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

11 In the Matter of:) OAH NO. 2019030065
12)
13 THE COMMISSIONER OF BUSINESS)
OVERSIGHT,)
14) STIPULATION TO DESIST AND REFRAIN
Complainant,) ORDER
15)
16 vs.)
17 DESIGNCROWD PTY LTD. AND) Trial Date: August 29, 2019
DESIGNCROWD.COM,) Time: 9:00 A.M.
18) Location: 320 W. 4th St., Suite 630
Respondent.) Los Angeles, California 90013
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23 IT IS HEREBY STIPULATED AND AGREED BY AND BETWEEN the Commissioner of
24 Business Oversight (Commissioner) and DesignCrowd Pty Ltd. and DesignCrowd.com
25 (DesignCrowd) (collectively, the Parties) as follows:

26 WHEREAS, on June 12, 2018, the Commissioner issued a Desist and Refrain Order against
27 DesignCrowd for engaging in the business of an escrow agent without obtaining a license from the
28 Commissioner in violation of Financial Code section 17200. Attached hereto as **Exhibit A** and

1 incorporated by reference is a true and correct copy of the Desist and Refrain Order dated June 12,
2 2018 (Order);

3 WHEREAS, on August 9, 2018, DesignCrowd was served with the Order;

4 WHEREAS, on August 31, 2018, DesignCrowd, filed a written request to contest the Order;

5 WHEREAS, an administrative hearing on this matter is currently set to commence on August
6 29, 2019;

7 WHEREAS, DesignCrowd hereby seeks to resolve the concerns of the Commissioner by
8 entering into this Stipulation regarding such Order; and

9 WHEREAS, the Commissioner finds that this action is appropriate in the public interest and
10 consistent with the purposes fairly intended by the policy and provisions of this law.

11 IT IS HEREBY STIPULATED AND AGREED between DesignCrowd and the
12 Commissioner as follows:

13 1. **Purpose.** This Stipulation resolves the issues regarding the Order in a manner that
14 avoids the expense of a hearing and other possible court proceedings, protects consumers, is in the
15 public interest, and is consistent with the purposes, policies, and provisions of the Escrow Law.

16 2. **Finality of Order.** DesignCrowd agrees and stipulates to the finality of the Order.
17 DesignCrowd acknowledges its right to an administrative hearing under the Escrow Law (Fin. Code
18 §§ 17000 et seq.) in connection with the Order and hereby waives that right to a hearing, and to any
19 reconsideration, appeal, or other rights which may be afforded pursuant to the Escrow Law, the
20 California Administrative Procedure Act, the California Code of Civil Procedure, or any other
21 provision of law in connection with these matters.

22 3. **Full and Final Settlement.** The Parties hereby acknowledge and agree that this
23 Stipulation is intended to constitute a full, final, and complete resolution of the Order, and that no
24 further proceedings or actions will be brought by the Commissioner in connection with these matters
25 under the Escrow Law or any other provision of law, excepting therefrom any proceeding to enforce
26 compliance with the terms of this Stipulation.

27 4. **Information Willfully Withheld or Misrepresented.** This Stipulation may be
28 revoked, and the Commissioner may pursue any and all remedies available under law against

1 DesignCrowd if the Commissioner discovers that DesignCrowd knowingly or willfully withheld or
2 misrepresented information used for and relied upon in this Stipulation.

3 5. **Assisting Other Agencies.** Nothing in this Stipulation limits the Commissioner's
4 ability to assist any other government agency (city, county, state, or federal) with any prosecution,
5 administrative, civil or criminal brought by that agency against DesignCrowd or any other person
6 based upon any of the activities alleged in this matter or otherwise.

7 6. **Headings.** The headings to the paragraphs of this Stipulation are inserted for
8 convenience only and will not be deemed a part hereof or affect the construction or interpretation of
9 the provisions hereof.

10 7. **Binding.** This Stipulation is binding on all heirs, assigns, and/or successors in
11 interest.

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

21 9. **Waiver, Amendments, and Modifications.** No waiver, amendment, or modification
22 of this Stipulation will be valid or binding unless it is in writing and signed by each of the parties.
23 The waiver of any provision of this Stipulation will not be deemed a waiver of any other provision.
24 No waiver by either party of any breach of, or of compliance with, any condition or provision of this
25 Stipulation by the other party will be considered a waiver of any other condition or provision or of
26 the same condition or provision at another time.

27 10. **Full Integration.** This Stipulation is the final written expression and the complete
28 and exclusive statement of all the agreements, conditions, promises, representations, and covenants

1 between the parties with respect to the subject matter hereof, and supersedes all prior or
2 contemporaneous agreements, negotiations, representations, understandings, and discussions
3 between and among the parties, their respective representatives, and any other person or entity, with
4 respect to the subject matter covered hereby.

5 11. **Governing Law.** This Stipulation will be governed by and construed in accordance
6 with California law. Each of the parties hereto consents to the jurisdiction of such court, and hereby
7 irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to
8 the maintenance of such action or proceeding in such court.

9 12. **Counterparts.** This Stipulation may be executed in one or more separate
10 counterparts, each of which when so executed, shall be deemed an original. Such counterparts shall
11 together constitute a single document.

12 13. **Voluntary Agreement.** DesignCrowd enters into this Stipulation voluntarily and
13 without coercion and acknowledges that no promises, threats or assurances have been made by the
14 Commissioner or any officer, or agent thereof, about this Stipulation. The Parties each represents
15 and acknowledges that he, she or it is executing this Stipulation completely voluntarily and without
16 any duress or undue influence of any kind from any source.

17 14. **Notice.** Any notice required under this Stipulation is to be provided to each party at
18 the following addresses:

19 To DesignCrowd: Scott J. Lochner, Esq., Foundation Law Group, 445 S. Figueroa Street,
20 Suite #3100, Los Angeles, California 90071 at scott@foundationlaw.com.

21 To the Commissioner: Johnny Vuong, Department of Business Oversight, 320 West 4th
22 Street, Suite #750, Los Angeles, California 90013; Johnny.Vuong@dbo.ca.gov.

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

25 16. **Public Record.** DesignCrowd hereby acknowledges that this Stipulation is and will
26 be a matter of public record.

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17. **Effective Date.** This Stipulation shall become final and effective when signed by all parties and delivered by the Commissioner's agent via e-mail to DesignCrowd at Scott Lochner, Esq. at scott@foundationlaw.com.

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

Dated: 8/26/19

MANUEL P. ALVAREZ
Commissioner of Business Oversight

By _____

MARY ANN SMITH
Deputy Commissioner
Enforcement Division

Dated: 8/23/19

DESIGNCROWD PTY LTD.

By _____

ALEC LYNCH
Chief Executive Officer
DesignCrowd Pty Ltd.

APPROVED AS TO FORM:

SCOTT LOCHNER, ESQ.
Counsel for DesignCrowd Pty Ltd.

JOHNNY O. VUONG
Counsel for Commissioner of Business Oversight