

1 MARY ANN SMITH
Deputy Commissioner
2 SEAN M. ROONEY
Assistant Chief Counsel
3 JUDY L. HARTLEY (State Bar No. 110628)
Senior Counsel
4 Department of Business Oversight
320 West 4th Street, Ste. 750
5 Los Angeles, California 90013-2344
Telephone: (213) 576-7604
6 Facsimile: (213) 576-7181

7 Attorneys for Complainant

8 BEFORE THE DEPARTMENT OF BUSINESS OVERSIGHT
9 OF THE STATE OF CALIFORNIA

10
11 In the Matter of the Accusation of THE) ESCROW LICENSE NO.: 963-2347
12 COMMISSIONER OF BUSINESS)
OVERSIGHT,) STIPULATION
13)
Complainant,)
14)
v.)
15)
16 ESCROW AVENUE, INC.,)
17)
Respondent.)
18)
19

20 This Stipulation is entered into between Respondent Escrow Avenue, Inc. ("Escrow
21 Avenue") and Complainant Commissioner of Business Oversight ("Commissioner"), and is made
22 with respect to the following facts:

23 **RECITALS**

24 A. Escrow Avenue is a corporation in good standing, duly formed and existing pursuant
25 to the laws of the State of California, and authorized to conduct business in the State of California.

26 B. Escrow Avenue is an escrow agent licensed by the Commissioner pursuant to the
27 Escrow Law of the State of California (Financial Code § 17000 et seq.). Escrow Avenue has its
28 principal place of business located at 280 S. State Highway 173, Lake Arrowhead, California 92352.

1 C. Ashley Core (“Core”) is currently the secretary of Escrow Avenue and one of heirs to
2 the estate of Deborah Thompson; the sole shareholder of Escrow Avenue who passed away in
3 January 2015, and is authorized to enter into this Stipulation on behalf of Escrow Avenue and the
4 remaining heirs of Thompson.

5 D. On January 26, 2015, Escrow Avenue was personally served by the Commissioner
6 with a Notice of Intention to Issue Order to Revoke Escrow Agent’s License, Accusation and
7 accompanying documents dated January 20, 2015. Escrow Avenue has filed a Notice of Defense
8 with the Commissioner.

9 E. It is the intention and desire of the parties to resolve this matter without the necessity
10 of a hearing and/or other litigation.

11 NOW, THEREFORE, in consideration of the foregoing, and the terms and conditions set
12 forth herein, the parties agree as follows:

13 **TERMS AND CONDITIONS**

14 1. This Stipulation is entered into for the purpose of judicial economy and expediency,
15 and to avoid the expense of a hearing, and possible further court proceedings.

16 2. Escrow Avenue enters into this Stipulation without admitting or denying any of the
17 allegations contained in the Accusation.

18 3. Escrow Avenue acknowledges its right to an administrative hearing under Financial
19 Code section 17608 in connection with this matter and hereby waives that right to a hearing, and to
20 any reconsideration, appeal, or other rights which may be afforded pursuant to the Escrow Law, the
21 California Administrative Procedure Act, the California Code of Civil Procedure, or any other
22 provision of law in connection with this matter.

23 4. The Commissioner hereby agrees to allow a period of 90 days within which Escrow
24 Avenue can be sold. The Commissioner further agrees to extend the 90 day period up to a further 30
25 days in order for the completion of any sale of Escrow Avenue, or good faith negotiations to sell
26 Escrow Avenue, that may be pending at the end of the initial 90 day period, which period shall
27 commence upon execution of this Stipulation. Escrow Avenue agrees to immediately surrender its
28 escrow agent’s license to the Commissioner in the event there is no sale or good faith negotiations to

1 sell Escrow Avenue pending at the expiration of the initial 90 days, or if Escrow Avenue is unable to
2 complete any sale within any extension granted by the Commissioner pursuant to this paragraph.

3 5. Escrow Avenue hereby acknowledges that pursuant to Financial Code Section 17213,
4 the sale of an ongoing independent escrow agent business must be approved by the Commissioner
5 through the filing of an Application for Change of Ownership (“Application”). The parties
6 acknowledge that Escrow Avenue, in anticipation of this Stipulation, filed an Application on or
7 about April 9, 2015. The parties further agree that the Application will be amended, prior to any
8 approval, to remove any ownership interest, potential ownership interest, or ability to control the
9 shares of Escrow Avenue by Core upon completion of the change of ownership.

10 6. Escrow Avenue understands that it must be in compliance with the Escrow Law prior
11 to approval of any such Application.

12 7. Escrow Avenue acknowledges that it has an outstanding balance of \$14,283.53 due
13 and owing to the Department of Business Oversight (“Department”) regarding its most recent
14 regulatory examination (“Invoice”). Escrow Avenue further acknowledges that this Invoice
15 constitutes grounds for the Commissioner to withhold or deny approval of the Application.
16 Notwithstanding, the Commissioner hereby agrees to continue processing the Application and allow
17 Escrow Avenue to pay the Invoice in two installments as follows: \$7,142.00 due and payable within
18 45 days of the execution of this Stipulation, and the remaining \$7,141.53 due and payable within 45
19 days thereafter. The Commissioner further agrees to immediately notify Escrow Avenue once the
20 Application is ready to be approved, and will finally approve the Application at such time as the
21 Invoice is paid in full, so long as Escrow Avenue remains in compliance with the Escrow law during
22 the interim.

23 8. Except as otherwise provided in paragraphs 5 through 7 above, the Commissioner
24 hereby agrees to process any Application filed with the Commissioner pursuant to the contemplated
25 sale of Escrow Avenue described in paragraph 4 above in an expeditious manner, which shall
26 include prompt notice to such applicant of any deficiency in the completeness of the Application or
27 of any potential problems with the applicant. Escrow Avenue agrees that in the event that the
28 Commissioner abandons or denies any Application described in paragraph 5 above as provided by

1 the Escrow Law, and the time set forth in paragraph 4 above has passed, Escrow Avenue shall
2 immediately surrender its escrow agent’s license to the Commissioner.

3 9. Escrow Avenue agrees that if its escrow agent's license is not surrendered to the
4 Commissioner as required by paragraphs 4 and/or 8 above within 15 days after written notice, the
5 license shall be automatically revoked and any rights to a hearing regarding such revocation are
6 hereby waived.

7 10. Escrow Avenue hereby acknowledges and understands that Financial Code Section
8 17600(b) requires a closing audit report to be filed with the Commissioner within 105 days of the
9 written notice to the Commissioner of the surrender of Escrow Avenue’s escrow agent's license.
10 Escrow Avenue agrees that if it fails to file the closing audit as required by Section 17600(b), any
11 surrender of its escrow agent’s license as provided for in paragraphs 4 or 7 above shall not become
12 effective and its escrow agent’s license shall be automatically revoked and any rights to a hearing
13 regarding such revocation and to any reconsideration, appeal, or other rights which may be afforded
14 pursuant to the Escrow Law, the California Administrative Procedure Act, the California Code of
15 Civil Procedure, or any other provision of law in connection therewith are hereby waived.

16 11. Except as otherwise provided herein, the parties agree that this Stipulation shall have
17 the effect of dismissing the notice of intention to revoke Escrow Avenue’s escrow agent’s license.
18 The dismissal shall become effective upon either (i) the approval of any Application described in
19 paragraph 5 above, or (ii) the surrender of Escrow Avenue’s escrow agent’s license as provided for
20 in paragraphs 4 and/or 8 above.

21 12. The parties hereby acknowledge and agree that this Stipulation is intended to
22 constitute a full, final and complete resolution of this matter. The parties further acknowledge and
23 agree that nothing contained in this Stipulation shall operate to limit the Commissioner's ability to
24 assist any other agency, (county, state or federal) with any prosecution, administrative, civil or
25 criminal, brought by any such agency against Escrow Avenue or any other person based upon any of
26 the activities alleged in this matter or otherwise.

27 13. Each of the parties represents, warrants, and agrees that it has received independent
28 advice from its attorney(s) and/or representatives with respect to the advisability of executing this

1 Stipulation.

2 14. Each of the parties represents, warrants, and agrees that in executing this Stipulation
3 it has relied solely on the statements set forth herein and the advice of its own counsel and/or
4 representative. Each of the parties further represents, warrants, and agrees that in executing this
5 Stipulation it has placed no reliance on any statement, representation, or promise of any other party,
6 or any other person or entity not expressly set forth herein, or upon the failure of any party or any
7 other person or entity to make any statement, representation or disclosure of anything whatsoever.
8 The parties have included this clause: (1) to preclude any claim that any party was in any way
9 fraudulently induced to execute this Stipulation; and (2) to preclude the introduction of parol
10 evidence to vary, interpret, supplement, or contradict the terms of this Stipulation.

11 15. This Stipulation is the final written expression and the complete and exclusive
12 statement of all the agreements, conditions, promises, representations, and covenants between the
13 parties with respect to the subject matter hereof, and supersedes all prior or contemporaneous
14 agreements, negotiations, representations, understandings, and discussions between and among the
15 parties, their respective representatives, and any other person or entity, with respect to the subject
16 matter covered hereby.

17 16. In that the parties have had the opportunity to draft, review and edit the language of
18 this Stipulation, no presumption for or against any party arising out of drafting all or any part of this
19 Stipulation will be applied in any action relating to, connected, to, or involving this Stipulation.
20 Accordingly, the parties waive the benefit of California Civil Code section 1654 and any successor
21 or amended statute, providing that in cases of uncertainty, language of a contract should be
22 interpreted most strongly against the party who caused the uncertainty to exist.

23 17. This Stipulation shall not become effective until signed and delivered by all parties.

24 18. This Stipulation may be executed in one or more counterparts, each of which shall be
25 an original but all of which, together, shall be deemed to constitute a single document. This
26 Stipulation may be executed by facsimile signature, and any such facsimile signature by any party
27 hereto shall be deemed to be an original signature and shall be binding on such party to the same
28 extent as if such facsimile signature were an original signature.

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19. Any notice required under this Stipulation shall be addressed as follows:

To Escrow Avenue: Jennifer Felten, Esq.
RELAW, APC
699 Hampshire Road, Suite 105
Westlake Village, California 91361

To the Commissioner: Judy L. Hartley, Esq.
Senior Corporations Counsel
Department of Business Oversight
320 W. 4th Street, Suite 750
Los Angeles, California 90013-2344

20. Each signatory hereto covenants that he/she possesses all necessary capacity and authority to sign and enter into this Stipulation.

Dated: 6/15/15 JAN LYNN OWEN
California Corporations Commissioner

By _____
MARY ANN SMITH
Deputy Commissioner

Dated: 6/16/15 ESCROW AVENUE, INC.

By _____
ASHLEY CORE, Secretary and Shareholder Heir

APPROVED AS TO FORM:

RELAW, APC

By _____
JENNIFER FELTEN, ESQ. Attorney for
ESCROW AVENUE, INC.

JAN LYNN OWEN
Commissioner of Business Oversight

By _____
JUDY L. HARTLEY
Senior Counsel