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8 BEFORE THE DEPARTMENT OF BUSINESS OVERSIGHT
9 OF THE STATE OF CALIFORNIA
10

11 In the Matter of:) OAH Case No.: L-2015040272
12 THE COMMISSIONER OF BUSINESS) ESCROW LICENSE NO.: 963-2533
13 OVERSIGHT,)
14 Complainant,) SETTLEMENT AGREEMENT
15 v.)
16 AARON LLOYD,)
17 Respondent.)
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20 This Settlement Agreement (“Settlement Agreement” or “Agreement”) shall be binding on the
21 Commissioner of Business Oversight, and her officers, employees, agents, representatives,
22 successors, and attorneys (collectively, the “Commissioner”) and Aaron Lloyd (“Lloyd”). The
23 Commissioner and Lloyd shall collectively be referred to as the “Parties.”

24 **RECITALS**

25 A. Respondent Aaron Lloyd (“Lloyd”) was the principal and majority shareholder of
26 Sunset One Escrow, Inc. (“Sunset One”), an escrow agent formerly licensed by the Commissioner
27 under the Escrow Law of the State of California (Fin. Code, § 17000 et seq.) (“Escrow Law”) from
28 on or around May 5, 2009 to on or around June 30, 2015. At all relevant times, Sunset One was a

1 California corporation with a principal place of business located at 29970 Technology Drive, Suite
2 217, Murrieta, California.

3 B. On or about March 20, 2015, the Commissioner issued a Notice of Intention to Issue
4 Order Barring Aaron Lloyd from Any Position of Employment, Management, Or Control of Any
5 Escrow Agent Pursuant to Financial Code section 17423 of the Escrow Law of the State of California
6 (Fin. Code, § 17000 et seq.) (“Escrow Law”), Accusation, and accompanying documents. On or
7 around March 26, 2015, Lloyd filed a Notice of Defense with the Commissioner acknowledging
8 receipt of the above-listed documents and requesting a hearing in the above-referenced matter. On
9 July 7, 2015, the Commissioner issued the First Amended Accusation, which was served on Lloyd on
10 July 8, 2015. The matter is currently scheduled to be heard on September 23, 2015 before the Office
11 of Administrative Hearings at 320 West 4th Street, Suite 630, Los Angeles, California 90013.

12 C. The Accusation and First Amended Accusation allege that Lloyd knowingly violated
13 an order of the Commissioner.

14 D. The Commissioner finds that this action is appropriate in the public interest and
15 consistent with the purposes fairly intended by the policy and provisions of this law.

16 E. It is the intention and desire of the Parties to resolve this matter without the necessity
17 of a hearing and/or other litigation.

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

20
21 **TERMS AND CONDITIONS**

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

25 2. **Admission of Allegations in the Accusation and First Amended Accusation.**
26 Lloyd, by entering into this Settlement Agreement, admits the allegations contained in the
27 Accusation and First Amended Accusation described in paragraph B, above.
28

1 3. **Issuance of Order Pursuant to Financial Code Section 17423.** Lloyd hereby
2 agrees to the issuance by the Commissioner of an order barring Lloyd from any position of
3 employment, management or control of any escrow agent. The bar order shall become effective
4 upon execution of this Settlement Agreement. A copy of the bar order is attached and incorporated
5 as **Exhibit 1**.

6 4. **Lloyd's Waiver of Hearing Rights.** Lloyd acknowledges his right to an
7 administrative hearing under the Escrow Law in connection with the Accusation and First Amended
8 Accusation and hereby waives that right to a hearing, and to any reconsideration, appeal, or other
9 rights which may be afforded pursuant to the Escrow Law, the California Administrative Procedure
10 Act, the California Code of Civil Procedure, or any other provision of law in connection with these
11 matters.

12 5. **Settlement Agreement Coverage.** The Parties hereby acknowledge and agree that
13 this Settlement Agreement is intended to constitute a full, final and complete resolution of the
14 Accusation and First Amended Accusation, excepting therefrom any proceeding or action if such
15 proceeding or action is based upon facts not presently known to the Commissioner. The Parties
16 further acknowledge and agree that nothing contained in this Settlement Agreement shall operate to
17 limit the Commissioner's ability to assist any other agency, (city, county, state or federal) with any
18 prosecution, administrative, civil or criminal, brought by any such agency against Lloyd based upon
19 any of the activities alleged in these matters or otherwise.

20 6. **Independent Legal Advice.** Each of the parties represents, warrants, and agrees that
21 it has had an opportunity to seek independent advice from its attorney(s) and/or representatives with
22 respect to the advisability of executing this Settlement Agreement.

23 7. **No Other Representation.** Each of the Parties represents, warrants, and agrees that
24 in executing this Settlement Agreement it has relied solely on the statements set forth herein and has
25 had the opportunity to seek the legal advice of its own counsel. Each of the Parties further
26 represents, warrants, and agrees that in executing this Settlement Agreement it has placed no
27 reliance on any statement, representation, or promise of any other party, or any other person or entity
28 not expressly set forth herein, or upon the failure of any party or any other person or entity to make

1 any statement, representation or disclosure of anything whatsoever. The Parties have included this
2 clause: (1) to preclude any claim that any party was in any way fraudulently induced to execute this
3 Settlement Agreement; and (2) to preclude the introduction of parol evidence to vary, interpret,
4 supplement, or contradict the terms of this Settlement Agreement.

5 8. **Modifications and Qualified Integration.** No amendment, change or modification of
6 this agreement shall be valid or binding to any extent unless it is in writing and signed by all of the
7 parties affected by it.

8 9. **Full Integration.** This Settlement Agreement is the final written expression and the
9 complete and exclusive statement of all the agreements, conditions, promises, representations, and
10 covenants between the Parties with respect to the subject matter hereof, and supersedes all prior or
11 contemporaneous agreements, negotiations, representations, understandings, and discussions
12 between and among the Parties, their respective representatives, and any other person or entity, with
13 respect to the subject matter covered hereby.

14 10. **No Presumption From Drafting.** In that the Parties have had the opportunity to
15 draft, review and edit the language of this Settlement Agreement, no presumption for or against any
16 party arising out of drafting all or any part of this Settlement Agreement will be applied in any
17 action relating to, connected, to, or involving this Settlement Agreement. Accordingly, the Parties
18 waive the benefit of Civil Code section 1654 and any successor or amended statute, providing that in
19 cases of uncertainty, language of a contract should be interpreted most strongly against the party
20 who caused the uncertainty to exist.

21 11. **Voluntary Agreement.** Lloyd enters into this Settlement Agreement voluntarily and
22 without coercion and acknowledges that no promises, threats or assurances have been made by the
23 Commissioner or any officer, or agent thereof, about this Settlement Agreement. The Parties each
24 represent and acknowledge that he, she or it is executing this Agreement completely voluntarily
25 and without any duress or undue influence of any kind from any source.

26 12. **Authority For Settlement.** Each party warrants and represents that such party is
27 fully entitled and duly authorized to enter into and deliver this Agreement. In particular, and
28 without limiting the generality of the foregoing, each party warrants and represents that it is

1 fully entitled to enter into the covenants, and undertake the obligations set forth herein.

2 13. **Waiver**. The waiver of any provision of this Settlement Agreement shall not operate
3 to waive any other provision set forth herein, and any waiver, amendment and/or change to the terms
4 of this Settlement Agreement must be in writing and signed by the parties.

5 14. **Counterparts**. This Agreement may be executed in any number of counter-parts
6 by the Parties, and when each party has signed and delivered at least one such counterpart to the
7 other party, each counterpart shall be deemed an original and taken together shall constitute
8 one and the same Agreement.

9 15. **Governing Law**. This Settlement Agreement shall be construed and enforced in
10 accordance with and governed by California law.

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

13 17. **Capacity to Contract**. Each signator hereto covenants that he/she possesses all
14 necessary capacity and authority to sign and enter into this Settlement Agreement.

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Dated: 9/18/15

JAN LYNN OWEN
Commissioner of Business Oversight

By _____
MARY ANN SMITH
Deputy Commissioner
Enforcement Division

Dated: 9/14/15

AARON LLOYD

By _____
Aaron Lloyd

APPROVED AS TO FORM AND CONTENT:

JENNIFER FELTEN
RELAW, APC
Counsel for Aaron Lloyd

DANIELLE A. STOUMBOS
Counsel for Commissioner of Business Oversight