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

12 In the Matter of:)	OAH NO. 2019020199
13)	
14 THE COMMISSIONER OF BUSINESS)	SETTLEMENT AGREEMENT
14 OVERSIGHT,)	
15)	PHC/MSC Date: July 12, 2019
15 Complainant,)	PHC/MSC Time: 1:30 p.m.
16)	
16 v.)	Hearing Date: August 12-15, 2019
17)	Hearing Time: 9:00 a.m.
17)	Location: 320 West 4th Street, #630
18 JACQUELYN N. SELDITCH,)	Los Angeles, CA 90013
18)	
19 Respondent.)	
19)	
20)	

21 This Settlement Agreement is entered into between the Commissioner of Business Oversight
22 (Commissioner) and Jacquelyn N. Selditch (collectively, the Parties), and is made with respect to the
23 following facts:

24 **I.**

25 **Recitals**

26 A. The Commissioner has jurisdiction over the licensing and regulation of persons and
27 entities licensed under the California Escrow Law (Escrow Law) (Fin. Code, § 17000 et seq.).

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1 B. Jacquelyn N. Selditch (Selditch) was employed at Trust One Escrow, Inc. (Trust
2 One) from September 2016 to February 3, 2017 as an escrow officer. On February 10, 2017, Trust
3 One notified the Department of Business Oversight (Department) that it had terminated Selditch’s
4 employment because she had been changing and rescheduling dates on escrow closings to earlier or
5 different months, in order to affect the timing and level of her compensation.

6 C. On August 3, 2017, Trust One further notified the Department that Selditch had
7 “padded delivery charges and expenses” and issued checks to Low Cost Courier (Courier) in the
8 total amount of \$5,131.50 for messenger services, without any supporting invoices or overpaid the
9 invoice amounts.

10 D. Trust One had performed an audit of Selditch’s escrow files and determined that from
11 October 2016 to February 2017, about 32 of Selditch’s escrow files had payments to Courier without
12 any supporting invoice. Approximately 46 of Selditch’s escrow files included invoices for Courier,
13 but some invoices were altered and used in more than one escrow file. In addition, some payments to
14 Courier were more than the charges on the invoices. Courier, upon demand from Trust One,
15 reimbursed Trust One the overpayments and expenses that were incurred as a result of conducting
16 the self-audit.

17 E. On December 4, 2017, the Department commenced an examination of Selditch’s
18 escrow files and found that the total overpayment to Courier was \$5,082.50.

19 F. Some of the overcharges to Courier were charged to and paid out of the Trust One
20 client escrow funds. On or about March 15, 2018, Trust One refunded all overcharges to the
21 customers.

22 G. On August 1, 2017, the Department received an employment application from Legacy
23 First Escrow, Inc. (Legacy First Escrow) reporting Selditch’s employment.

24 H. The employment application showed that Selditch was employed by Seller’s Choice
25 Escrow, Inc. (Seller’s Choice) from September 2006 to July 21, 2017. Selditch failed to include her
26 employment at Trust One. Selditch signed the employment application under penalty of perjury
27 stating that the information in the application was true and correct.

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1 I. On January 26, 2018, the Department received an escrow manager application for
2 Selditch from Legacy First Escrow (Legacy First). Selditch’s escrow manager application also failed
3 to disclose her employment at Trust One. Selditch reported that she was employed by Seller’s
4 Choice from September 2006 to July 21, 2017. Selditch signed the manager application under
5 penalty of perjury stating that the information in the application was true and correct.

6 J. On March 1, 2018, the Department contacted Legacy First inquiring about Selditch’s
7 employment history.

8 K. On March 2, 2018, a revised manager application was submitted to the Department
9 showing that Selditch was employed at Seller’s Choice from September 2006 to September 2016.
10 Her employment at Trust One was included in the revised manager application.

11 L. Based upon the foregoing, the Commissioner found that Selditch made unauthorized
12 disbursements to Courier, and included false employment history in her employment and manager
13 applications, in violation of Financial Code sections 17414, subdivision (a)(1); 17414, subdivision
14 (a)(2); 17702; and California Code of Regulations, title 10, sections 1738 and 1738.2.

15 M. On January 10, 2019, the Commissioner filed and served the Accusation in Support
16 of Order Barring Jacquelyn N. Selditch from Any Position of Employment, Management or Control
17 of Any Escrow Agent; Notice of Intention to Bar Jacquelyn N. Selditch from Any Position of
18 Employment, Management or Control of Any Escrow Agent; and the required documents.

19 N. Selditch requested a hearing. The prehearing conference and settlement conference
20 are scheduled for July 12, 2019. A 4-day hearing is scheduled from August 12-15, 2019.

21 O. The Commissioner finds that this Settlement Agreement is appropriate, in the public
22 interest, and consistent with the purposes fairly intended by the policies and provisions of the
23 Escrow Law.

24 **II.**

25 **Terms and Conditions**

26 1. Purpose. This Settlement Agreement resolves the issues before the Commissioner,
27 finding that Selditch violated the Escrow Law, as set forth above in paragraphs A through O, in a
28 manner that avoids the expense of a hearing and other possible court proceedings, protects

1 consumers, is in the public interest, and is consistent with the purposes, policies, and provisions of
2 the applicable law under the Escrow Law.

3 2. Suspension and Bar Order. It is hereby ordered that Jacquelyn N. Selditch is
4 suspended from any position of employment at any escrow agency, escrow agent or escrow business
5 for a period of 24 months, and barred from any position of management or control of any escrow
6 agent. This Order is final and effective from the Effective Date of this Settlement Agreement, as
7 defined in paragraph 23 (Effective Date).

8 3. Waiver of Hearing Rights. Selditch acknowledges that the Commissioner is ready,
9 willing and able to proceed with the administrative enforcement action described above in
10 Paragraphs L and M, and Selditch hereby waives the right to a hearing, and to any reconsideration,
11 appeal, or other right to review which may be afforded pursuant to the Escrow Law; the California
12 Administrative Procedure Act, the California Code of Civil Procedure, or any other provision of law;
13 and by waiving such rights, Selditch effectively consents to this Settlement Agreement becoming
14 final.

15 4. Full and Final Settlement. The parties hereby acknowledge and agree that this
16 Settlement Agreement is intended to constitute a full, final, and complete resolution of the
17 Accusation described herein, making unauthorized disbursements, and including false information in
18 her employment and manager applications, and that no further proceedings or actions will be
19 brought by the Commissioner in connection with these matters except under the Escrow Law, or any
20 other provision of law, excepting therefrom any proceeding to enforce compliance with the terms of
21 this Settlement Agreement.

22 5. Failure to Comply with Settlement Agreement. Selditch agrees that if she fails to
23 comply with the terms of this Settlement Agreement, the Commissioner may, in addition to all other
24 available remedies it may invoke under the Escrow Law, summarily bar Selditch from any position
25 of employment, management or control of any escrow agent until she is in compliance. Selditch
26 waives any notice and hearing rights to contest such summary bar which may be afforded under the
27 Escrow Law, the California Administrative Procedure Act, the California Code of Civil Procedure,
28 or any other provision of law in connection therewith.

1 6. Information Willfully Withheld or Misrepresented. This Settlement Agreement may
2 be revoked, and the Commissioner may pursue any and all remedies available under law against
3 Selditch if the Commissioner discovers that Selditch knowingly or willfully withheld or
4 misrepresented information used for and relied upon in this Settlement Agreement.

5 7. Future Actions by Commissioner. If Selditch fails to comply with any term of the
6 Settlement Agreement, the Commissioner may institute proceedings for any and all violations
7 otherwise resolved under this Settlement Agreement. The Commissioner reserves the right to bring
8 any future actions against Selditch for any and all unknown violations of the Escrow Law.

9 8. Assisting Other Agencies. Nothing in this Settlement Agreement limits the
10 Commissioner’s ability to assist any other government agency (city, county, state, or federal) with
11 any prosecution, administrative, civil or criminal brought by that agency against Selditch or any
12 other person based upon any of the activities alleged in this matter or otherwise.

13 9. No Presumption Against Drafting Party. Each party acknowledges that it has had the
14 opportunity to draft, review, and edit the language of this Settlement Agreement. Accordingly, the
15 parties intend that no presumption for or against the drafting party will apply in construing any part
16 of this Settlement Agreement. The parties waive the benefit of Civil Code section 1654 as amended
17 or corresponding provisions of any successor statute, which provide that in cases of uncertainty,
18 language of a contract should be interpreted most strongly against the party that caused the
19 uncertainty to exist.

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

23 11. Headings. The headings to the paragraphs of this Settlement Agreement are inserted
24 for convenience only and will not be deemed a part hereof or affect the construction or interpretation
25 of the provisions hereof.

26 12. Binding. This Settlement Agreement is binding on all heirs, assigns, and/or
27 successors in interest.

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

10 14. Waiver, Amendments, and Modifications. No waiver, amendment, or modification of
11 this Settlement Agreement will be valid or binding unless it is in writing and signed by each of the
12 parties. The waiver of any provision of this Settlement Agreement will not be deemed a waiver of
13 any other provision. No waiver by either party of any breach of, or of compliance with, any
14 condition or provision of this Agreement by the other party will be considered a waiver of any other
15 condition or provision or of the same condition or provision at another time.

16 15. Full Integration. This Settlement Agreement is the final written expression and the
17 complete and exclusive statement of all the agreements, conditions, promises, representations, and
18 covenants between the parties with respect to the subject matter hereof, and supersedes all prior or
19 contemporaneous agreements, negotiations, representations, understandings, and discussions
20 between and among the parties, their respective representatives, and any other person or entity with
21 respect to the subject matter covered hereby.

22 16. Governing Law. This Settlement Agreement will be governed by and construed in
23 accordance with California law. Each of the parties hereto consents to the jurisdiction of such court,
24 and hereby irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient
25 forum to the maintenance of such action or proceeding in such court.

26 17. Counterparts. This Settlement Agreement may be executed in one or more separate
27 counterparts, each of which when so executed, shall be deemed an original. Such counterparts shall
28 together constitute a single document.

1 18. Effect Upon Future Proceedings. If Selditch applies for any license, permit or
2 qualification under the Commissioner's current or future jurisdiction, or is the subject of any future
3 action by the Commissioner to enforce this Settlement Agreement, then the subject matter hereof
4 shall be admitted for the purpose of such application(s) or enforcement proceedings(s).

5 19. Voluntary Agreement. Selditch enters this Settlement Agreement voluntarily and
6 without coercion and acknowledges that no promises, threats or assurances have been made by the
7 Commissioner or any officer, or agent thereof, about this Settlement Agreement. The Parties each
8 represent and acknowledge that he, she or it is executing this Settlement Agreement completely
9 voluntarily and without any duress or undue influence of any kind from any source.

10 20. Notice. Any notice required under this Settlement Agreement shall be provided to
11 each party at the following addresses:

12 To Selditch: Jacquelyn N. Selditch
13 c/o Matthew S. Davis, Counsel for Selditch
14 Davis & Davis Law Group, APC
15 1900 Avenue of the Stars, Suite 960
16 Los Angeles, California 90067
17 mdavis@ddesq.com

18 To the Commissioner: Affi Eghbaldari, Counsel
19 Department of Business Oversight
20 1350 Front Street, #2034
21 San Diego, California 92101
22 Affi.Eghbaldari@dbo.ca.gov

23 21. Signatures. A fax or electronic mail signature shall be deemed the same as an original
24 signature.

25 22. Public Record. Selditch acknowledges that this Settlement Agreement is and will be
26 a matter of public record.

27 23. Effective Date. This Settlement Agreement shall become final and effective when
28 signed by all parties and delivered by the Commissioner’s agent via e-mail to Selditch’s counsel,
Matthew S. Davis at mdavis@ddesq.com.

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24. Authority to Sign. Each signatory hereto covenants that he/she possesses all necessary capacity and authority to sign and enter into this Settlement Agreement and undertake the obligations set forth herein.

MANUEL P. ALVAREZ
Commissioner of Business Oversight

Dated: July 15, 2019

By _____
Mary Ann Smith
Deputy Commissioner

JACQUELYN N. SELDITCH

Dated: July 12, 2019

By _____
Jacquelyn N. Selditch

APPROVED AS TO FORM:

Matthew S. Davis
Davis & Davis Law Group, APC
Counsel for Selditch