violate the Insurance Code, and if so, the amount of the fine to be imposed.

The hearing will be governed by the Administrative Procedure Act, Chapter 34.05 RCW, and the model rules of procedure contained in Chapter 10-08 WAC. All parties may be represented and may examine witnesses, respond, and present evidence and argument on all relevant issues.

A party who fails to attend or participate in the hearing or another stage of this proceeding may be held in default in accordance with Chapter 34.05 RCW. *See*, RCW 34.05.434(2)(i).

Judge George Finkle (Ret.), Presiding Officer, has been designated by the Insurance Commissioner to hear and determine this matter. The hearing will be held under the authority granted by the Insurance Commissioner under Chapter 48.04 RCW.

Pursuant to WAC 10-08-040(2) and in accordance with Ch. 2.42 RCW, if a limited English speaking or hearing impaired or speech impaired party or witness needs an interpreter, a qualified interpreter will be appointed. There will be no cost to the party or witness for an interpreter, except as may be provided by Ch. 2.42 RCW. A Request for Interpreter form, with instructions, is attached to the original of this Notice.

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All case related documents and correspondence shall be directed to the Hearings Unit, Office of Insurance Commissioner, P.O. Box 40255, Olympia, Washington 98504-0255. All interested individuals and entities who have questions or concerns concerning this proceeding should direct them to the Hearings Unit paralegal, Kelly Cairns, at the same address. Ms. Cairns' telephone number is (360) 725-7002.

Dated: July 28, 2014



JUDGE GEORGE FINKLE (Ret.)
Presiding Officer

Declaration of Mailing

I declare under penalty of perjury under the laws of the State of Washington that on the date listed below, I mailed or caused delivery through normal office mailing custom, a true copy of this document to the following people at their addresses listed above: Walter W. Wolf, James A. McPhee, Esq., Timothy J. Parker, Esq., Mike Kreidler, James T. Odiome, J.D., CPA, John F. Hamje, Esq., Charles Brown, Esq., and AnnaLisa Gellermann, Esq.

DATED this 29th day of July, 2014.


KELLY A. CAIRNS

OFFICE OF INSURANCE COMMISSIONER
HEARINGS UNIT
Fax: (360) 664-2782

To request an interpreter, complete and mail this form to:

Presiding Officer
Hearings Unit
Office of Insurance Commissioner
P.O. Box 40255
Olympia, WA 98504-0255

REQUEST FOR INTERPRETER

I am a party or witness in Matter No. 13-0084 before the Insurance Commissioner. I NEED AN INTERPRETER and request that one be furnished.

Please check the statements that apply to you:

I am a non-English-speaking person. I cannot readily speak or understand the English language. My primary language is _____ (insert your primary language). I need an interpreter who can translate to and from the primary language and English.

I am unable to readily understand or communicate the spoken English language because:

- I am deaf.
- I have an impairment of hearing.
- I have an impairment of speech.

[Please state below or on the reverse side any details which would assist the Commissioner or Presiding Officer in arranging for a suitable interpreter or in providing appropriate mechanical or electronic amplification, viewing, or communication equipment.]

Date: _____ Signed: _____

Please print or type your name: _____
Address: _____
Telephone: _____