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7 Attorneys for Complainant

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

11	In the Matter of:	)	
12	THE COMMISSIONER OF BUSINESS	)	
13	OVERSIGHT,	)	STIPULATION TO FINAL ORDER BARRING
14	Complainant,	)	KARI JANE HARDWICK FROM ANY
15	v.	)	POSITION OF EMPLOYMENT,
16	KARI JANE HARDWICK,	)	MANAGEMENT, OR CONTROL OF ANY
17	Respondent.	)	ESCROW AGENT PURSUANT TO
		)	FINANCIAL CODE SECTION 17423

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19 This Stipulation is entered into between the Commissioner of Business Oversight  
20 (Commissioner) and Kari Jane Hardwick (Hardwick) (collectively the Parties) and is made with  
21 respect to the following facts:

22 I.

23 Recitals

24 A. Respondent Hardwick was employed by Glen Oaks Escrow, Inc. (Glen Oaks), an  
25 escrow agent licensed by the Commissioner under the Escrow Law of the State of California (Fin.  
26 Code, § 17000 et seq.) (Escrow Law) from January 3, 2017 through February 16, 2018. Glen Oaks  
27 has its principal place of business at 6100 San Fernando Road, Glendale California, 91201.

28 B. From on or about January 3, 2017 through February 23, 2017, Hardwick was

1 employed at Glen Oak’s Sherman Oaks, California branch office as an escrow assistant.

2 C. On or around February 28, 2017, Hardwick transferred to Glen Oak’s Glendale,  
3 California location and was employed as an escrow officer handling refinance transactions.

4 D. On or around July 27, 2018, the Commissioner commenced a special examination of  
5 Glen Oak’s books and records to review escrow transactions handled by Hardwick while employed  
6 at Glen Oaks. The special examination was commenced after the Commissioner received  
7 information from Glen Oaks that Hardwick had mishandled client funds.

8 E. The special examination revealed that between June 21, 2017 and February 15, 2018,  
9 Hardwick knowingly and/or recklessly made at least 29 unauthorized disbursements of trust funds or  
10 disbursements of an unauthorized amount of trust funds using borrowers’ loan proceeds to either pay  
11 for services never performed, services performed but not authorized, or pay third parties not related  
12 to the escrow transactions in violation of Financial Code section 17414, subdivision (a)(1) and  
13 California Code of Regulations (CCR) title 10, sections 1738 and 1738.2. The disbursements were  
14 unauthorized because there were no instructions in escrow authorizing the disbursements in the form  
15 of trust fund checks that were subsequently deposited. The special examination revealed that  
16 Hardwick unlawfully paid herself, Chris Nhat, Sandra Woodson, Kevin Ho, and two notaries  
17 \$4,197.00. Hardwick also failed to disclose and/or inflated charges on final account statements and  
18 thus failed to prepare accurate final account statements in violation of Financial Code section 17414,  
19 subdivision (a)(2) and title 10 CCR section 1741.3.

20 F. On June 18, 2019, the Commissioner issued a Notice of Intention and Accusation  
21 seeking to bar Hardwick from any employment, management, or control of any escrow agent for  
22 making reckless and unauthorized trust fund disbursements, failing to prepare proper closing  
23 statements, and failing to follow written escrow instructions. The Commissioner personally served  
24 the Notice of Intention, Accusation, and accompanying documents on Hardwick on June 23, 2019.

25 G. Hardwick timely filed a Notice of Defense on July 5, 2019.

26 H. The Commissioner finds that entering into this Stipulation is in the public interest  
27 and consistent with the purposes fairly intended by the policy and provisions of the Escrow Law.

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1 NOW, THEREFORE, in consideration of the foregoing, and the terms and conditions set  
2 forth herein, the Parties agree as follows:

3 **II.**

4 **Terms and Conditions**

5 1. Purpose. This Stipulation resolves the issues before the Commissioner [findings set  
6 forth in paragraphs D and E above] in a manner that avoids the expense of a hearing and other  
7 possible court proceedings, protects consumers, is in the public interest, and is consistent with the  
8 purposes, policies, and provisions of the applicable law.

9 2. Final Bar Order. Pursuant to Financial Code section 17423, Hardwick is hereby  
10 barred from any position of employment, management, or control of any escrow agent (the Order).

11 3. Waiver of Hearing Rights. Hardwick acknowledges the Commissioner is ready,  
12 willing, and able to proceed with the administrative enforcement action described above in  
13 Paragraph F, and Hardwick hereby waives the right to a hearing, and to any reconsideration, appeal,  
14 or other right to review which may be afforded pursuant to the Escrow Law; the California  
15 Administrative Procedure Act, the California Code of Civil Procedure, or any other provision of law;  
16 and by waiving such rights, Hardwick effectively consents to this Stipulation and Order becoming  
17 final.

18 4. Full and Final Settlement. The Parties hereby acknowledge and agree that this  
19 Stipulation is intended to constitute a full, final, and complete resolution of the violations described  
20 herein and that no further proceedings or actions will be brought by the Commissioner in  
21 connection with these matters except under the Escrow Law or any other provision of law,  
22 excepting therefrom any proceeding to enforce compliance with the terms of this Stipulation.

23 5. Failure to Comply with Stipulation. Hardwick agrees that if she fails to comply with  
24 the terms of this Stipulation, the Commissioner may, in addition to all other available remedies it  
25 may invoke under the Escrow Law, summarily suspend/revoke any licenses held by Hardwick  
26 under the Commissioner’s jurisdiction until Hardwick is in compliance. Hardwick waives any  
27 notice and hearing rights to contest such summary suspensions which may be afforded under the

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1 Escrow Law, the California Administrative Procedure Act, the California Code of Civil Procedure,  
2 or any other provision of law in connection therewith.

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

7 7. Future Actions by Commissioner. If Hardwick fails to comply with any terms of the  
8 Stipulation, the Commissioner may institute proceedings for any and all violations otherwise  
9 resolved under this Stipulation. The Commissioner reserves the right to bring any future actions  
10 against Hardwick, for any and all unknown violations of the Escrow Law.

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

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

18 10. Binding. This Stipulation is binding on all heirs, assigns, and/or successors in  
19 interest.

20 11. Reliance. Each of the Parties represents, warrants, and agrees that in executing this  
21 Stipulation it has relied solely on the statements set forth herein and the advice of its own counsel.  
22 Each of the Parties further represents, warrants, and agrees that in executing this Stipulation it has  
23 placed no reliance on any statement, representation, or promise of any other party, or any other  
24 person or entity not expressly set forth herein, or upon the failure of any party or any other person  
25 or entity to make any statement, representation or disclosure of anything whatsoever. The Parties  
26 have included this clause: (1) to preclude any claim that any party was in any way fraudulently  
27 induced to execute this Stipulation; and (2) to preclude the introduction of parol evidence to vary,  
28 interpret, supplement, or contradict the terms of this Stipulation.

1           12.    Waiver, Amendments, and Modifications. No waiver, amendment, or modification  
2 of this Stipulation will be valid or binding unless it is in writing and signed by each of the Parties.  
3 The waiver of any provision of this Stipulation will not be deemed a waiver of any other provision.  
4 No waiver by either party of any breach of, or of compliance with, any condition  
5 or provision of this Stipulation by the other party will be considered a waiver of any other condition  
6 or provision or of the same condition or provision at another time.

7           13.    Full Integration. This Stipulation is the final written expression and the complete  
8 and exclusive statement of all the agreements, conditions, promises, representations, and covenant  
9 between the Parties with respect to the subject matter hereof, and supersedes all prior or  
10 contemporaneous agreements, negotiations, representations, understandings, and discussions  
11 between and among the Parties, their respective representatives, and any other person or entity with  
12 respect to the subject matter covered hereby.

13           14.    Governing Law. This Stipulation will be governed by and construed in accordance  
14 with California law. Each of the Parties hereto consents to the jurisdiction of such court, and hereby  
15 irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to  
16 the maintenance of such action or proceeding in such court.

17           15.    Counterparts. This Stipulation may be executed in one or more separate  
18 counterparts, each of which when so executed, shall be deemed an original. Such counterparts shall  
19 together constitute a single document.

20           16.    Effect Upon Future Proceedings. If Hardwick applies for any license, permit, or  
21 qualification under the Commissioner’s current or future jurisdiction, or is the subject of any future  
22 action by the Commissioner to enforce this Stipulation, then the subject matter hereof shall be  
23 admitted for the purpose of such application(s) or enforcement proceeding(s).

24           17.    Voluntary Agreement. Hardwick enters into this Stipulation 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 Stipulation. The parties each represent and  
27 acknowledge that he, she or it is executing this Stipulation completely voluntarily and without any  
28 duress or undue influence of any kind from any source.

1 18. Notice. Any notice required under this Stipulation shall be provided to each party at  
2 the following addresses:

3 To Kari Jane Hardwick 14231 Moorpark Street  
4 Sherman Oaks, California 91423  
5 karihardwick@yahoo.com

6 To the Commissioner: Danielle A. Stoumbos, Senior Counsel  
7 Department of Business Oversight  
8 320 West 4<sup>th</sup> Street Suite 750  
9 Los Angeles, California 90013  
10 Danielle.Stoumbos@dbo.ca.gov

11 19. Signatures. A fax or electronic mail signature shall be deemed the same as an  
12 original signature.

13 20. Public Record. Hardwick hereby acknowledges that this Stipulation is and will be a  
14 matter of public record.

15 21. Effective Date. This Stipulation shall become final and effective when signed by all  
16 Parties and delivered by the Commissioner’s agent via e-mail to Hardwick at  
17 karihardwick@yahoo.com.

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

21 Dated: 9/10/19 MANUEL P. ALVAREZ  
22 Commissioner of Business Oversight

23 By: \_\_\_\_\_  
24 MARY ANN SMITH  
25 Deputy Commissioner

26 Dated: 9/5/19

27 By: \_\_\_\_\_  
28 KARI JANE HARDWICK, an individual