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

10 In the Matter of:)	Escrow License No.: 963-2708
11 THE COMMISSIONER OF BUSINESS)	CONSENT ORDER REVOKING ESCROW AGENT'S LICENSE
12 OVERSIGHT,)	
13 Complainant,)	
14 v.)	
15 LIDO ISLE ESCROW, INC.)	
16 Respondent.)	
17)	
18)	

19
20 This Consent Order (Order) is entered into between the Commissioner of Business
21 Oversight (Commissioner) and Lido Isle Escrow, Inc., LLC (Lido) and is made with respect to the
22 following facts:

23 RECITALS

24 A. The Commissioner is authorized to administer and enforce the provisions of the California
25 Escrow Law (CEL) (Fin. Code, § 17000 et seq.), which include the licensure, examination, and
26 regulation of escrow agents.

27 B. Lido is a California corporation, with a principal place of business at 423 31st Street, Suite
28 A, Newport Beach, California 92663 and has been licensed by the Department of Business

1 Oversight (DBO) as an escrow agent since March 1, 2012. (Escrow License No. 963-2708).
2 Matthew Carreon is the President and sole owner of Lido. Lido’s escrow business was operated
3 primarily by its sole employee, Chris Salas.

4 C. The DBO conducted a regulatory examination of Lido’s escrow business beginning in May
5 of 2017 (examination). Based on the examination results, the DBO found that Lido committed
6 numerous violations of the CEL. These included findings that Lido: (1) operated in an unsound
7 manner in violation of Financial Code section 17415; (2) took escrow fees before the close of
8 escrow in violation of Financial Code section 17420; (3) had prohibited debt balances in its escrow
9 trust accounts in violation of California Code of Regulations, title 10, section 1738.1; (4) failed to
10 regularly reconcile its escrow trust accounts in violation of California Code of Regulations, title 10,
11 sections 1732.2 and 1732.3; (4) failed to keep and preserve required records and make them
12 available for inspection by the DBO during the examination in violation of California Code of
13 Regulations, title 10, sections 1729 and 1738.2; and (5) delivered documents or property in
14 violation of escrow instructions in violation of California Code of Regulations, title 10, section
15 1738.2.

16 D. The above-described violations constitute grounds under Financial Code sections 17608 to
17 revoke the escrow agent’s license of Lido in California.

18 E. The acts causing the above violations were committed by Lido’s manager Chris Salas. Salas
19 left the state after the examination had commenced and reportedly failed to cooperate with Lido’s
20 management to allow them to gain access to important accounting and escrow records of Lido that
21 had been stored in electronic format. Lido President Matthew Carreon was cooperative with the
22 DBO in concluding the examination and in consenting to this Order.

23 F. Lido admits to the jurisdiction of the Commissioner with respect to the subject matter of this
24 Order and consents to entry of this Order as resolution of the matter without the need to file an
25 Accusation to initiate administrative action.

26 G. The Commissioner finds that this action is appropriate, in the public interest, and consistent
27 with the purposes fairly intended by the policy and provisions of the CEL.

28

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

3 TERMS AND CONDITIONS

4 1. Purpose.

5 The purpose of this Order is to resolve the issues only as to the Commissioner's revocation
6 of the escrow license issued to Lido in a manner that avoids the expense of a hearing and possible
7 further court proceedings. Lido consents to the terms of this Order and the revocation.

8 2. Revocation of License.

9 Lido stipulates to the finality of this Order by the Commissioner revoking the escrow license
10 of Lido pursuant to Financial Code section 17608.

11 3. Waiver of Hearing Rights.

12 Lido has read this Order, is aware of its rights to a hearing and appeal in this matter if a
13 formal enforcement action had been commenced to request the relief specified under this Order, and
14 elects to permanently waive any right to the filing of an accusation, a hearing and appeal, including
15 those rights under Financial Code sections 17604, 17605 and 17608, and to judicial review of this
16 matter pursuant to Code of Civil Procedure section 1094.5 with respect to the issuance of this
17 Order.

18 4. Future Actions by the Commissioner.

19 The Commissioner reserves the right to bring any future action(s) against Lido, or any of its
20 partners, owners, officers, directors, shareholders, employees, or successors for any and all past or
21 future violations of the Financial Code, and Lido reserves any and all defenses and objections
22 thereto. This Order shall not serve to exculpate Lido, or any of its partners, owners, officers,
23 directors, shareholders, employees, or successors from any administrative, civil or criminal liability
24 for any past or future violations of the CEL or to estop Lido or any of its partners, owners, officers,
25 directors, shareholders, employees, or successors from asserting objections or defenses to any
26 assertions of administrative, civil or criminal liability for any past or future violations of the CEL.

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1 5. Independent Legal Advice.

2 Each party represents, warrants, and agrees that it has received independent advice from its
3 attorney(s) and/or representatives with respect to the advisability of executing this Order.

4 6. Voluntary Agreement.

5 Lido enters into this Order voluntarily and without coercion and acknowledges that no
6 promises, threats or assurances have been made by the Commissioner or any officer, or agent
7 thereof, about this Order.

8 7. Public Record.

9 Lido acknowledges that this Order is a public record.

10 8. Authority to Execute.

11 Each signatory hereto covenants that he or she possesses all necessary capacity and authority
12 to sign and enter into this Order.

13 9. Effective Date.

14 This Order shall become effective upon being signed by all parties and delivered by the
15 Commissioner’s agent by regular mail to Matthew Carreon at 423 31st Street, Suite A, Newport
16 Beach, California 92663.

17 THEREFORE, GOOD CAUSE APPEARING, IT IS ORDERED that the escrow license of
18 Lido Isle Escrow, Inc. be revoked.

19
20 Dated: September 25, 2018

JAN LYNN OWEN
Commissioner of Business Oversight

21
22 By _____
23 MARY ANN SMITH
24 Deputy Commissioner
25 Enforcement Division

26 Dated: September 25, 2018

27 By _____
28 Matthew Carreon, President
Lido Isle Escrow, Inc.