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7 Attorneys for Complainant

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

11 In the Matter of the Accusation of THE) OAH NO.: 2015020168
12 COMMISSIONER OF BUSINESS)
OVERSIGHT,) ESCROW LICENSE NO.: 963-1992
13)
Complainant,)
14)
v.) SETTLEMENT AGREEMENT
15)
16)
ESCROW PALACE, INC,)
17)
Respondent.)

19 This Settlement Agreement is entered into between Escrow Palace, Inc. (“Escrow Palace”)
20 and the Commissioner of Business Oversight ("Commissioner"), and is made with respect to the
21 following facts:

22 RECITALS

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

25 B. Escrow Palace currently holds escrow agent’s license number 963-1992 with its
26 principal place of business located at 17514 Ventura Boulevard, Suite 102, Encino, California
27 91316.
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1 C. Golnaz Ghazanfary is the president of Escrow Palace and is authorized to enter into
2 this Settlement Agreement on behalf of Escrow Palace.

3 D. On January 16, 2015, Escrow Palace was personally served with a Notice of Intention
4 to Issue Order Revoking Escrow Agent’s License; Accusation and accompanying documents issued
5 by the Commissioner on January 14, 2015 (“Revocation Action”). Escrow Palace filed a Notice of
6 Defense with the Commissioner on the Revocation Action. The Revocation Action is currently
7 scheduled for hearing before the Los Angeles Office of Administrative Hearings on April 14, 2015.

8 E. Escrow Palace was also personally served on January 16, 2015 with an Order to
9 Discontinue Escrow Activities Pursuant to Financial Code Section 17415 issued by the
10 Commissioner on January 15, 2015 (“Order to Discontinue Escrow Activities”). Escrow Palace
11 filed a request for a hearing with the Commissioner regarding the Order to Discontinue Escrow
12 Activities. The Order to Discontinue Escrow Activities was set aside by the Commissioner on
13 February 3, 2015 retroactive to January 29, 2015; the date Escrow Palace came into compliance with
14 Financial Code section 17210. Escrow Palace has since withdrawn its hearing request on the Order
15 to Discontinue Escrow Activities. Accordingly, the Order to Discontinue Escrow Activities is no
16 longer at issue and only the Revocation Action remains.

17 It is the intention and desire of the parties to resolve the Revocation Action without the
18 necessity of a hearing and/or other litigation.

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

21 TERMS AND CONDITIONS

22 1. This Settlement Agreement is entered into for the purpose of judicial economy and
23 expediency, and to avoid the expense of a hearing, and possible further court proceedings.

24 2. Escrow Palace, without admitting or denying any of the allegations contained in the
25 Revocation Action, agrees to the immediate issuance by the Commissioner of an Order to
26 Discontinue Violations Pursuant to Financial Code section 17602 (“Order to Discontinue
27 Violations”). A copy of the Order to Discontinue Violations is attached and incorporated as
28 Exhibit A.

1 3. Escrow Palace acknowledges its right to an administrative hearing under Financial
2 Code section 17604 in connection with the Order to Discontinue Violations and hereby waives its
3 right to a hearing, and to any reconsideration, appeal, or other rights, including issuance of a
4 statement of facts, which may be afforded pursuant to the Escrow Law, the Administrative
5 Procedure Act, the Code of Civil Procedure, or any other provision of law in connection with this
6 matter herein.

7 4. Escrow Palace also agrees to submit to the Commissioner quarterly financial
8 statements prepared by Escrow Palace's certified public accountant to determine continued
9 compliance with the liquid asset and tangible net worth requirements of Financial Code section
10 17210. The quarterly financial statements are due no later than 20 days after the conclusion of each
11 fiscal quarter, and such quarterly financial statements shall be submitted for a period of two years
12 (eight fiscal quarters). The first quarterly financial statement(s) is due June 20, 2015 for the fiscal
13 quarter March, April and May 2015 as Escrow Palace's fiscal year runs from September 1 through
14 August 31. The final quarterly financial statement(s) is due March 20, 2017 for the fiscal quarter
15 December 2016, and January and February 2017. The quarterly financial statements shall be
16 submitted to the Commissioner either directly from Escrow Palace's certified public accountant or
17 through its attorney of record herein and shall be sent to the Department of Business Oversight,
18 attention Judy L. Hartley, Senior Counsel, 320 W. 4th Street, Los Angeles, California 90013. The
19 quarterly financial statements shall be in addition to the annual audit report required pursuant to
20 Financial Code section 17406 and any other financial statement(s) required pursuant to the Escrow
21 Law (Financial Code §17000 et. seq.).

22 5. Escrow Palace agrees that failure to comply with the provisions of paragraph 4 above,
23 or if any such quarterly financial statement submitted discloses that Escrow Palace fails to meet the
24 liquid asset and/or tangible net worth requirements of Financial Code section 17210, and 10 days
25 following the issuance of a written notice of demand to cure and no cure is forthcoming, the
26 Commissioner may, in addition to all other available remedies under the Escrow Law, summarily
27 revoke the escrow agent's license of Escrow Palace. Escrow Palace hereby waives any notice and
28 hearing rights to contest such summary revocation which may be afforded under the Escrow Law,

1 the Administrative Procedure Act, the Code of Civil Procedure, or any other provision of law in
2 connection therewith.

3 6. Except as set forth in paragraph 5 above, in consideration of Escrow Palace's
4 agreement to the issuance of an Order to Discontinue Violations and submission of quarterly
5 financial statements as provided for in paragraphs 2 and 4 above, the Commissioner hereby agrees
6 not to revoke the escrow agent's license of Escrow Palace as a result of this action.

7 7. The parties hereby acknowledge and agree that this Settlement Agreement is intended
8 to constitute a full, final and complete resolution of the Revocation Action. The parties further
9 acknowledge and agree that nothing contained in this Settlement Agreement shall operate to limit the
10 Commissioner's ability to assist any other agency, (city, county, state or federal) with any
11 prosecution, administrative, civil or criminal, brought by any such agency against Escrow Palace
12 based upon any of the activities alleged in this matter or otherwise.

13 8. Each of the parties represents, warrants, and agrees that it has received independent
14 advice from its attorney(s) and/or representative(s) with respect to the advisability of executing this
15 Settlement Agreement.

16 9. Each of the parties represents, warrants, and agrees that in executing this Settlement
17 Agreement it has relied solely on the statements set forth herein and the advice of its own counsel
18 and/or representative. Each of the parties further represents, warrants, and agrees that in executing
19 this Settlement Agreement it has placed no reliance on any statement, representation, or promise of
20 any other party, or any other person or entity not expressly set forth herein, or upon the failure of any
21 party or any other person or entity to make any statement, representation or disclosure of anything
22 whatsoever. The parties have included this clause: (1) to preclude any claim that any party was in
23 any way fraudulently induced to execute this Settlement Agreement; and (2) to preclude the
24 introduction of parol evidence to vary, interpret, supplement, or contradict the terms of this
25 Settlement Agreement.

26 10. This Settlement Agreement is the final written expression and the complete and
27 exclusive statement of all the agreements, conditions, promises, representations, and covenants
28 between the Parties with respect to the subject matter hereof, and supersedes all prior or

1 contemporaneous agreements, negotiations, representations, understandings, and discussions
2 between and among the Parties, their respective representatives, and any other person or entity, with
3 respect to the subject matter covered hereby.

4 11. In that the parties have had the opportunity to draft, review and edit the language of
5 this Settlement Agreement, no presumption for or against any party arising out of drafting all or any
6 part of this Settlement Agreement will be applied in any action relating to, connected, to, or
7 involving this Settlement Agreement. Accordingly, the parties waive the benefit of California Civil
8 Code section 1654 and any successor or amended statute, providing that in cases of uncertainty,
9 language of a contract should be interpreted most strongly against the party who caused the
10 uncertainty to exist.

11 12. This Settlement Agreement shall not become effective until signed and delivered by
12 all parties.

13 13. This Settlement Agreement may be executed in one or more counterparts, each of
14 which shall be an original but all of which, together, shall be deemed to constitute a single
15 document. This Settlement Agreement may be executed by facsimile signature, and any such
16 facsimile signature by any party hereto shall be deemed to be an original signature and shall be
17 binding on such party to the same extent as if such facsimile signature were an original signature.

18 14. Any notice required under this Settlement Agreement shall be addressed as follows:

19 To Respondent: Jennifer Felten, Esq.
20 RELAW, APC
21 699 Hampshire Road, Suite 105
22 Westlake Village, California 91361

23 To the Commissioner: Judy L. Hartley, Esq.
24 Senior Counsel
25 Department of Business Oversight
26 320 W. 4th Street, Suite 750
27 Los Angeles, California 90013-2344
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15. Each signatory hereto covenants that he/she possesses all necessary capacity and authority to sign and enter into this Settlement Agreement.

Dated: 4/2/15 JAN LYNN OWEN
Commissioner of Business Oversight

By _____
MARY ANN SMITH
Deputy Commissioner

Dated: 4/2/15 ESCROW PALACE, INC.

By _____
GOLNAZ GHAZANFARY, President

APPROVED AS TO FORM:
RELAW, APC

By _____
JENNIFER FELTEN, ESQ. Attorneys for
ESCROW PALACE, INC.

JAN LYNN OWEN
Commissioner of Business Oversight

By _____
JUDY L. HARTLEY
Senior Counsel