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

12 In the Matter of:) ESCROW LICENSE NO.: 963-2318
13)
14 THE COMMISSIONER OF BUSINESS)
OVERSIGHT,) CONSENT ORDER
15)
Complainant,)
16)
17 v.)
18 ESCROWQUICK, INC.,)
19 Respondent.)
20)
21)

22 This Consent Order is entered into between the Commissioner of Business Oversight
23 (Commissioner) and EscrowQuick, Inc. (collectively, the Parties), and is made with respect to the
24 following facts:

25 **I.**

26 **Recitals**

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

1 B. EscrowQuick is an escrow agent licensed by the Commissioner, pursuant to the
2 Escrow Law.

3 C. EscrowQuick has its primary place of business at 16480 Harbor Boulevard, Suite 101,
4 Fountain Valley, California 92708.

5 D. Antoine T. Assali is the president of EscrowQuick, and as such, is authorized to enter
6 into this Consent Order on behalf of EscrowQuick.

7 E. A regulatory examination of EscrowQuick was commenced on November 6, 2017.
8 The examination revealed that EscrowQuick failed to meet the liquid asset and tangible net worth
9 requirements of Financial Code section 17210, subdivision (a), at least five times.

10 F. Financial Code section 17210, subdivision (a) requires all escrow agents licensed on
11 or after January 1, 1986, to maintain at all times a tangible net worth of \$50,000.00, including liquid
12 assets of at least \$25,000.00 in excess of current liabilities.

13 G. EscrowQuick’s financials as of December 31, 2016, showed a liquid asset deficiency
14 of \$3,700.00.

15 H. EscrowQuick’s financials as of October 31, 2017, showed a liquid asset deficiency of
16 \$52,763.95 and tangible net worth deficiency of \$26,640.54.

17 I. EscrowQuick’s financials as of December 31, 2018, showed a liquid asset deficiency
18 of \$69,459.00 and tangible net worth deficiency of \$264,481.00.

19 J. Failure to meet the liquid asset and tangible net worth requirements are repeat
20 violations that were noted and brought to the attention of EscrowQuick in 2014 and 2015.

21 K. EscrowQuick’s December 2014 audited report showed liquid asset and tangible net
22 worth deficiencies of \$28,430.00 and \$23,862.00, respectively. The December 2015 audit report
23 showed a liquid asset deficiency of \$13,826.00.

24 L. Based upon the foregoing, the Commissioner finds that EscrowQuick has failed to
25 meet liquid asset and tangible net worth requirements in violation of Financial Code section 17210,
26 at least five times.

27 M. The Commissioner finds that this Consent Order is appropriate, in the public interest,
28 and consistent with the purposes fairly intended by the policies and provisions of the Escrow Law.

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II.

Terms and Conditions

1. Purpose. This Consent Order resolves the issues before the Commissioner, finding that EscrowQuick violated the Escrow Law, as set forth above in paragraphs A through M, in a manner that avoids the expense of a hearing and other possible court proceedings, protects consumers, is in the public interest, and is consistent with the purposes, policies, and provisions of the applicable law under the Escrow Law.

2. Order to Discontinue Violations. Pursuant to Financial Code sections 17602 and 17604, EscrowQuick, Inc. is hereby ordered to immediately discontinue violations of the Escrow Law, set forth herein. This Order to Discontinue Violations is final and effective from the Effective Date of this Consent Order, as defined in paragraph 26 (Effective Date).

3. Payment of Costs. EscrowQuick, Inc. is hereby ordered to pay \$15,000.00 in costs. The above costs shall be paid in three equal installments and shall be due on the following dates:

- a. \$5,000.00 is due within 5 days from the Effective Date of this Consent Order;
- b. \$5,000.00 is due on December 20, 2019; and
- c. \$5,000.00 is due on January 20, 2020.

The installment payments shall be made in the form of a cashier’s check or Automated Clearing House deposit to the “Department of Business Oversight,” and transmitted to the attention of: Accounting - Litigation, at the Department of Business Oversight, located at 1515 K Street, Suite 200, Sacramento, California 95814. Notice of each installment payment shall be sent concurrently to Afsaneh Eghbaldari, Counsel, Enforcement Division, by email at: affi.eghbaldari@dbo.ca.gov.

4. Suspension Order. EscrowQuick, Inc. is hereby ordered suspended for two weeks (ten consecutive business days), excluding holidays, as follows: November 18, 2019 through December 2, 2019, inclusive. During this time, EscrowQuick, Inc. shall not accept any new escrow business, but may continue to process existing and open escrows, in accordance with Financial Code section 17609. It is further ordered that EscrowQuick, Inc. shall file with the Commissioner at close of business on November 15, 2019, a list of all open escrows with escrow numbers and escrow party names along with a copy of the signed escrow instructions and signed deposit receipt(s) for the last

1 opened escrow. Open escrow means an escrow wherein the parties to such escrow have already
2 entered into a binding agreement and monies and/or escrow instructions have been submitted to
3 EscrowQuick regarding the transaction. EscrowQuick, Inc. is further ordered to immediately engage
4 a certified public accounting firm to review the records of EscrowQuick after the suspension has
5 been completed to determine compliance with the Suspension Order and report its findings
6 (Suspension Report) to the Commissioner within 30 days of completion of the suspension. The
7 Suspension Report shall be sent to Afsaneh Eghbaldari, Counsel, Enforcement Division, by email at:
8 affi.eghbaldari@dbo.ca.gov.

9 5. Quarterly Audited Financial Statements. EscrowQuick agrees to engage (at its own
10 expense) a certified public accountant or certified accounting firm, or compliance auditing firm
11 (Auditor), subject to the approval of the Department of Business Oversight (Department). The
12 Auditor shall conduct an audit of EscrowQuick’s books and financial records to ensure compliance
13 with Financial Code section 17210, subdivision (a), and to provide quarterly audit reports containing
14 audited financial statements (Audit Report), set forth as follows:

- 15 a. The first Audit Report shall cover all of EscrowQuick’s books and financial records
16 from September 1, 2019 through November 30, 2019, and shall be submitted to the
17 Commissioner no later than December 30, 2019.
- 18 b. The second Audit Report shall cover all of EscrowQuick’s books and financial
19 records from December 1, 2019 through February 29, 2020, and shall be submitted to
20 the Commissioner no later than March 30, 2020.
- 21 c. The third Audit Report shall cover all of EscrowQuick’s books and financial records
22 from March 1, 2020 through May 31, 2020, and shall be submitted to the
23 Commissioner no later than June 30, 2020.
- 24 d. The fourth Audit Report shall cover all of EscrowQuick’s books and financial records
25 from June 1, 2020 through August 31, 2020, and shall be submitted to the
26 Commissioner no later than September 30, 2020.

27 The above Audit Reports shall be sent concurrently to Afsaneh Eghbaldari, Counsel,
28 Enforcement Division, by email at: affi.eghbaldari@dbo.ca.gov.

1 6. Waiver of Hearing Rights. EscrowQuick acknowledges the Commissioner is ready,
2 willing, and able to proceed with the filing of an administrative enforcement action on the charges
3 contained in this Consent Order. EscrowQuick hereby waives the right to any hearings, and to any
4 reconsideration, appeal, or other right to review which may be afforded pursuant to the Escrow Law,
5 the California Administrative Procedure Act, the California Code of Civil Procedure, or any other
6 provision of law. EscrowQuick further expressly waives any requirement for the filing of an
7 enforcement action pursuant to Government Code section 11415.60, subdivision (b). By waiving
8 such rights, EscrowQuick effectively consents to this Consent Order becoming final.

9 7. Full and Final Settlement. The parties hereby acknowledge and agree that this
10 Consent Order is intended to constitute a full, final, and complete resolution of the violations
11 described herein: failing to meet liquid asset and tangible net worth requirements, and that no further
12 proceedings or actions will be brought by the Commissioner in connection with these matters except
13 under the Escrow Law, or any other provision of law, to enforce compliance with the terms of this
14 Consent Order.

15 8. Failure to Comply with Consent Order. EscrowQuick agrees that if it fails to comply
16 with the terms of this Consent Order or the Order to Discontinue Violations, the Commissioner may,
17 in addition to all other available remedies it may invoke under the Escrow Law, summarily suspend
18 or revoke EscrowQuick’s license. EscrowQuick waives any notice and hearing rights to contest such
19 summary suspension or revocation which may be afforded under the Escrow Law, the California
20 Administrative Procedure Act, the California Code of Civil Procedure, or any other provision of law
21 in connection therewith.

22 9. Information Willfully Withheld or Misrepresented. This Consent Order may be
23 revoked, and the Commissioner may pursue any and all remedies available under law against
24 EscrowQuick if the Commissioner discovers that EscrowQuick knowingly or willfully withheld or
25 misrepresented information used for and relied upon in this Consent Order.

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1 10. Future Actions by Commissioner. If EscrowQuick fails to comply with any term of
2 the Consent Order or Order to Discontinue Violations, the Commissioner may institute proceedings
3 for any and all violations otherwise resolved under this Consent Order. The Commissioner reserves
4 the right to bring any future actions against EscrowQuick for any and all unknown violations of the
5 Escrow Law.

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

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

17 13. Independent Legal Advice. Each of the parties represents, warrants, and agrees that it
18 has received independent advice from its attorney(s) and/or representatives with respect to the
19 advisability of executing this Consent Order.

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

23 15. Binding. This Consent Order is binding on all heirs, assigns, and/or successors in
24 interest.

25 16. Reliance. Each of the Parties represents, warrants, and agrees that in executing this
26 Consent Order it has relied solely on the statements set forth herein and the advice of its own
27 counsel. Each of the Parties further represents, warrants, and agrees that in executing this Consent
28 Order it has placed no reliance on any statement, representation, or promise of any other party, or

1 any other person or entity not expressly set forth herein, or upon the failure of any party or any other
2 person or entity to make any statement, representation or disclosure of anything whatsoever. The
3 Parties have included this clause: (1) to preclude any claim that any party was in any way
4 fraudulently induced to execute this Consent Order; and (2) to preclude the introduction of parol
5 evidence to vary, interpret, supplement, or contradict the terms of this Consent Order.

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

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

18 19. Governing Law. This Consent Order will be governed by and construed in
19 accordance with California law. Each of the parties hereto consents to the jurisdiction of such court,
20 and hereby irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient
21 forum to the maintenance of such action or proceeding in such court.

22 20. Counterparts. This Consent Order may be executed in one or more separate
23 counterparts, each of which when so executed, shall be deemed an original. Such counterparts shall
24 together constitute a single document.

25 21. Effect Upon Future Proceedings. If EscrowQuick applies for any license, permit or
26 qualification under the Commissioner's current or future jurisdiction, or is the subject of any future
27 action by the Commissioner to enforce this Consent Order, then the subject matter hereof shall be
28 admitted for the purpose of such application(s) or enforcement proceeding(s).

1 22. Voluntary Agreement. EscrowQuick enters this Consent Order voluntarily and
2 without coercion and acknowledges that no promises, threats or assurances have been made by the
3 Commissioner or any officer, or agent thereof, about this Consent Order. The Parties each represent
4 and acknowledge that he, she or it is executing this Consent Order completely voluntarily and
5 without any duress or undue influence of any kind from any source.

6 23. Notice. Any notice required under this Consent Order shall be provided to each party
7 at the following addresses:

8 To EscrowQuick: EscrowQuick
9 Antoine T. Assali, President
10 16480 Harbor Boulevard, Suite 101
11 Fountain Valley, California 92708

12 To the Commissioner: Affi Eghbaldari, Counsel
13 Department of Business Oversight
14 1350 Front Street, #2034
15 San Diego, California 92101
16 Affi.Eghbaldari@dbo.ca.gov

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

19 25. Public Record. EscrowQuick acknowledges that this Consent Order is and will be a
20 matter of public record.

21 26. Effective Date. This Consent Order shall become final and effective when signed by
22 all parties and delivered by the Commissioner’s agent via e-mail to EscrowQuick’s counsel, Karel
23 Rocha at KRocha@pnbd.com.

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

MANUEL P. ALVAREZ
Commissioner of Business Oversight

Dated: November 14, 2019

By _____
Mary Ann Smith
Deputy Commissioner

ESCROWQUICK, INC.,

Dated: November 14, 2019

By _____
Antoine T. Assali
President of EscrowQuick, Inc.

APPROVED AS TO FORM AND CONTENT:

Karel Rocha, Esq.
PRENOVOST, NORMANDIN, BERGH & DAWE, A.P.C.
Counsel for EscrowQuick