

1 WAYNE STRUMPFER
Acting California Corporations Commissioner
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Acting Deputy Commissioner
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6 Attorneys for Complainant

8 BEFORE THE DEPARTMENT OF CORPORATIONS
9 OF THE STATE OF CALIFORNIA

10
11 In the Matter of the Accusation of THE) OAH No. L-2006010947
CALIFORNIA CORPORATIONS)
12 COMMISSIONER,) File No.: 963-0732
13)
Complainant,) SETTLEMENT AGREEMENT
14)
15 vs.)
16 ONTARIO ESCROW SERVICE, INC. and)
BOBBIE L. JACKSON,)
17)
18 Respondents.)

19 This Settlement Agreement is entered into between Ontario Escrow Service, Inc. (“Ontario”)
20 and Bobbie L. Jackson (“Jackson”), on the one hand, and the California Corporations Commissioner
21 (“Commissioner”), on the other hand, and is made with respect to the following facts:

22 **RECITALS**

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

25 B. Ontario is an escrow agent licensed by the Commissioner pursuant to the Escrow Law
26 of the State of California (California Financial Code § 17000 et seq.). Ontario has its principal place
27 of business located at 738 North Euclid Avenue, Ontario, California 91762.
28

1 C. Jackson is, and was at all times relevant to the Accusation described in paragraph D
2 below (“Accusation”) the president, sole shareholder and a director of Ontario.

3 D. On December 15, 2005, Ontario and Jackson were personally served by the
4 Commissioner with a Notice of Intention to Issue Order to Revoke Escrow Agent’s License and To
5 Issue an Order Pursuant to Section 17423 (Bar from Employment, Management or Control of an
6 Escrow Agent), Accusation and accompanying documents dated December 13, 2005. Ontario and
7 Jackson have filed a Notice of Defense with the Commissioner on the above-referenced matter. A
8 two-day hearing has been scheduled for May 15 and 16, 2006.

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

16 2. Ontario and Jackson admit the allegations contained in the Accusation. The
17 admissions of Ontario and Jackson are solely for the limited purposes of these proceedings and any
18 future proceeding(s) that may be initiated by or brought before the Commissioner against Ontario
19 and/or Jackson. It is the intent and understanding between the parties that this Settlement Agreement,
20 and particularly the admissions of Ontario and Jackson herein, shall not be binding or admissible
21 against Ontario and/or Jackson in any action(s) brought against Ontario and/or Jackson by third
22 parties.

23 3. Jackson hereby agrees to the issuance by the Commissioner of an order barring
24 Jackson from any position of employment, management or control of any escrow agent. The Order
25 shall be effective as of June 15, 2006. A copy of the bar order is attached and incorporated as
26 Exhibit A.

1 4. Jackson acknowledges her right to an administrative hearing under Financial Code
2 section 17423 in connection with the bar and hereby waives that right to a hearing, and to any
3 reconsideration, appeal, or other rights which may be afforded pursuant to the Escrow Law, the
4 California Administrative Procedure Act, the California Code of Civil Procedure, or any other
5 provision of law in connection with this matter herein.

6 5. The Commissioner hereby consents to the surrender of Ontario’s escrow agent's
7 license to be effective June 15, 2006, provided that all the conditions of paragraph 6 below are met.
8 Ontario and Jackson agree that if they fail to meet the conditions set forth in paragraph 6 below, the
9 escrow agent’s license of Ontario shall be automatically revoked and any rights to a hearing
10 regarding such revocation and to any reconsideration, appeal, or other rights which may be afforded
11 pursuant to the Escrow Law, the California Administrative Procedure Act, the California Code of
12 Civil Procedure, or any other provision of law in connection therewith are hereby waived.

13 6. Ontario and Jackson agree that all open escrow files and all escrow trust funds,
14 including dormant escrow trust funds and funds representing outstanding escrow trust checks, shall
15 be transferred to a licensed independent escrow agent or exempt entity before June 15, 2006 and
16 further agree to immediately notify the Commissioner of the name, address and telephone number of
17 such escrow agent or exempt entity and the location of all records pertaining to closed escrow files.
18 Ontario and Jackson additionally agree to tender the original of Ontario’s escrow agent’s license to
19 the Commissioner before June 15, 2006.

20 7. Except as otherwise provided herein, the parties agree that this Settlement Agreement
21 shall have the effect of dismissing that portion of the Notice of Intention relating to the revocation of
22 Ontario’s escrow agent’s license. The dismissal shall become effective upon the surrender of
23 Ontario’s escrow agent’s license as provided for in paragraph 5 above. This dismissal shall have no
24 effect on the validity of Ontario’s admissions herein.

25 8. Ontario and Jackson hereby acknowledge and understand that California Financial
26 Code Section 17406(c) requires a closing audit report to be filed with the Commissioner within 105
27 days after the effective date of any surrender or revocation of Ontario’s escrow agent's license.
28 Ontario and Jackson agree that if they fail to file the closing audit as required by Section 17406(c),

1 the surrender of Ontario’s escrow agent’s license as provided for in paragraph 5 above, if such
2 surrender has occurred, shall be null and void, and the escrow agent’s license of Ontario shall be
3 automatically revoked and any rights to a hearing regarding such revocation and to any
4 reconsideration, appeal, or other rights which may be afforded pursuant to the Escrow Law, the
5 California Administrative Procedure Act, the California Code of Civil Procedure, or any other
6 provision of law in connection therewith are hereby waived.

7 9. The Commissioner shall cause this Settlement Agreement to be filed with the Office
8 of Administrative Hearings within 5 business days of its execution by all parties hereto, but no later
9 than May 15, 2006.

10 10. The parties hereby acknowledge and agree that this Settlement Agreement is intended
11 to constitute a full, final and complete resolution of this matter. The parties further acknowledge and
12 agree that nothing contained in this Settlement Agreement shall operate to limit the Commissioner’s
13 ability to assist any other agency, (county, state or federal) with any prosecution, administrative,
14 civil or criminal, brought by any such agency against Ontario and/or Jackson or any other person
15 based upon any of the activities alleged in this matter or otherwise.

16 11. Each of the parties represents, warrants, and agrees that it has received independent
17 advice from its attorney(s) and/or representatives with respect to the advisability of executing this
18 Settlement Agreement.

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

1 APPROVED AS TO FORM:
2 LAW OFFICES OF LOUIS C. NOVAK
3 By _____
4 LOUIS C. NOVAK, Attorneys for ONTARIO
5 ESCROW SERVICE, INC. and BOBBIE L. JACKSON

6 WAYNE STRUMPFER
7 Acting California Corporations Commissioner

8 By _____
9 JUDY L. HARTLEY
10 Senior Corporations Counsel

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8 BEFORE THE DEPARTMENT OF CORPORATIONS
9 OF THE STATE OF CALIFORNIA

10
11 In the Matter of the Accusation of THE) Case No.: 963-0732
CALIFORNIA CORPORATIONS)
12 COMMISSIONER,) ACCUSATION
13)
Complainant,)
14)
15 vs.)
16 ONTARIO ESCROW SERVICE, INC. and)
BOBBIE L. JACKSON,)
17)
18 Respondents.)

19 The Complainant is informed and believes, and based upon such information and belief,
20 alleges and charges Respondents as follows:

21 I

22 Respondent Ontario Escrow Service, Inc. ("Ontario") is an escrow agent licensed by the
23 California Corporations Commissioner ("Commissioner" or "Complainant") pursuant to the Escrow
24 Law of the State of California (California Financial Code Section 17000 et seq.). Ontario has its
25 principal place of business located at 738 North Euclid Avenue, Ontario, California 91762.

26 Respondent Bobbie L. Jackson ("B. Jackson") is, and was at all times relevant herein, the
27 president, sole shareholder and a director of Ontario.
28

II

1
2 On or about March 16, 2000, the Commissioner issued an Order Barring Michael L. Jackson
3 From Employment, Management or Control of Any Escrow Agent (“Bar Order”). Michael L.
4 Jackson (M. Jackson”) was barred for making unauthorized disbursements of trust funds to himself
5 and/or Ontario in violation of California Financial Code section 17414(a)(1) and California Code of
6 Regulations, title 10, sections 1738 and 1738.2. M. Jackson is the son of B. Jackson and was a
7 corporate officer and employee of Ontario at the time of the Bar Order. M. Jackson was personally
8 served with the Bar Order on or about March 17, 2000. B. Jackson had full knowledge that M.
9 Jackson had been barred from any position of employment, management or control of any escrow
10 agent and the underlying reasons for the Bar Order.

11 In or about July 2005, the Commissioner received information that M. Jackson was working
12 at Ontario. Based upon that information, the Commissioner commenced a special examination of
13 Ontario. The special examination disclosed that M. Jackson was violating the Bar Order by
14 maintaining a desk and presence and otherwise engaging in business activities on the premises of
15 Ontario, notarizing Ontario escrow documents, and assisting with the processing of Ontario escrows.

16
17 Pursuant to California Financial Code section 17423(e), under the Bar Order, M. Jackson is
18 “prohibited from participating in any business activity of a licensed escrow agent and from engaging
19 in any business activity on the premises where a licensed escrow agent is conducting business.”

III

20
21 California Financial Code section 17423 provides in pertinent part:

22 (a) The commissioner may, after appropriate notice and opportunity
23 for hearing, by order, . . . bar from any position of employment, management,
24 or control any escrow agent, or any other person, if the commissioner finds either
of the following:

25 (1) That the . . . bar is in the public interest and that the person has committed or
26 caused a violation of this division or rule or order of the commissioner, which
27 violation was either known or should have been known by the person
28 committing or causing it or has caused material damage to the escrow agent
or to the public.

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California Financial Code section 17608 provides in pertinent part:

The commissioner may, after notice and a reasonable opportunity to be heard, suspend or revoke any license if he finds that:

...

(b) The licensee has violated any provision of this division or any rule made by the commissioner under and within the authority of this division.

(c) Any fact or condition exists which, if it had existed at the time of the original application for such license, reasonably would have warranted the commissioner in refusing originally to issue such license.

IV

As previously described in Section II above, Ontario and B. Jackson have violated Financial Code Section 17423(e) by allowing M. Jackson to maintain a desk and presence and otherwise engage in business activities on the premises of Ontario, notarize Ontario escrow documents, and assist with the processing of Ontario escrows.

V

The Complainant finds, by reason of the foregoing, that Ontario and B. Jackson have violated a final order of the Commissioner and section 17423(e) of the California Financial Code, and it is in the best interests of the public to revoke Ontario’s escrow agent’s license and to bar B. Jackson from any position of employment, management or control of any escrow agent.

WHEREFORE, IT IS PRAYED that the escrow agent’s license of Ontario be revoked and that B. Jackson be barred from any position of employment, management or control of any escrow agent.

Dated: December 13, 2005
Los Angeles, CA

WAYNE STRUMPFER
Acting California Corporations Commissioner

By _____
Judy L. Hartley
Senior Corporations Counsel

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Acting California Corporations Commissioner
2 ALAN S. WEINGER (CA BAR NO. 86717)
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11	In the Matter of the Accusation of THE)	Case No.: 963-0732
12	CALIFORNIA CORPORATIONS)	
13	COMMISSIONER,)	ORDER BARRING BOBBIE L. JACKSON
14	Complainant,)	FROM ANY POSITION OF EMPLOYMENT,
15	vs.)	MANAGEMENT OR CONTROL OF ANY
16	ONTARIO ESCROW SERVICE, INC. and)	ESCROW AGENT PURSUANT TO
17	BOBBIE L. JACKSON,)	CALIFORNIA FINANCIAL CODE SECTION
18	Respondents.)	17423

19 Pursuant to the Settlement Agreement entered into between Bobbie L. Jackson and the
20 California Corporations Commissioner on May 8, 2006, Bobbie L. Jackson is hereby barred from
21 any position of employment, management or control of any escrow agent. This Order is effective
22 June 15, 2006.

23 Pursuant to the terms of the Settlement Agreement, Bobbie L. Jackson admits the following
24 for purposes of this action and any future proceedings initiated by or brought before the California
25 Corporations Commissioner only and shall not be for the use or benefit of any third parties in any
26 subsequent proceedings or actions:

27 A. Bobbie L. Jackson (“B. Jackson”) is, and was at all times relevant, the president, sole
28 shareholder and a director of Ontario Escrow Service, Inc. (“Ontario”). Ontario was, at all times

1 relevant, an escrow agent licensed by the Commissioner pursuant to the Escrow Law of the State of
2 California (California Financial Code § 17000 et seq.). Ontario has its principal place of business
3 located at 738 North Euclid Avenue, Ontario, California 91762.

4 B. On March 16, 2000, the Commissioner issued an Order Barring Michael L. Jackson
5 From Employment, Management or Control of Any Escrow Agent (“Bar Order”). Michael L.
6 Jackson (M. Jackson”) was barred for making unauthorized disbursements of trust funds to himself
7 and/or Ontario in violation of California Financial Code section 17414(a)(1) and California Code of
8 Regulations, title 10, sections 1738 and 1738.2. M. Jackson is the son of B. Jackson and was a
9 corporate officer and employee of Ontario at the time of the Bar Order. M. Jackson was personally
10 served with the Bar Order on or about March 17, 2000. B. Jackson had full knowledge that M.
11 Jackson had been barred from any position of employment, management or control of any escrow
12 agent and the underlying reasons for the Bar Order.

13 C. In July 2005, the Commissioner received information that M. Jackson was working at
14 Ontario. Based upon that information, the Commissioner commenced a special examination of
15 Ontario. The special examination disclosed that M. Jackson was violating the Bar Order by
16 maintaining a desk and presence and otherwise engaging in business activities on the premises of
17 Ontario, notarizing Ontario escrow documents, and assisting with the processing of Ontario escrows.
18

19 D. Pursuant to California Financial Code section 17423(e), under the Bar Order, M.
20 Jackson is “prohibited from participating in any business activity of a licensed escrow agent and
21 from engaging in any business activity on the premises where a licensed escrow agent is conducting
22 business.”

23 E. B. Jackson has violated Financial Code Section 17423(e) and a final order of the
24 Commissioner by allowing M. Jackson to maintain a desk and presence and otherwise engage in
25 business activities on the premises of Ontario, notarize Ontario escrow documents, and assist with
26 the processing of Ontario escrows.

27 Dated: May 9, 2006
28 Los Angeles, Ca

WAYNE STRUMPFER
Acting California Corporations Commissioner

By _____

Steven C. Thompson, Special Administrator, Escrow Law

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