

# THE SUPREME COURT OF WASHINGTON

IN RE: ) LPO NO. 9429  
)  
) Supreme Court No.  
) 201,164-1  
PAULINE T. TSAO, )  
)  
) ORDER APPROVING  
LIMITED PRACTICE OFFICER. ) STIPULATION  
\_\_\_\_\_) TO REVOCATION

This matter came before the Court on the Washington State Bar Association Limited Practice Board's order approving a Stipulation to Revocation pursuant to ELC 9.1 entered into by Pauline T. Tsao, her counsel and WSBA Disciplinary Counsel on April 11, 2013. The Court reviewed the order and the Stipulation and determined unanimously that an order approving the stipulation to revocation should be entered. Now, therefore, it is

ORDERED:

Pauline T. Tsao's limited license to practice is revoked effective immediately.

DATED at Olympia, Washington this 30<sup>th</sup> day of May, 2013.

- For the Court

Madsen, C. J.  
CHIEF JUSTICE

FILED  
SUPREME COURT  
STATE OF WASHINGTON  
2013 MAY 30 A 8:19  
BY ROBERT R. CARPENTER  
CLERK

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BEFORE THE  
LIMITED PRACTICE BOARD

In re  
  
PAULINE T. TSAO,  
  
Limited Practice Officer (LPO No. 9429).

LF Proceeding No. 13#00001  
  
STIPULATION TO REVOCATION

Under Rule 9.1 of the Rules for Enforcement of Limited Practice Officer Conduct (ELPOC), the following Stipulation to Revocation is entered into by the Limited Practice Board (Board), through senior disciplinary counsel Jonathan Burke, respondent Pauline T. Tsao (Respondent), and respondent's counsel F. Hunter MacDonald.

Respondent understands that she is entitled under the ELPOC to a hearing, to present exhibits and witnesses on her behalf, and to have a hearing officer determine the facts, misconduct and sanction in this case. Respondent further understands that she is entitled under the ELPOC to appeal the outcome of a hearing to the Board, and, in certain cases, the Supreme Court. Respondent further understands that a hearing and appeal could result in an outcome more favorable or less favorable to her. Respondent chooses to resolve this proceeding now by entering into the following stipulation to facts, misconduct, and sanction to avoid the risk, time, expense, and publicity attendant to further proceedings.

1 I. ADMISSION TO PRACTICE

2 1. Respondent was admitted to engage in the limited practice of law in the State of  
3 Washington on May 29, 2007.

4 II. STIPULATED FACTS

5 1. From April 2009 to February 2012, Respondent was a licensed escrow officer with  
6 Routh Crabtree Olsen PS (RCO).

7 2. RCO is a law firm and title company that handles the finances associated with the  
8 closing of sales of properties in Washington, Idaho, Alaska, Oregon, and California. The  
9 business is located in Bellevue, Washington.

10 3. RCO is a company that holds an escrow account in which a closing is recorded and  
11 the funds are held.

12 4. During all material times, Respondent was an employee of RCO and licensed as an  
13 escrow agent.

14 5. During all material times, Respondent had access to three Bank of America accounts  
15 associated with each escrow account in Washington, Idaho, Alaska, and Oregon.

16 6. During the period from April 6, 2011 through February 13, 2012, Respondent  
17 knowingly issued a number of checks to payee "Sylvia Topacio" or variations of that name.  
18 Sylvia Topacio is Respondent's mother. During all material times, payee Sylvia Topacio did  
19 not have any association with any of the closing files from which checks had been drawn and/or  
20 had no reason to be issued a disbursement against any of the files.

21 7. Respondent knowingly cashed and/or deposited the fraudulent checks and used the  
22 money for personal purposes.

23 8. On October 24, 2012, Respondent was charged with multiple counts of theft for  
24

1 disbursing funds belonging to RCO totaling \$56,462.52

2 9. On January 15, 2013, Respondent pleaded guilty to three counts of theft in the first  
3 degree under RCW 9A.56.030(1)(a), which is a class B felony, and one count of theft in the  
4 second degree under RCW 9A.56.040(1)(a), which is a class C felony.

5 10. Respondent's guilty plea related to the following disbursements:

<u>Date</u>	<u>Amount</u>
4/6/11	\$8,002.24
6/23/11	\$8,815.88
10/27/11	\$9,876.32
2/13/12	\$3,190.93
<u>TOTAL</u>	<u>\$29,885.37</u>

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10 11. The Court entered an Order Setting Restitution requiring Respondent to pay \$10,000  
11 in restitution to RCO and \$46,468.52 to Federal Insurance Company. Respondent has paid  
12 \$10,000 of the \$56,468.52 in restitution.

13 **III. STIPULATION TO MISCONDUCT**

14 12. Respondent's four counts of theft, totaling \$29,885.27, violated Rule 1.10(b)  
15 ("commit a criminal act that reflects adversely on the LPO's honesty, trustworthiness or fitness  
16 as an LPO in other respects") of the Limited Practice Officer Rules of Professional Conduct  
17 (LPORPC).

18 **IV. PRIOR DISCIPLINE**

19 13. Respondent has no prior discipline.

20 **V. SANCTION ANALYSIS**

21 14. In Washington, the rules and procedures governing LPO discipline (LPORPC and  
22 ELPOC) are modeled on the rules governing lawyer discipline (Rules of Professional Conduct  
23 and Rules for Enforcement of Lawyer Conduct). The Washington Supreme Court has held that

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1 the American Bar Association Standards for Imposing Lawyer Sanctions (1991 ed. & Feb. 1992  
2 Supp.) (“ABA Standards”) provide the appropriate framework to impose disciplinary sanctions  
3 in lawyer discipline cases. In re Disciplinary Proceeding Against Halverson, 140 Wn.2d 475,  
4 492, 998 P.2d 833 (2000).

5 15. The application of the ABA Standards by analogy in this case would result in a  
6 presumptive sanction of revocation under ABA Standard 5.11(a).<sup>1</sup>

7 16. The following aggravating factors apply to Respondent’s conduct:

- 8 (a) dishonest and selfish motive; and  
9 (b) a pattern of misconduct.

10 17. The following mitigating factors apply to Respondent’s conduct:

- 11 (a) absence of a prior disciplinary record;  
12 (b) personal and emotional problems;  
13 (c) cooperative attitude toward proceedings; and  
14 (d) remorse.

15 18. The aggravating and mitigating factors do not warrant a less severe sanction than the  
16 presumptive sanction of revocation.

## 17 VI. STIPULATED DISCIPLINE

18 19. The parties agree that Respondent’s LPO license will be revoked. Applying for  
19 reinstatement will be conditioned on repayment of costs and restitution. APR 12, Regulation

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20  
21 <sup>1</sup> Although the ABA Standards have been applied by analogy, there are significant differences between  
22 discipline for lawyers and LPOs. For example, a disbarred lawyer may not seek reinstatement from  
23 disbarment until after a period of five years. Rule 25.1(b) of the Admission to Practice Rules (APR).  
24 An LPO may seek reinstatement of a revoked license after two years. APR 12, Regulation 16.1(A). The  
maximum length of suspension for lawyers is three years. Rule 13.3(a) of the Rules for Enforcement of  
Lawyer Conduct. The maximum length of suspension for LPOs is one year. ELPOC 13.3(a).

1 16.1(B).

2 VII. RESTITUTION

3 20. Respondent shall pay the restitution (\$56,468.52) ordered in the criminal  
4 proceedings.<sup>2</sup>

5 VIII. COSTS AND EXPENSES

6 21. In light of Respondent's willingness to resolve this matter by stipulation at an early  
7 stage of the proceedings, Respondent shall pay attorney fees and administrative costs of \$500 in  
8 accordance with ELPOC 13.9(i). The Board through disciplinary counsel will seek a money  
9 judgment under ELPOC 13.9(f) if these costs are not paid within 30 days of approval of this  
10 stipulation.

11 IX. VOLUNTARY AGREEMENT

12 22. Respondent states that prior to entering into this Stipulation she consulted with  
13 independent legal counsel regarding this Stipulation, that Respondent is entering into this  
14 Stipulation voluntarily, and that no promises or threats have been made by the Board, nor by  
15 any representative thereof, to induce the Respondent to enter into this Stipulation except as  
16 provided herein.

17 X. LIMITATIONS

18 23. This Stipulation is a compromise agreement intended to resolve this matter in  
19 accordance with the purposes of LPO discipline while avoiding further proceedings and the  
20 expenditure of additional resources by the Respondent and the Association. Both the  
21 Respondent and the Association acknowledge that the result after further proceedings in this  
22 matter might differ from the result agreed to herein.

23 <sup>2</sup> Respondent has paid \$10,000 of the \$56,468.52 in the restitution ordered in her criminal proceeding.

1           24. This Stipulation is not binding upon the Association or Respondent as a statement of  
2 all existing facts relating to the professional conduct of the respondent lawyer, and any  
3 additional existing facts may be proven in any subsequent disciplinary proceedings.

4           25. This Stipulation results from the consideration of various factors by both parties,  
5 including the benefits to both by promptly resolving this matter without the time and expense of  
6 hearings, Limited Practice Board appeals, and Supreme Court appeals or petitions for review.  
7 As such, approval of this Stipulation will not constitute precedent in determining the appropriate  
8 sanction to be imposed in other cases; but, if approved, this Stipulation will be admissible in  
9 subsequent proceedings against Respondent to the same extent as any other approved  
10 Stipulation.

11           26. Under Limited Practice Board policy, in addition to the Stipulation, the Board shall  
12 have available to it for consideration all documents that the parties agree to submit to the Board,  
13 and all public documents. Under ELPOC 3.1(b), all documents that form the record before the  
14 Board for its review become public information on approval of the Stipulation by the Board,  
15 unless disclosure is restricted by order or rule of law.

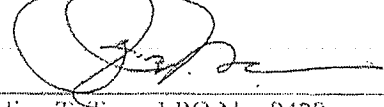
16           27. If this Stipulation is approved by the Board and Supreme Court, it will be followed  
17 by the disciplinary action agreed to in this Stipulation. All notices required in the Rules for  
18 Enforcement of Limited Practice Officer Conduct will be made.

19           28. If this Stipulation is not approved by the Board and Supreme Court, this Stipulation  
20 will have no force or effect, and neither it nor the fact of its execution will be admissible as  
21 evidence in the pending disciplinary proceeding, in any subsequent disciplinary proceeding, or  
22 in any civil or criminal action.

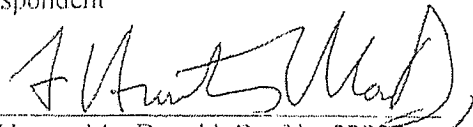
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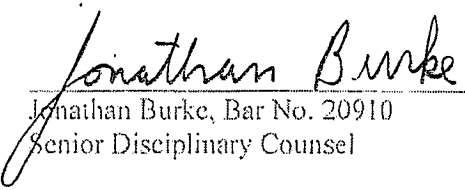
WHEREFORE the undersigned being fully advised, adopt. and agree to the facts and terms of this Stipulation to Revocation as set forth above.

  
\_\_\_\_\_  
Pauline T. Tsao, LPO No. 9429  
Respondent

Dated: 3/8/13

  
\_\_\_\_\_  
F. Hunter MacDonald, Bar No. 22857  
Respondent's Counsel

Dated: 4/11/13

  
\_\_\_\_\_  
Jonathan Burke, Bar No. 20910  
Senior Disciplinary Counsel

Dated: 4/11/13