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**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.

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  
Statement of Charges, the fine totals \$3,000.
- 8 **4.4** Respondents Pinnacle Northwest Escrow, LLC pay an investigation fee. As of the  
9 date of this Statement of Charges, the investigation fee totals \$250.
- 10 **4.5** Respondent Pinnacle Northwest Escrow, LLC its officers, employees, and agents  
maintain all records involving Washington State escrow transactions within the state  
11 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  
DEFEND AND OPPORTUNITY FOR HEARING accompanying this Statement of Charges.

18 Dated this 16<sup>th</sup> 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:

[Redacted]

DEBORAH TAEILLIOUS  
Financial Legal Examiner Supervisor

Approved by:

[Redacted]

STEVEN C. SHERMAN  
Enforcement Chief