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

12 In the Matter of:) ESCROW LICENSE NO.: 96DBO-60192
)
13 THE COMMISSIONER OF BUSINESS)
OVERSIGHT,) CONSENT ORDER
14)
15 Complainant,)
)
16 v.)
)
17 VALLEY ESCROW INC.,)
)
18 Respondent.)
19)
20)

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

23 **RECITALS**

- 24 A. Valley Escrow, Inc. is an escrow agent licensed by the Commissioner (License No. 96DBO-
25 60192) pursuant to the California Escrow Law as set forth in Financial Code section 17000 et seq.¹
26 B. Valley has its principal place of business at 17727 ½ Chatsworth Street, #210, Granada Hills,
27 _____

28 ¹ All further section references are to the California Financial Code.

1 California 91344.

2 C. The Commissioner is authorized to administer and enforce the provisions of the Escrow Law.

3 D. The Commissioner brings this action to order Valley to discontinue violations of law pursuant
4 to section 17602.

5 E. Section 17406, subdivision (a) provides that each licensee “shall submit to the
6 commissioner...an audit report containing audited financial statements covering the calendar year or,
7 if the licensee has an established fiscal year, then for that fiscal year, within 105 days after the close of
8 the calendar year or fiscal year, as applicable.”

9 F. The Department sent a notice to Valley on November 17, 2017, reminding the company to file
10 its annual audit report for the year ending December 31, 2017 by April 16, 2018, 105 days after its
11 fiscal year. The notice also described the penalties if the report is filed late.

12 G. Valley failed to submit its annual audit report until June 26, 2018. Thus, it violated section
13 17406.

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

16 I. Valley enters into this Consent Order by admitting the findings contained within this
17 document.

18 J. The Commissioner finds that this action is appropriate, in the public interest, and consistent
19 with the purpose fairly intended by the policy and provisions of the Escrow Law.

20 NOW, THEREFORE, in consideration of the foregoing, and the terms and conditions set forth
21 in this document, the parties agree as follows:

22 **TERMS AND CONDITIONS**

23 1. Purpose. The purpose of this Consent Order (Order) is to resolve the controversy before the
24 Commissioner in a manner that avoids the expense of a hearing and possible further court proceedings,
25 is in the public interest, protects consumers, and is consistent with the purposes, policies, and
26 provisions of the Escrow Law.

27 2. Finality of Order. Valley hereby agrees to comply with the Order, set forth below, and
28 stipulates that the Order is hereby deemed final.

1 3. Waiver of Hearing Rights. Valley acknowledges that the Commissioner is ready and able to
2 proceed to an administrative hearing on the violations mentioned in this Order. Valley hereby waives
3 the right to any hearing, and to any reconsideration, appeal, injunction, or other right to review which
4 may be afforded pursuant to the Escrow Law, the California Administrative Procedure Act, the
5 California Code of Civil Procedure, or any other provision of law, with respect to this Order.

6 4. Order to Pay Penalty. Pursuant to Financial Code section 17408, Valley is hereby ordered
7 to pay a penalty to the Commissioner of \$7,100.00, payable in four installments of \$1,750.00 as
8 follows: the first installment shall be paid by September 15, 2018; the second installment by
9 November 15, 2018; the third installment by January 15, 2019, and the fourth installment by March
10 15, 2019. Payment shall be made payable to the "Department of Business Oversight," in the form of a
11 cashier's check, and transmitted to the attention of: Accounting, at Department of Business Oversight,
12 located at 1515 K Street, Suite 200, Sacramento, California 95814. Notice of the payment shall
13 concurrently be sent to the attention of Timothy L. Le Bas, Senior Counsel, Enforcement Division,
14 1515 K Street, Suite 200, Sacramento, California 95814.

15 5. Failure to Make Timely Payment. Valley agrees that if it fails to make any payment by the
16 date specified in Paragraph 4 above, Valley's license shall be immediately suspended until payment is
17 made by Valley. Valley hereby waives any notice and hearing rights to contest the immediate
18 suspension resulting from failure to pay by the deadlines above which may be afforded under the
19 California Financial Code, the California Administrative Procedure Act, the California Code of Civil
20 Procedure, or any other legal provisions.

21 6. Full and Final Settlement. The parties hereby acknowledge and agree that this Order is
22 intended to constitute a full, final, and complete resolution of the Administrative Action and that no
23 further proceedings or actions will be brought by the Commissioner in connection with these matters
24 either under the Escrow Law, or any other provision of law, excepting therefrom any proceeding or
25 action if such proceeding or action is based upon discovery of new and further violations of the
26 Escrow Law which do not form the basis for this Consent Order or which were knowingly concealed
27 from the Commissioner by Valley.

28 7. Binding. This Order is binding on all heirs, assigns, and/or successors in interest.

1 8. Commissioner's Duties. The parties further acknowledge and agree that nothing contained
2 in this Order shall operate to limit the Commissioner's ability to assist any other agency (city, county,
3 state or federal) with any prosecution, administrative, civil or criminal, brought by any such agency
4 against Valley or any other person based upon any of the activities alleged in these matters or
5 otherwise.

6 9. Third Party Actions. It is the intent and understanding between the parties that this Order
7 does not create any private rights or remedies against Valley create any liability for Valley or limit
8 defenses of Valley for any person or entity not a party to this Order.

9 10. Future Actions by Commissioner. This Order may be revoked, and the Commissioner may
10 pursue any and all remedies available under law or this Order against Valley, if the Commissioner later
11 discovers that Valley knowingly or willfully withheld information used and relied upon in this Order.
12 Further, Valley agrees that this Order does not resolve any remedies, including penalties that may be
13 assessed by the Commissioner, upon discovery of new and further violations of the Escrow Law which
14 do not form the basis for this Order.

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

18 12. Counterparts. The parties agree that this Order may be executed in one or more separate
19 counterparts, each of which when so executed, shall be deemed an original. A fax signature shall be
20 deemed the same as an original signature. These counterparts shall together constitute and be one and
21 the same instrument.

22 13. Waiver, Modification, and Qualified Integration. The waiver of any provision of this
23 Consent Order shall not operate to waive any other provision set forth herein. No waiver, amendment,
24 or modification of this Order shall be valid or binding to any extent unless it is in writing and signed
25 by all of the parties affected by it.

26 14. Headings and Governing Law. The headings to the paragraphs of this Consent Order are
27 inserted for convenience only and will not be deemed a part hereof or affect the construction or
28 interpretation of the provisions hereof. This Order shall be construed and enforced in accordance with

1 and governed by California law.

2 15. Full Integration. Each of the parties represents, warrants, and agrees that in executing this
3 Order it has relied solely on the statements set forth herein and the advice of its own counsel. Each of
4 the parties further represents, warrants, and agrees that in executing this Order it has placed no reliance
5 on any statement, representation, or promise of any other party, or any other person or entity not
6 expressly set forth herein, or upon the failure of any party or any other person or entity to make any
7 statement, representation or disclosure of anything whatsoever. The parties have included this clause:
8 (1) to preclude any claim that any party was in any way fraudulently induced to execute this Order;
9 and (2) to preclude the introduction of parol evidence to vary, interpret, supplement, or contradict the
10 terms of this Order.

11 16. Presumption from Drafting. In that the parties have had the opportunity to draft, review
12 and edit the language of this Order, no presumption for or against any party arising out of drafting all
13 or any part of this Order will be applied in any action relating to, connected to, or involving this Order.
14 Accordingly, the parties waive the benefit of Civil Code section 1654 and any successor or amended
15 statute, providing that in cases of uncertainty, language of a contract should be interpreted most
16 strongly against the party who caused the uncertainty to exist.

17 17. Voluntary Agreement. Valley enters into this Order voluntarily and without coercion and
18 acknowledges that no promises, threats or assurances have been made by the Commissioner or any
19 officer, or agent thereof, about this Order.

20 18. Effective Date. This Order shall not become effective and final until signed by all parties.

21 19. Public Record. Valley acknowledges that this Order is a public record.

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20. Authority to Execute. Each signator hereto covenants that he/she possesses all necessary capacity and authority to sign and enter into this Order.

Dated: July 30, 2018
Sacramento, CA

JAN LYNN OWEN
Commissioner of Business Oversight

By _____
MARY ANN SMITH
Deputy Commissioner
Enforcement Division

Dated: July 27, 2018

VALLEY ESCROW INC.

By _____
ADRIAN OROZCO
President