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Attorneys for the Complainant

BEFORE THE DEPARTMENT OF BUSINESS OVERSIGHT  
OF THE STATE OF CALIFORNIA

In the Matter of: )  
 ) Agency No.: 96DBO-51812  
THE COMMISSIONER OF BUSINESS )  
OVERSIGHT, ) **CONSENT ORDER**  
 )  
Complainant, )  
 )  
v. )  
 )  
PACIFIC COMMERCE ESCROW )  
SERVICES, INC., )  
 )  
Respondent. )

This Consent Order (Order) is entered between the Commissioner of Business Oversight (Commissioner) and Pacific Commerce Escrow Services, Inc. (PCE) and is made with respect to the following facts:

**I.**  
**RECITALS**

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

1 B. PCE 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 PCE a license pursuant to Financial Code section 17200 et seq.

4 C. At all relevant times, PCE was a corporation incorporated on under the laws of  
5 California on July 23, 2015. PCE’s main office located at 4455 Murphy Canyon Road, Suite 100-  
6 13, San Diego, CA 92123.

7 D. Madonna Ann Lee is President and a control person of PCE and as such, is  
8 authorized to enter into this Consent Order on behalf of PCE.

9 E. On or about February 11, 2019, PCE filed an application to open a branch escrow  
10 office located at 12640 Hesperia Road, Suite E, Victorville, CA 92395. (Victorville)

11 F. On July 18, 2019 a Department of Business Oversight (Department) examiner  
12 visited the PCE office at the Victorville branch to investigate potential unlicensed escrow activity  
13 being performed there. Although the persons working there initially told the examiner that no  
14 escrow work was being performed there, the examiner determined from inspection of the premises  
15 and the documents located there that escrow work was being performed there and PCE was  
16 operating an unlicensed escrow branch. The examiner advised the escrow officer at the Victorville  
17 address that PCE should not be conducting any escrow activity at that address until and unless the  
18 branch license is approved. PCE thereafter immediately ceased operating from the Victorville  
19 location.

20 G. On or about July 30, 2019, PCE will be issued a license for the Victorville branch  
21 office pursuant to their agreement to the terms of this consent order.

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

28 I. Financial Code Section 17210.2. provides that “no escrow agent shall disseminate,  
or cause to be disseminated, in any manner whatsoever, any statement or representation which is

1 false, misleading or deceptive...” and that the Commissioner may order any person to desist and  
2 refrain from violation of this section.

3 J. In or about July 22, 2019, the Enforcement Division of the Department of Business  
4 Oversight (Department) informed PCE that it would commence an administrative action to issue an  
5 order and a civil penalty in accordance with Financial Code section 17210.2 and 17213.2  
6 (Enforcement Action).

7 K. Upon being informed of the Department’s intent to bring the Enforcement Action,  
8 PCE responded by indicating that in order to resolve the Enforcement Action by the Department,  
9 PCE would fully cooperate with the Commissioner and would consent to the entry of an order to  
10 desist and refrain from further violations and to pay administrative penalties and examination costs.

11 L. It is the intention and desire of the parties to resolve this matter without the necessity  
12 of a hearing and/or other litigation.

13 M. PCE admits to the jurisdiction of the Department and consents to the entry of this  
14 Order by the Department and agrees to comply with the terms of this Order.

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

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

## 19 II.

### 20 TERMS AND CONDITIONS

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

24 2. Finality of Consent Order. PCE hereby agrees to comply with the Commissioner’s  
25 order and, further, stipulates that this Order is hereby deemed a final and enforceable order issued  
26 pursuant to the Commissioner’s authority under Financial Code sections 17213.2 and 17210.2.

27 3. Desist and Refrain Order Issued. In accordance with Financial Code sections  
28 17210.2 and 17213.2, PCE stipulates that it is ordered to desist and refrain from operating any  
branch office(s) in violation of California Escrow Law unless and until the Commissioner issues

1 the branch a license and from making any false or misleading statements.

2 4. Administrative Penalty. PCE shall pay a penalty of \$3,000.00 for the above  
3 violations which shall be due within 10 calendar days after the effective date of this Order, as  
4 defined in paragraph 12. This penalty is separate from the examination costs of the July 18, 2019  
5 examination by the Department that shall be paid by PCE pursuant to the invoice that shall be  
6 submitted to PCE by the Department later. The payment of penalties shall be made in the form of a  
7 cashier's check or Automated Clearing House deposit to the "Department of Business Oversight"  
8 and transmitted to the attention of Accounting – Litigation, at the Department of Business  
9 Oversight, 1515 K Street, Suite 200, Sacramento, California 95814. Notice of the payment must be  
10 concurrently sent to Kirk Wallace, Senior Counsel, Department of Business Oversight, One  
11 Sansome Street, Suite 600, San Francisco, California 94104.

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

20 6. Effect of Order on License. In consideration of PCE's consent to this Order and  
21 to pay penalties required by Paragraph 4 hereof, the Commissioner hereby agrees that except as  
22 set forth in this Order, no further action based on the opening of the unlicensed branch office or  
23 false and misleading statements will be taken.

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

1 for its violation. Further, the Commissioner reserves the right to bring any future action(s)  
2 against PCE or any of the manager, officers, directors or employees of PCE for all unknown or  
3 future violations in connection with or based upon the subject matter hereof.

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

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

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

24 11. Voluntary Agreement. PCE enters into this Order voluntarily and without  
25 coercion and acknowledges that no promises, threats or assurances have been made by the  
26 Commissioner or any officer, or agent thereof, about this Order.

27 12. Effective Date. This Order shall not become effective until signed by all parties and  
28 delivered by the Commissioner's counsel by email to Escrow Manager Char Halper at the email

1 address of [Char@Pacificcommerceescrow.com](mailto:Char@Pacificcommerceescrow.com) and sent by regular mail to the main office address  
2 at 4455 Murphy Canyon Road, Suite 100-13, San Diego, CA 92123.

3 13. Public Record. Respondent acknowledges that this Order is a public record.

4 14. Headings. The headings to the paragraphs of this Order are inserted for  
5 convenience only and will not be deemed a part hereof or affect the construction or interpretation  
6 of the provisions hereof.

7 15. Authority to Execute. Each signatory hereto covenants that he/she possesses all  
8 necessary capacity and authority to sign and enter into this Order.

9 16. Counterparts. This Consent Order may be executed in one or more separate  
10 counterparts, each of which when so executed, shall be deemed an original. A fax or electronic  
11 mail signature shall be deemed the same as an original signature. Such counterparts shall  
12 together constitute and be one and the same instrument.

13 Dated: July 26, 2019

MANUEL P. ALVAREZ  
Commissioner of Business Oversight

16 By \_\_\_\_\_  
17 MARY ANN SMITH  
18 Deputy Commissioner  
Enforcement Division

19 Dated: July 25, 2019

PACIFIC COMMERCE ESCROW  
SERVICES, INC.,

21 By \_\_\_\_\_  
22 Madonna Ann Lee  
23 President, Pacific Commerce  
24 Escrow Services, Inc.