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BEFORE THE DEPARTMENT OF CORPORATIONS
OF THE STATE OF CALIFORNIA

CALIFORNIA CORPORATIONS)	OAH Case No. 2010040402
COMMISSIONER,)	
)	
Complainant,)	SETTLEMENT AGREEMENT
)	
vs.)	
)	
NORTHWEST ESCROW SERVICES CORP.,)	
)	HEARING DATE: May 24, 2010
Respondent.)	TIME: 9:00 a.m.
)	LOCATION: OAH, San Diego
)	

This Settlement Agreement (“Agreement”) is entered into between Northwest Escrow Services Corp. (“Northwest Escrow”) and the California Corporations Commissioner (“Commissioner”) with respect to the following facts:

RECITALS

- A. Northwest Escrow 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. Northwest Escrow is an escrow agent licensed by the Commissioner pursuant to the Escrow Law of the State of California, Financial Code section 17000 *et seq.* Northwest Escrow’s license number is 963-2314. Its principal place of business is located at 1401 N. El Camino Real, Suite 202, San Clemente, CA 92672.
- C. Wayne B. Holstad (“Holstad”) is Northwest Escrow’s president. Holstad is authorized to enter into this Agreement on behalf of Northwest Escrow.

1 and to avoid the time and expense of a hearing and possible further court proceedings.

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

9 3. Northwest Escrow agrees to the following conditions:

10 a. That the Order is hereby deemed a final order. Northwest Escrow acknowledges
11 that the penalties accruing pursuant to the Order for the untimely filing of its 2009
12 annual audit report total \$12,400.00. Northwest Escrow agrees to pay the
13 Commissioner the sum of \$12,400.00, of which \$1135.32 shall constitute
14 attorney's and examiner's fees and costs and \$11,264.68 shall constitute penalties.
15 The sum of \$12,400.00 shall be payable in twelve monthly installments of
16 \$1,000.00 and one installment of \$400.00. The first payment shall be due on June
17 1, 2010, and eleven subsequent payments of \$1,000.00 shall be due on the first
18 day of each month thereafter. The last payment of \$400.00 shall be due on June
19 1, 2011. Northwest Escrow's penalty payment must be forwarded each month to
20 counsel for the Commissioner, Joyce Tsai, at her address of record, within the
21 time provided.

22 b. A probationary period lasting from the date of this agreement until October 20,
23 2012. During the probationary period, Northwest Escrow shall be required to file
24 its annual audit report for each year by the deadline provided in Financial Code
25 section 17406. If Northwest Escrow fails to timely file its annual audit report in
26 any year during the probationary period, it will be subject to immediate
27 revocation of its escrow agent's license without the right to a hearing. Northwest
28 Escrow hereby waives its right to a hearing as provided by Financial Code section

1 17608 if its license is revoked for failure to timely file any annual audit report
2 during the probationary period.

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

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

12 6. Northwest Escrow acknowledges its right to an administrative hearing under
13 California Financial Code sections 17408 and 17608 in connection with the penalty and revocation,
14 and hereby waives its right to a hearing, and to any reconsideration, appeal, or other rights which
15 may be afforded pursuant to the Escrow Law, the California Administrative Procedure Act, the
16 California Code of Civil Procedure, or any other provision of law in connection with this matter.
17 Within five (5) business days after the execution of this Agreement, the Commissioner shall request
18 that OAH take the hearing scheduled for May 24, 2010 off calendar.

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

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

27 9. The waiver of any provision of this Agreement shall not operate to waive any other
28 provision set forth herein, and any waiver, amendment and/or change to the terms of this Agreement

1 must be in writing signed by the parties hereto.

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

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

7

8 Dated: 4/29/10

PRESTON DuFAUCHARD
California Corporations Commissioner

9

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By: _____

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Alan S. Weinger
Deputy Commissioner

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Dated: 4/29/10

NORTHWEST ESCROW SERVICES CORP.

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By: _____

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Wayne B. Holstad
President

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