

Kevin Ranker replied to "PDC Support" pdcc@pdcc.wa.gov (Thu, 31 Jan 2019 at 5:03 PM)

Tabatha,

Thank you again for your understanding and the extension. As I mentioned, I have been dealing with a family medical issue out of state, and had been mostly offline. I really appreciate your patience and understanding. Thank you.

Based on my review, I have found that there were errors in my prior F1 reports – specifically in the use of shortened legal descriptions and related to certain financial matters with my mother. These errors were totally unintentional and I am correcting them with amended reports.

I will answer each of your questions below...

1. Our primary residence throughout the relevant period was the “PR LT 3 TGW TDS” property. The lot we purchased using some money received from my mother was the “HVE Lot 3 TGW 1/3 Int” property. The only property that was sold was the “Hannah Heights 17” property, in 2015. The currently assessed values of the two properties my wife and I still own are each in the “E” category (over \$120,000). The assessed value of the “Hannah Heights 17” property at time of sale was also in the “E” category (above \$120,000).
2. The “Hannah Heights 17” property sale was listed in our report for 2015 as “Hannah Heights 17” (description/location), “San Juan” (county), “E” (assessed value), “Tammy Cotton, Hannah Heights 17” (name and address of purchaser), “E” (amount of payment). I see now that the legal description of the property, which was used both to identify the property and for the purchaser’s address as her new residence, was incomplete. The abbreviated legal description of the property is “FIRST ADDN TO HANNAH HEIGHTS - LOT 17 & PR LOT 1 OF 2ND ADDITION TO HANNAH HEIGHTS PER BLM.” I did not realize that the shorthands we were using for the legal descriptions were incomplete. As for the payment, it was made through a direct deposit to our bank account. At the time, I did not think to specify that the payment was in money (beyond indicating the “E” category). I am amending my reports to include the proper legal description above, and to indicate “direct deposit” for the payment type upon sale.
3. The abbreviated legal description of this property is “HARBOR VISTA ESTATES SHORT PLAT - LOT 3 TGW 1/3 INT COMMON AREA Sec 07, T 36N, R 2W.” As you can see, the “1/3 Int” is part of the legal description. I cannot recall at this point about the zero, but I believe it was meant to reflect that my mother quitclaimed her portion of the title to us. That said, we had an interest in this property from 2013 onward, so it should have been reported originally in the 2013 F1. I did not realize it was not reported before the 2016 entry. This was an oversight. Also, the property was purchased in 2013 using a portion of funds obtained from my mother. She took a percentage interest in title as a form of collateral, without ever intending to occupy the property. We made subsequent payments to her of \$1k per month, for some time. Because this arrangement was informal and with my mother, it did not strike me as reportable. I actually contacted the PDC at the time for guidance on gifts and loans from family members. While I do not recall the details of that conversation, I do remember coming away from it thinking that the money from my mother did not need to be reported. I was mistaken and

obviously misunderstood the communication. In retrospect, given the information requested in the F1, the 2013 purchase probably should have been reported with my mother as a creditor, payment terms of \$1k per month until paid off, with a portion of the title as security, and an assessed value and “mortgage” amounts all in the “E” category. In October of 2015, my mother quitclaimed her percentage interest in title to us for no consideration, but we continued to make monthly payments to repay her until recently, when I paid back the entire remaining balance. In light of all the above, I will amend our reports to reflect the purchase, ownership, and creditor information from 2013 onward.

4. The “WA Federal Savings” creditor entry was intended to apply only to the “PR” property, reflecting the traditional mortgage loan we obtained to purchase that property. No creditor was listed for the “HVE” property, for the reasons explained above. Again, I am now amending our reports to reflect my mother as a creditor for the “HVE” property.
5. As indicated above, the “HVE” property should have been listed in the 2013 F1. The failure to do so was an oversight, which I am correcting through amendment.
6. As indicated above, I am amending our reports to reflect my mother as a creditor for the “HVE” property.

I also want to bring to your attention something else that I discovered in reviewing our F1 reports and answering your questions. The San Juan County Assessor lists the “PR” property that is our primary residence as two parcels, with abbreviated legal descriptions of “PR GL 3 TGW TDS Sec 07, T 36N, R 2W” and “PR GL 3 Sec 07, T 36N, R 2W.” The second parcel is a small, adjoining portion of the property (0.16 acres). I have considered and treated the two parcels as one piece of property (in fact my daughter’s treehouse and swing set is on both), and the “WA Federal Savings” mortgage referenced above was for both parcels. That said, in the interest of full disclosure, I will amend the reports to include both legal descriptions.

I am very sorry for the unintentional errors described above. I will correct them all through amendment. I will correct all the legal descriptions, which I did not realize were incomplete. I will also add our ownership of the “HVE” property prior to 2016, which I did not realize had been omitted from the 2013 F1. I will also add the information reflecting my mother’s previous status as a creditor for the “HVE” property.

Thank you again for the opportunity to clarify the record and correct my reports. And again, thank you for the patience and understanding.

Please let me know if you have any questions.

Sincerely, Kevin Ranker