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BEFORE THE DEPARTMENT OF CORPORATIONS
OF THE STATE OF CALIFORNIA

CALIFORNIA CORPORATIONS)	OAH Case No. 2010101059
COMMISSIONER,)	
)	
Complainant,)	SETTLEMENT AGREEMENT
)	
vs.)	
)	
MONROVIA ESCROWS,)	
)	HEARING DATE: January 12, 2011
Respondent.)	TIME: 9:00 a.m.
)	LOCATION: OAH, Los Angeles
)	

This Settlement Agreement (“Agreement”) is entered into between Monrovia Escrows and the California Corporations Commissioner (“Commissioner”) with respect to the following facts:

RECITALS

- A. Monrovia Escrows is a corporation in good standing, duly formed and existing pursuant to the laws of the State of California, and authorized to conduct business in the State of California.
- B. Monrovia Escrows is an escrow agent licensed by the Commissioner pursuant to the Escrow Law of the State of California, Financial Code section 17000 *et seq.* Monrovia Escrows’ license number is 963-0205. Its principal place of business is located at 346 West Foothill Boulevard, Monrovia, CA 91016.
- C. Judy Gooler (“Gooler”) is Monrovia Escrows’ president. Gooler is authorized to enter into this Agreement on behalf of Monrovia Escrows.
- D. On or about September 27, 2010, the Commissioner issued his Notice of Intention to

1 Issue Order Suspending Escrow Agent’s License and Accusation to Monrovia Escrows (collectively,
2 “Notice of Intention”) pursuant to section 17608 of the Financial Code. The Commissioner’s Notice
3 of Intention sought to suspend Monrovia Escrows’ license until such time as it filed its annual audit
4 report for the fiscal year ending on December 31, 2009, or for a period of one month, whichever was
5 greater, pursuant to Financial Code section 17602.5. The reason for the suspension was Monrovia
6 Escrows’ failure to timely file its annual audit report for fiscal year 2009 pursuant to Financial Code
7 sections 17406.

8 E. On or about September 27, 2010, the Commissioner also issued an Order Imposing
9 Penalties Pursuant to California Financial Code Section 17408 (“Order”). The Order imposed
10 penalties in the amount of \$29,500.00, plus an additional \$250.00 a day for each day after September
11 27, 2010 that the annual audit report was not filed. The reason for the Order was Monrovia
12 Escrows’ failure to timely file its annual audit report for fiscal year 2009, as required by Financial
13 Code section 17406.

14 F. The Notice of Intention and Order were served on Monrovia Escrows via certified
15 mail, return receipt requested, at its address of record on file with the Department on or about
16 September 30, 2010. Monrovia Escrows filed its request for hearing on the Notice of Intention and
17 Order on or about October 14, 2010.

18 G. The Office of Administrative Hearings (“OAH”) set this matter to commence hearing
19 on January 12, 2011, at 9:00 a.m.

20 H. It is the intention and the desire of the parties to resolve this matter without the
21 necessity of a hearing and/or other litigation.

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

24
25 **TERMS AND CONDITIONS**

26 1. This Agreement is entered into for the purposes of judicial economy and expediency,
27 and to avoid the time and expense of a hearing and possible further court proceedings.

28 2. Monrovia Escrows hereby admits the allegations contained in the Notice of Intention

1 and Order. The admissions of Monrovia Escrows are solely for the limited purposes of these
2 proceedings and any future proceeding(s) that may be initiated by or brought before the
3 Commissioner against Monrovia Escrows. It is the intent and understanding of the parties that this
4 Agreement, and the admissions of Monrovia Escrows contained herein, shall not be binding or
5 admissible against Monrovia Escrows in any action(s) brought against Monrovia Escrows by third
6 parties.

7 3. Monrovia Escrows agrees to the following conditions:

8 a. The issuance by the Commissioner of two orders suspending Monrovia Escrows’
9 escrow agent’s license, during which Monrovia Escrows shall not accept any new
10 escrow business, but may continue to service prior and open escrows, in
11 accordance with Financial Code section 17609. The first suspension will begin
12 on January 12, 2011 and continue until Monrovia Escrows files an annual audit
13 report for fiscal year 2009 that meets the requirements of Financial Code section
14 17406 and California Code of Regulations section 1741.5, or through January 18,
15 2011, whichever period is longer. If Monrovia Escrows files an annual audit
16 report for fiscal year 2009 that meets the requirements of Financial Code section
17 17406 and California Code of Regulations section 1741.5 by January 18, 2011,
18 the second suspension will take place on February 14, 2011 through February 20,
19 2011. If Monrovia Escrows does not file an annual audit report for fiscal year
20 2009 that meets the requirements of Financial Code section 17406 and California
21 Code of Regulations section 1741.5 by January 18, 2011, the second suspension
22 will take place on January 19, 2011 and continue until Monrovia Escrows files an
23 annual audit report for fiscal year 2009 that meets the requirements of Financial
24 Code section 17406 and California Code of Regulations section 1741.5, or
25 through January 25, 2011, whichever period is longer. In connection with these
26 suspensions, Monrovia Escrows shall file with the Department of Corporations
27 (“Department”), by 10:00 a.m. on the day that each suspension begins, a list of all
28 then-open escrows with escrow numbers and escrow party names along with a

1 copy of the signed escrow instructions and signed deposit receipt(s) for the last
2 escrow opened on the previous day, signed by the owner of Monrovia Escrows
3 under penalty of perjury. For purposes of this Agreement, open escrow shall
4 mean an escrow wherein the parties to such escrow have already entered into a
5 binding agreement and monies and/or escrow instructions have been submitted to
6 Monrovia Escrows regarding the transaction. Additionally, Monrovia Escrows
7 will be required to immediately engage its certified public accountant (“CPA”)
8 firm to review the records of Monrovia Escrows after the suspensions have been
9 completed and report its findings regarding compliance with the suspensions
10 (“CPA Report”) to the Department within 30 days of completion of the second
11 suspension period. Monrovia Escrows’ CPA shall file its CPA Report with the
12 Department directly. The Commissioner reserves the right to audit Monrovia
13 Escrows for compliance with the suspensions notwithstanding the findings of the
14 CPA review. If Monrovia Escrows fails to comply with either suspension, it will
15 be subject to immediate revocation of its escrow agent’s license without the right
16 to a hearing. Monrovia Escrows hereby waives its right to a hearing as provided
17 by Financial Code section 17608 if its license is revoked for failure to comply
18 with the suspensions. A copy of the first suspension order is attached and
19 incorporated hereto as Exhibit A.

- 20 b. That Monrovia Escrows will file an annual audit report for fiscal year 2009 that
21 meets the requirements of Financial Code section 17406 and California Code of
22 Regulations section 1741.5 within 90 days of the date of this agreement. If
23 Monrovia Escrows fails to file an annual audit report for fiscal year 2009 that
24 meets the requirements of Financial Code section 17406 and California Code of
25 Regulations section 1741.5 within 90 days of the date of this agreement, it will be
26 subject to immediate revocation of its escrow agent’s license without the right to a
27 hearing. Monrovia Escrows hereby waives its right to a hearing as provided by
28 Financial Code section 17608 if its license is revoked pursuant to this paragraph.

- 1 c. That the Order is hereby deemed a final order. As full settlement of the Order,
2 Monrovia Escrows agrees to pay the Commissioner the sum of \$15,000.00 in
3 penalties, which shall be paid in two equal installments of \$7,500.00 each. The
4 first payment shall be due on January 17, 2011. The second payment shall be due
5 on February 17, 2011. Each penalty payment must be forwarded to counsel for
6 the Commissioner, Joyce Tsai, at her address of record, within the time provided.
7 If Monrovia Escrows fails to make either payment according to schedule, it will
8 be subject to immediate revocation of its escrow agent’s license without the right
9 to a hearing. Monrovia Escrows hereby waives its right to a hearing as provided
10 by Financial Code section 17608 if its license is revoked for failure to pay
11 penalties pursuant to this agreement.
- 12 d. Monrovia Escrows shall be required to file its annual audit report for fiscal year
13 2010 by April 15, 2011. If Monrovia Escrows fails to timely file its annual audit
14 report for 2010, it will be subject to immediate revocation of its escrow agent’s
15 license without the right to a hearing. Monrovia Escrows hereby waives its right
16 to a hearing as provided by Financial Code section 17608 if its license is revoked
17 for failure to timely file its 2010 annual audit report.

18 4. The parties hereby acknowledge and agree that this Agreement is intended to
19 constitute a final and complete resolution of the matters set forth herein, including the allegations set
20 forth in the Notice of Intention and Order, and constitutes the entire agreement between the parties
21 with respect thereto. This Agreement supersedes any and all prior or contemporaneous agreements
22 between the parties hereto.

23 5. Notwithstanding any other provision contained herein, nothing in this Agreement
24 shall operate to limit the Commissioner’s ability to investigate and prosecute violations of the
25 Escrow Law not addressed herein, or to assist any other agency (county, state, or federal) with any
26 prosecution, administrative, civil or criminal, brought by such agency against Monrovia Escrows.

27 6. Monrovia Escrows acknowledges its right to an administrative hearing under
28 California Financial Code sections 17408 and 17608 in connection with the Notice of Intention and

1 Order, and hereby waives its right to a hearing, and to any reconsideration, appeal, or other rights
2 which may be afforded pursuant to the Escrow Law, the California Administrative Procedure Act,
3 the California Code of Civil Procedure, or any other provision of law in connection with this matter.
4 The Commissioner shall immediately request that OAH take the hearing scheduled for January 12,
5 2011 off calendar.

6 7. Each party hereto represents and warrants that it has received independent advice
7 from its attorney(s) and/or other representatives prior to entering into this Agreement, and in
8 executing this Agreement relied solely on the statements set forth herein and the advice of its own
9 counsel and/or representative.

10 8. In that the parties have had the opportunity to draft, review and edit the language of
11 this Agreement, no presumption for or against any party arising out of drafting all or part of this
12 Agreement will be applied in any action relating to or arising out of this Agreement. Accordingly,
13 the parties hereby waive the benefit of California Civil Code section 1654 and any successor statute.

14 9. The waiver of any provision of this Agreement shall not operate to waive any other
15 provision set forth herein, and any waiver, amendment and/or change to the terms of this Agreement
16 must be in writing signed by the parties hereto.

17 10. Each signatory hereto represents and warrants that he/she possesses the necessary
18 capacity and authority to execute this Agreement and bind the parties hereto.

19 11. This Agreement may be executed in one or more counterparts, each of which shall be
20 an original but all of which, together, shall be deemed to constitute a single document. A fax
21 signature shall be deemed the same as an original signature.

22
23 Dated: 1/11/2011

PRESTON DuFAUCHARD
California Corporations Commissioner

24
25 By: _____
26 Alan S. Weinger
27 Deputy Commissioner

28 Dated: 1/11/2011

MONROVIA ESCROWS

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By: _____
Judy Gooler
President