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5 **STATE OF OREGON**  
6 **DEPARTMENT OF CONSUMER AND BUSINESS SERVICES**  
7 **DIVISION OF FINANCE AND CORPORATE SECURITIES**

8 In the Matter of:

**M-12-0050-1**

9 Pinnacle Capital Management Corporation,  
10 David Pierce Kilkenny, and Steve Douglas  
11 Valenta Jr.,

Respondents.

**Order to Cease and Desist, Order  
Assessing Examination Fees, and  
Consent to Entry of Order  
as to Pinnacle Capital Management  
Corporation**

12 WHEREAS the Director of the Department of Consumer and Business Services for the  
13 State of Oregon (“Director”) conducted an investigation of Pinnacle Capital Management  
14 Corporation, David Pierce Kilkenny, and Steve Douglas Valenta Jr., and determined that  
15 Pinnacle Capital Management Corporation, David Pierce Kilkenny, and Steve Douglas Valenta  
16 Jr. engaged in activities constituting violations of Oregon Revised Statutes (“ORS”) 86A.100  
17 *et seq.* and Oregon Administrative Rules (“OAR”) 441-850-0005 through 441-885-0010  
18 (collectively “Oregon Mortgage Lender Laws and Rules”); and

19 WHEREAS Pinnacle Capital Management Corporation wishes to resolve and settle this  
20 matter with the Director;

21 NOW THEREFORE, as evidenced by the authorized signature subscribed on this  
22 Consent Order, Pinnacle Capital Management Corporation hereby consents to entry of this  
23 order upon the Director’s Findings of Fact and Conclusions of Law as stated hereinafter:

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1 **FINDINGS OF FACT**

2 The Director FINDS that:

3 1. Based on a search of the California Secretary of State website on May 21, 2012,  
4 Pinnacle Capital Management Corporation (“Pinnacle”) is a domestic California corporation,  
5 first filed with the California Secretary of State on July 9, 1999 (Entity Number: C2142753)  
6 and active as of the date of the search.

7 2. Based on a search of the Oregon Secretary of State Corporations Division website  
8 on May 21, 2012, Pinnacle is registered as a foreign business corporation, first registered with  
9 the Oregon Secretary of State Corporations Division on June 5, 2008 (Registry Nbr. 525447-  
10 99) and active as of the date of the search.

11 3. Based on a search of the Division’s records on May 21, 2012, Pinnacle first  
12 obtained a mortgage lending license with the Division on August 4, 2008 and has been  
13 continuously licensed through the date of the search.

14 4. Based on a search of the Division’s records on May 21, 2012, David Pierce  
15 Kilkenny (“Kilkenny”) is an Oregon licensed mortgage loan originator sponsored by Pinnacle  
16 from August 13, 2010 through the date of this search.

17 5. Based on a search of the Division’s records on May 21, 2012, Steve Douglas  
18 Valenta Jr. (“Valenta”) is a State of Washington licensed mortgage loan originator sponsored  
19 by Pinnacle from October 7, 2008 to December 15, 2011 and sponsored by Northwest  
20 Funding Group, Inc. from February 20, 2012 through the date of this search.

21 6. Based on a search of the Division’s records on May 21, 2012, at no time has  
22 Valenta been licensed with the Division as a mortgage loan originator.

23 7. For the period from approximately January 25, 2011 through December 1, 2011,  
24 Valenta completed eight different Uniform Residential Loan Applications for consumers on  
25 eight different residential real properties located in Oregon.  
26

Division of Finance and Corporate Securities  
Labor and Industries Building  
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Salem, OR 97301-3881  
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1 8. Two of the Uniform Residential Loan Applications referenced in Paragraph 7 above  
2 were completed by Valenta (“Kilkenny Applications”) with the name of the loan originator  
3 listed as Kilkenny.

4 9. Kilkenny did not perform any loan origination services related to the Kilkenny  
5 Applications.

6 10. Kilkenny was aware that Valenta was not licensed as a mortgage loan originator  
7 with the Division.

8 11. Kilkenny was aware that Valenta had used his name on the Kilkenny Applications  
9 and Kilkenny accepted the loan originations fees for those loans and passed them on to  
10 Valenta.

11 12. Kilkenny did not notify anyone at Pinnacle or the Division that Valenta had  
12 improperly received loan origination fees for the Kilkenny Application loans.

13 13. Pinnacle failed to properly supervise its Vancouver, WA branch office and the  
14 activities of its employees Kilkenny and Valenta to prevent the violations of unlicensed  
15 activity and aiding and abetting as described in this consent order.

### 16 CONCLUSIONS OF LAW

17 The Director concludes that:

18 14. Valenta acted as a “mortgage loan originator”, as that term is defined in ORS  
19 86A.200(4)(a), when he, for compensation, took applications for residential mortgage loans or  
20 offered or negotiated terms for eight residential mortgage loans where the subject real  
21 property was located in Oregon.

22 15. Valenta committed eight violations of ORS 86A.203(1)(a) when he, on eight  
23 occasions as described in paragraph 14 above, engaged in the business as a mortgage loan  
24 originator in Oregon without first obtaining and maintaining a mortgage loan originator’s  
25 license from the Division.  
26



1 be available to the Director under Oregon Law.

2 Dated this 19<sup>th</sup> day of June, 2012.

3  
4 PATRICK M. ALLEN, Director  
Department of Consumer and Business Services

5  
6 /s/ David Tatman  
David C. Tatman, Administrator  
7 Division of Finance and Corporate Securities

8 **CORPORATE CONSENT TO ENTRY OF ORDER**

9 I, Marc Ely, state that I am an officer of Pinnacle Capital  
10 Management Corporation (“Pinnacle”), a California corporation, and I am authorized to act on  
11 its behalf; that I have read the foregoing Consent Order and that I know and fully understand  
12 the contents hereof; that I and Pinnacle have been advised of the right to a hearing and of the  
13 right to be represented by counsel in this matter; that Pinnacle voluntarily and without any  
14 force or duress, consents to the entry of this Consent Order, expressly waiving any right to a  
15 hearing in this matter; that Pinnacle understands that the Director reserves the right to take  
16 further actions to enforce this Consent Order or to take appropriate action upon discovery of  
17 other violations of the Oregon Mortgage Lender Laws and Rules and that Pinnacle will fully  
18 comply with the terms and conditions stated herein.

19 Pinnacle understands that this Consent Order is a public document.

20 Dated this 6<sup>th</sup> day of June 2012.

21  
22 **Pinnacle Capital Management Corporation,  
a California corporation**

23 By: /s/ Marc Ely

24 Name: Marc Ely

25 Its: Compliance and Risk Officer  
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**NOTARY ACKNOWLEDGMENT**

State of California )  
 )ss.  
County of Sacramento )

This instrument was acknowledged before me on June 8, 2012 by Marc Ely of Pinnacle Capital Management Corporation, a California corporation.

/s/ Jana L. Tucker  
Notary Public – State of California

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