

ORDER SUMMARY – Case Number: C-15-1778

Name(s): Pinnacle Northwest Escrow LLC
Michele Johnson Roberts

Order Number: C-15-1778-16-CO01

Effective Date: February 29, 2016

License Number: DFI: 540-EA-68552
Or NMLS Identifier [U/L]

License Effect: Stayed Revocation

Not Apply Until: N/A

Not Eligible Until: N/A

Prohibition/Ban Until: N/A

Investigation Costs	\$250	Due	Paid <input checked="" type="checkbox"/> Y <input type="checkbox"/> N	Date: 2/29/16
Fine	\$1,750	Due	Paid <input checked="" type="checkbox"/> Y <input type="checkbox"/> N	Date: 2/29/16
Assessment(s)	\$	Due	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
Restitution	\$	Due	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
Judgment	\$	Due	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
Satisfaction of Judgment Filed?		<input type="checkbox"/> Y <input type="checkbox"/> N		
No. of Victims:				

Comments:

1 wrongdoing by its entry. Respondents are agreeing not to contest the Statement of Charges in
2 consideration of the terms of this Consent Order.

3 Based upon the foregoing:

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

6 **B. Waiver of Hearing.** It is AGREED that Respondents have been informed of the right to a
7 hearing before an administrative law judge, and hereby waive their right to a hearing and all
8 administrative and judicial review of the issues raised in this matter, or of the resolution reached
9 herein. Accordingly, Respondents, by their signatures and the signature of their representative below,
10 withdraw their appeal to the Office of Administrative Hearings.

11 **C. No Admission of Liability.** The parties intend this Consent Order to fully resolve the
12 Statement of Charges and agree that Respondents do not admit to any wrongdoing by its entry.

13 **D. Fine.** It is AGREED that Respondents shall pay a fine to the Department in the amount of
14 \$1,750, in the form of a cashier's check made payable to the "Washington State Treasurer," upon
15 entry of this Consent Order.

16 **E. Compliance with Reporting Requirements.** It is AGREED that that while Respondents
17 maintain a license pursuant to RCW 18.44, Respondents will comply with all of the reporting
18 requirements of RCW 18.44 and WAC 208-680.

19 **F. Stayed Revocation.** It is agreed that Respondents are subject to a three year revocation.
20 It is further AGREED that said revocation shall be stayed for a period of eighteen months. It is
21 further AGREED that if the Department does not seek to lift the stay and impose the revocation
22 within the eighteen month period, said revocation will be deemed withdrawn without further action
23 being required by either party.

1 **G. Lifting of Stay and Imposing Revocation. It is AGREED that:**

- 2 1. If the Department determines that Respondents have not complied with the terms
3 of this Consent Order to a degree sufficient to warrant imposition of a revocation,
4 and the Department accordingly seeks to lift the stay and impose the revocation set
5 forth in section F above, the Department will first notify Respondents in writing of
6 its determination.
- 7 2. The Department's notification will include:
- 8 a) A description of the alleged noncompliance;
 - 9 b) A statement that because of the noncompliance, the Department seeks
10 to lift the stay and impose the fine;
 - 11 c) The opportunity for Respondents to contest the Department's
12 determination of noncompliance in an administrative hearing before an
13 Administrative Law Judge (ALJ) of the Office of Administrative
14 Hearings (OAH); and
 - 15 d) A copy of this Consent Order. The notification and hearing process
16 provided in this Consent Order applies only to this Consent Order. It is
17 solely provided in the event Respondents choose to contest the
18 Department's determination of noncompliance.
- 19 3. Respondents will be afforded ten (10) business days from the date of receipt of the
20 Department's notification to submit a written request to the Department for an
21 administrative hearing to be held before an ALJ from the OAH.
- 22 4. Respondents, in addition to its request for hearing, may provide a written response
23 to include any information pertaining to the alleged noncompliance.
- 24 5. The administrative hearing shall be expedited and follow the timing and processes
described in this Consent Order.
6. If requested, the hearing will be held within 15 business days (or as soon as the
schedule of the ALJ permits) from the due date for Respondents' request for
hearing or from the date of receipt of Respondent's timely request for hearing,
whichever is sooner. The parties will accommodate the prompt scheduling of the
hearing.
7. The scope and issues of the hearing are limited solely to whether or not
Respondents are in violation of the terms of this Consent Order to a degree
sufficient to warrant imposition of the license revocation.

1 8. At the conclusion of the hearing, the ALJ will issue an initial decision. Either
2 party may file a Petition for Review with the Director of the Department.

3 9. If Respondents does not request the hearing within the stated time, the Department
4 will impose the license revocation and pursue whatever action it deems necessary
5 to enforce it.

6 **H. Investigation Fee.** It is AGREED that Respondents shall pay to the Department an
7 investigation fee of \$250, in the form of a cashier's check made payable to the "Washington State
8 Treasurer," upon entry of this Consent Order. The Fine and Investigation Fee may be paid together
9 in one \$2,000 cashier's check made payable to the "Washington State Treasurer."

10 **I. Change of Address.** It is AGREED that for the duration of the period this Consent Order
11 is in effect, unless otherwise agreed to in writing by the Department, Respondents shall provide the
12 Department with a mailing address and telephone number at which Respondents can be contacted and
13 Respondents shall notify the Department in writing of any changes to their mailing address or
14 telephone number within fifteen days of any such change.

15 **J. Records Retention.** It is AGREED that Respondents, its officers, employees, and agents
16 shall maintain records in compliance with the Act and provide the Director with the location of the
17 books, records and other information relating to Respondents' escrow agent business, and the name,
18 address and telephone number of the individual responsible for maintenance of such records in
19 compliance with the Act.

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

23 **L. Non-Compliance with Order.** It is AGREED that Respondents understand that failure to
24 abide by the terms and conditions of this Consent Order may result in further legal action by the

Director. In the event of such legal action, Respondents may be responsible to reimburse the Director for the cost incurred in pursuing such action, including but not limited to, attorney fees.

M. Voluntarily Entered. It is AGREED that Respondents have voluntarily entered into this Consent Order, which is effective when signed by the Director's designee.

N. Completely Read, Understood, and Agreed. It is AGREED that Respondents have read this Consent Order in its entirety and fully understand and agree to all of the same.

RESPONDENTS:

Pinnacle Northwest Escrow LLC and Michele J. Roberts

Pinnacle Northwest Escrow, LLC

By:

[Redacted Signature]

Michele J. Roberts
Owner and Designated Escrow Officer

2/25/16
Date

[Redacted Signature]

Michele J. Roberts
Individually

2/25/16
Date

Approved for Entry:

[Redacted Signature]

Richard L. Holland, WSBA No.23921
Attorney for Respondents

2-25-2016
Date

DO NOT WRITE BELOW THIS LINE

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1 THIS ORDER ENTERED THIS 29th DAY OF February, 2016.



[REDACTED]

CHARLES E. CLARK
Director
Division of Consumer Services
Department of Financial Institutions

7 Presented by:

[REDACTED]

8 DEBORAH TAEILLIOUS
9 Financial Legal Examiner Supervisor

10 Approved by:

11 [REDACTED]

12 STEVEN C. SHERMAN
Enforcement Chief

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

IN THE MATTER OF DETERMINING
Whether there has been a violation of the
Escrow Agent Registration Act of Washington by:

PINNACLE NORTHWEST ESCROW, LLC and
MICHELE J. ROBERTS, Owner and Designated
Escrow Officer,

Respondents.

No.: C-15-1778-15-SC01

STATEMENT OF CHARGES and
NOTICE OF INTENTION TO ENTER AN
ORDER TO PROHIBIT FROM INDUSTRY,
IMPOSE FINE, COLLECT INVESTIGATION
FEE, AND MAINTAIN RECORDS

INTRODUCTION

Pursuant to RCW 18.44.410, the Director of the Department of Financial Institutions of the State of Washington (Director) is responsible for the administration of chapter 18.44 RCW, the Escrow Agent Registration Act (Act). After having conducted an investigation pursuant to RCW 18.44.420 and WAC 208-680-620, and based upon the facts available as of the date of this Statement of Charges, the Director, through his designee, Division of Consumer Services Director Charles E. Clark, institutes this proceeding and finds as follows:

I. FACTUAL ALLEGATIONS

1.1 Respondents.

A. **Pinnacle Northwest Escrow, LLC (Respondent Pinnacle)** is licensed to engage in the business of an Escrow Agent by the State of Washington Department of Financial Institutions (Department) pursuant to the Act and has been licensed with the Department during all times relevant to this Statement of Charges.

B. **Respondent Michele J. Roberts (Respondent Roberts)** is 100% owner and the Designated Escrow Officer of Respondent Pinnacle. Respondent Roberts was licensed as an escrow officer during all periods relevant to this Statement of Charges.

1 **1.2 Failure to Comply with Director's Authority.**

2 A. On three separate occasions, June 11, 2015, July 8, 2015, and August 5, 2015, the
3 Department's Examination Unit sent correspondence via First-Class mail to
4 Respondents requesting Respondents to provide the manager's questionnaire and
5 supporting documentation in preparation for the Department to conduct an
6 examination of Respondents. As of the date of this Statement of Charges,
7 Respondents have not provided the requested records. The correspondence was not
8 returned to the Department by the United States Postal Service.

9 B. On August 20, 2015, the Department sent an email to Respondent Roberts requiring
10 production of the documents referenced in paragraph 1.2 of this Statement of Charges.
11 On August 24, 2015, Respondent Roberts replied via email stating that she would be
12 returning to the office on August 26, 2015, and would "forward the requested final
13 paperwork at that time." As of August 28, 2015, Respondents had not provided to the
14 Department the records referenced in paragraph 1.2 of this Statement of Charges.

15 C. On August 28, 2015, the Department served Respondents with a subpoena to produce
16 records. Respondents' response was due not later than 5:00 p.m. on September 4,
17 2015. The Department's subpoena was delivered via Federal Express on August 31,
18 2015. On September 4, 2015, Respondents provided the Department with an
19 insufficient subpoena response. As of the date of this Statement of Charges,
20 Respondents have not provided the Department with a complete response.

21 **1.3 Late Filing of Quarterly Reports.** Respondents filed their quarterly reports for the first and
22 second quarters of 2015 late.
23

1 **1.4 On-Going Investigation.** The Department's investigation into the alleged violations of the
2 Act by Respondents continues to date.

3 **II. GROUNDS FOR ENTRY OF ORDER**

4 **2.1 Requirement to Comply with Director's Authority.** Based on the Factual Allegations set
5 forth in Section I above, Respondents are in apparent violation of RCW 18.44.400(1) and RCW
6 18.44.420(2) by failing to provide documents and other materials required by the Director.

7 **2.2 Failure to File Quarterly Reports.** Based on the Factual Findings set forth in Section I
8 above, Respondents are in apparent violation of RCW 18.44.301(10) and WAC 208-680-425 for
9 failing to file the quarterly reports within the time period specified.

10 **III. AUTHORITY TO IMPOSE SANCTIONS**

11 **3.1 Authority to Prohibit From Industry.** Pursuant to RCW 18.44.430(3), the Director may
12 remove and/or prohibit from participation in the conduct of the affairs of any licensed escrow agent,
13 any officer, controlling person, director, employee, or licensed escrow officer.

14 **3.2 Authority to Impose Fine.** Pursuant to RCW 18.44.430(3), in addition to or in lieu of
15 license suspension, revocation, or denial the Director may assess a fine up to \$100 per day for each
16 day's violation of the Act.

17 **3.3 Authority to Collect Investigation Fee.** Pursuant to RCW 18.44.410, RCW 18.44.420, and
18 WAC 208-680-650, the expense of an investigation pursuant to WAC 208-680-620 shall be borne by
19 the entity which is the subject of the investigation at a rate of \$62.50 per hour for staff time.

20 **IV. NOTICE OF INTENTION TO ENTER ORDER**

21 Respondents' violations of the provisions of chapter 18.44 RCW as set forth in the above
22 Factual Allegations and Grounds for Entry of Order constitute a basis for the entry of an Order under
23 RCW 18.44.400, RCW 18.44.410, RCW 18.44.430, RCW 18.44.440, and WAC 208-680-630, which

1 authorize the Director to enforce all laws, rules, and regulations related to the registration of escrow
2 agents and licensing of escrow officers. Therefore, it is the Director's intention to ORDER that:


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4 **4.1** Respondent Pinnacle Northwest Escrow, LLC be prohibited for engaging in the
 business of an escrow agent for a period of three years.
- 5 **4.2** Respondent Michele J. Roberts be prohibited from engaging in the business of an
6 escrow officer for a period of three years.
- 7 **4.3** Respondents Pinnacle Northwest Escrow, LLC pay a fine. As of the date of this
8 Statement of Charges, the fine totals \$3,000.
- 9 **4.4** Respondents Pinnacle Northwest Escrow, LLC pay an investigation fee. As of the
10 date of this Statement of Charges, the investigation fee totals \$250.
- 11 **4.5** Respondent Pinnacle Northwest Escrow, LLC its officers, employees, and agents
 maintain all records involving Washington State escrow transactions within the state
 of Washington for a period of six years from completion of the escrow transactions.

12 **V. AUTHORITY AND PROCEDURE**


13 This Statement of Charges and Notice of Intention to Enter an Order to Prohibit From
14 Industry, Impose Fine, Collect Investigation Fee, and Maintain Records (Statement of Charges) is
15 entered pursuant to the provisions of RCW 18.44.410, RCW 18.44.430, and RCW 18.44.440, and is
16 subject to the provisions of chapter 34.05 RCW (the Administrative Procedure Act). Respondents
17 may make a written request for a hearing as set forth in the NOTICE OF OPPORTUNITY TO
18 DEFEND AND OPPORTUNITY FOR HEARING accompanying this Statement of Charges.

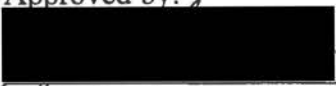
19 Dated this 16th day of September, 2015.



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 CHARLES E. CLARK
 Director
 Division of Consumer Services
 Department of Financial Institutions

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Presented by: 
DEBORAH TAEILLIOUS
Financial Legal Examiner Supervisor

Approved by: 
STEVEN C. SHERMAN
Enforcement Chief