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

11 In the Matter of:) OAH Case No.: 2018100384
)
12 THE COMMISSIONER OF BUSINESS) Agency No.: 96DBO-48747
OVERSIGHT,)
13) **CONSENT ORDER**
14 Complainant,)
)
15 v.)
)
16 ELITE ESCROW GROUP, INC.,)
)
17 Respondent.)
18)

19
20 This Consent Order (Order) is entered between the Commissioner of Business Oversight
21 (Commissioner) and Elite Escrow Group, Inc. (Elite) and is made with respect to the following
22 facts:

23 **I.**
24 **RECITALS**

25 A. The Commissioner has jurisdiction over the licensing and regulation of persons
26 and entities licensed under the California Escrow Law (Escrow Law) (Fin. Code, § 17000 et
27 seq.) and the regulations promulgated under title 10 of the California Code of Regulations (Cal.
28 Code Regs., tit. 10, § 1700 et seq.).

1 B. Elite is an escrow agent as defined under Financial Code section 17004 as “as
2 person engaged in the business of receiving escrows for deposit or delivery.” The Commissioner
3 issued Elite a license pursuant to Financial Code section 17200 et seq.

4 C. At all relevant times, Elite was a corporation incorporated on October 28, 2015
5 under the laws of California and currently has its primary place of business at 10134 6th Street,
6 Suite E, Rancho Cucamonga, California 91930.

7 D. Marjorie Baladad is President and a control person of Elite Escrow Group, Inc. and
8 as such, is authorized to enter into this Consent Order on behalf of Elite Escrow Group, Inc.

9 E. In November 2017, Elite filed an application to open a branch escrow office at
10 12065 Paramount Boulevard #D, Downey, California (Downey). In or about late February 2018,
11 Elite operated out of the Downey address by having a sign placed on the door and having an escrow
12 officer present. The escrow officer assisted with phone calls and emails relating to files originating
13 from the Rancho Cucamonga office but did no other business out of the Downey office.

14 F. On April 24, 2018, a Department of Business Oversight (Department) examiner
15 visited the Elite office at 12065 Paramount Boulevard #D, Downey, California and determined that
16 Elite was operating an unlicensed escrow branch. The examiner advised the escrow officer at the
17 Downey address that Elite should not be conducting any escrow activity at that address, even
18 though such activity was related to the main office in Rancho Cucamonga. Elite was mistaken
19 about the extent to which it could operate out of the Downey office and thereafter immediately
20 ceased operating from the Downey location.

21 G. On August 29, 2018, Elite was issued a license for the branch located at 12065
22 Paramount Boulevard #D, Downey and thereafter opened the branch office.

23 H. Financial Code Section 17213.2. provides that,” The commissioner may order a
24 licensed escrow agent which opens a branch office or changes its business location or locations
25 without first obtaining the approval of the commissioner to forfeit to the people of the state a sum of
26 up to one hundred dollars (\$100) for every day for the first 10 days and then ten dollars (\$10) for
27 every day thereafter during which the branch office or changed location is maintained without
28 authority.”

1 I. In or about October 2018, the Enforcement Division of the Department of Business
2 Oversight (Department) informed Elite that it would commence an administrative action to issue an
3 order and a civil penalty in accordance with Financial Code section 17213.2.

4 J. Upon being informed of the Department’s intent to bring the Enforcement Action,
5 Elite responded by indicating that in order to resolve the Enforcement Action by the Department,
6 Elite would fully cooperate with the Commissioner and pay a certain amount in penalties.

7 K. It is the intention and desire of the parties to resolve this matter without the necessity
8 of a hearing and/or other litigation.

9 L. Elite admits to the jurisdiction of the Department and consents to the entry of this
10 Order by the Department and agrees to comply with the terms of this Order.

11 M. The Commissioner finds that this action is appropriate, in the public interest, and
12 consistent with the purposes fairly intended by the policy and provisions of this law.

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

15 **II.**

16 **TERMS AND CONDITIONS**

17 1. Purpose. The purpose of this Order is to resolve the Department’s Enforcement
18 Action in a manner that avoids the expense of court proceedings, is in the public interest, protects
19 consumers, and is consistent with the purposes, policies, and provisions of applicable law.

20 2. Finality of Consent Order. Elite hereby agrees to comply with the Commissioner’s
21 order and, further, stipulates that this Order is hereby deemed a final and enforceable order issued
22 pursuant to the Commissioner’s authority under Financial Code section 17213.2.

23 3. Finality of Desist and Refrain Order Issued. In accordance with Financial Code
24 section 17213.2, Elite stipulates that it is ordered to desist and refrain from operating any branch
25 office(s) in violation of California Escrow Law unless and until the Commissioner issues the
26 branch a license.

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1 4. Administrative Penalty. Elite shall pay a penalty of \$1,000.00 for the above
2 violation which shall be due within 10 calendar days after the effective date of this Order, as
3 defined in paragraph 11.

4 5. Waiver of Hearing Rights. Elite acknowledges that the Commissioner is ready,
5 willing, and able to proceed with the administrative enforcement action on the violations contained
6 in this Order, and Elite hereby waives the right to a hearing and to any reconsideration, appeal, or
7 other right to review which may be afforded pursuant to the law. Elite further expressly waives any
8 requirement for the filing of a Statement of Issues or Accusation that may be afforded by
9 Government Code section 11415.60(b), the California Administrative Practice Act, the California
10 Code of Civil Procedure, or any other provision of law; and by waiving such rights, Elite effectively
11 consents to this Order becoming final.

12 6. Payment of Penalties. The payment of penalties shall be made in the form of a
13 cashier's check or Automated Clearing House deposit to the "Department of Business Oversight"
14 and transmitted to the attention of Accounting – Litigation, at the Department of Business
15 Oversight, 1515 K Street, Suite 200, Sacramento, California 95814. Notice of the payment must
16 be concurrently sent to Paul Yee, Senior Counsel, Department of Business Oversight, One
17 Sansome Street, Suite 600, San Francisco, California 94104.

18 7. Effect of Order on License. In consideration of Elite's consent to this Order and
19 to pay penalties required by Paragraph 4 hereof, the Commissioner hereby agrees that except as
20 set forth in this Order, no further action based on the opening of the unlicensed branch office will
21 be taken.

22 8. Future Action by the Commissioner. Elite and the Commissioner acknowledge
23 and agree that nothing contained in this Consent Order shall operate to limit the Commissioner's
24 ability to assist any other agency, (county, state or federal) with any prosecution, administrative,
25 civil or criminal, brought by any such agency against Elite based upon the subject matter hereof
26 or otherwise. This Consent Order shall not limit the ability of the Commissioner to bring any
27 administrative or civil action to enforce compliance with this Consent Order or to seek penalties
28 for its violation. Further, the Commissioner reserves the right to bring any future action(s)

1 against Elite or any of the manager, officers, directors or employees of Elite for all unknown or
2 future violations in connection with or based upon the subject matter hereof.

3 9. Full and Final Settlement. If Elite fails to comply with any of the terms of the Consent
4 Order, the Commissioner may institute proceedings for any and all violations otherwise resolved under this
5 Consent Order.

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

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

10 12. No Other Representation. Each of the Parties represents, warrants, and agrees that
11 in executing this Consent Order it has relied solely on the statements set forth herein and the
12 advice of its own counsel. Each of the Parties further represents, warrants, and agrees that in
13 executing this Consent Order it has placed no reliance on any statement, representation, or
14 promise of any other party, or any other person or entity not expressly set forth herein, or upon the
15 failure of any party or any other person or entity to make any statement, representation, or
16 disclosure of anything whatsoever. The Parties have included this clause: (1) to preclude any
17 claim that any party was in any way fraudulently induced to execute this Consent Order; and (2)
18 to preclude the introduction of parol evidence to vary, interpret, supplement, or contradict the
19 terms of this Consent Order.

20 13. Modifications and Qualified Integration. No amendment, change or
21 modification of this Consent Order shall be valid or binding to any extent unless it is in
22 writing and signed by all of the parties affected by it.

23 14. Full Integration. This Consent Order is the final written expression and the
24 complete and exclusive statement of all the agreements, conditions, promises, representations, and
25 covenants between the Parties with respect to the subject matter hereof, and supersedes all prior or
26 contemporaneous agreements, negotiations, representations, understandings, and discussions
27 between and among the Parties, their respective representatives, and any other person or entity,
28 with respect to the subject matter covered hereby.

1 15. No Presumption from Drafting. In that the Parties have had the opportunity to
2 draft, review and edit the language of this Consent Order, no presumption for or against any party
3 arising out of drafting all or any part of this Consent Order will be applied in any action relating
4 to, connected to, or involving this Consent Order. Accordingly, the Parties waive the benefit of
5 Civil Code section 1654 and any successor or amended statute, providing that in cases of
6 uncertainty, language of a contract should be interpreted most strongly against the party that
7 caused the uncertainty to exist.

8 16. Voluntary Agreement. Elite enters into this Order voluntarily and without
9 coercion and acknowledges that no promises, threats or assurances have been made by the
10 Commissioner or any officer, or agent thereof, about this Order.

11 17. Effective Date. This Order shall not become effective until signed by all parties
12 and delivered by the Commissioner’s counsel by email to Elite’s counsel, Karen Marble of
13 RELAW, APC at the email address karen@relawapc.com.

14 18. Public Record. Respondent acknowledges that this Order is a public record.

15 19. Headings. The headings to the paragraphs of this Order are inserted for
16 convenience only and will not be deemed a part hereof or affect the construction or interpretation
17 of the provisions hereof.

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

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1 21. Counterparts. This Consent Order may be executed in one or more separate
2 counterparts, each of which when so executed, shall be deemed an original. A fax or electronic
3 mail signature shall be deemed the same as an original signature. Such counterparts shall
4 together constitute and be one and the same instrument.

5 Dated: December 4, 2018 JAN LYNN OWEN
6 Commissioner of Business Oversight

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8 By _____
9 MARY ANN SMITH
10 Deputy Commissioner
11 Enforcement Division

12 Dated: November 26, 2018 ELITE ESCROW GROUP, INC.

13
14 By _____
15 MARJORIE BALADAD
16 President

17 APPROVED AS TO FORM.

18 Dated: November 26, 2018 RELAW, APC

19
20 By _____
21 KAREN MARBLE
22 Attorney for Elite Escrow Group, Inc.

23 Dated: November 26, 2018 JAN LYNN OWEN
24 Commissioner of Business Oversight

25
26 By _____
27 PAUL YEE
28 Senior Counsel
Enforcement Division