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

12 In the Matter of:)
13 THE COMMISSIONER OF BUSINESS) ESCROW LICENSE NO: 9632371
14 OVERSIGHT,) SETTLEMENT AGREEMENT
15 Complainant,)
16 v.)
17 PARKFIELD ESCROW, INC.,)
18 Respondent.)
19

20 This Settlement Agreement is entered into between the Commissioner of Business Oversight
21 (Commissioner) and Parkfield Escrow, Inc., (Parkfield Escrow and collectively, the Parties), and is
22 made with respect to the following facts:

23 I.

24 Recitals

25 A. The Commissioner has jurisdiction over the licensing and regulation of persons and
26 entities licensed under the California Escrow Law (Escrow Law) (Fin. Code, § 17000 et seq.).¹

27 _____
28 ¹ All subsequent statutory references are to the Financial Code unless otherwise specified.

1 B. At all relevant times, Parkfield Escrow, Inc. (Parkfield) is, or was, an escrow agent
2 licensed by the Commissioner pursuant to the Escrow Law, with the license number 9632371.
3 Parkfield's principal place of business is located at 9220 Haven Avenue, Suite 120, Rancho
4 Cucamonga, California 91730.

5 C. Beginning about June 2012 to about February 2018, Parkfield maintained a branch
6 escrow agent license at its branch office located at 12631 East Imperial Highway, Suite A213, Santa
7 Fe Springs, California 90670, under the license no. 8631634 (Santa Fe Spring location). Parkfield
8 surrendered its branch license for the Santa Fe Spring location in about February 2018.

9 D. At all relevant times, Julian Lopez (Lopez) is, or was, the president of Parkfield.

10 E. Pursuant to section 17210, escrow agent licensees must, at all times, maintain
11 tangible net worth of at least \$50,000.00, including liquid assets of at least \$25,000.00 in excess of
12 current liabilities. In the case of a licensed branch office, additional tangible net worth is required,
13 and a licensee is required to maintain at a tangible net worth of at least \$75,000.00.

14 F. Section 17406 requires escrow agents to file an annual report with the Department of
15 Business Oversight (DBO) on or before 105th day after the end of the licensee's fiscal year.

16 G. Parkfield's annual audit reports and financial statements from April 30, 2013 through
17 April 30, 2017, showed liquid asset and tangible net worth deficiencies, in violation of Financial
18 Code section 17210.

19 H. Parkfield's annual audit report as of April 30, 2013, showed a liquid asset deficiency
20 of \$14,102.00, and a total net worth deficiency of 13,627.00.

21 I. Parkfield's annual audit report as of April 30, 2014, showed a liquid asset deficiency
22 of \$4,915.00, and a total net worth deficiency of \$16,118.00.

23 J. Parkfield's annual audit report as of April 30, 2015, showed a liquid asset deficiency
24 of \$26,460.00, and a total net worth deficiency of \$32,886.00.

25 K. Parkfield's annual audit report as of April 30, 2017, showed liquid asset deficiency of
26 \$43,299.00, and a total net worth deficiency of \$57,432.00.

27 L. Parkfield's annual audit report as of April 30, 2018, showed a liquid asset deficiency
28 of \$22,533.00, and a total net worth deficiency of \$13,005.00.

1 M. During April 2013 to April 2018, the Commissioner sent demand letters to Parkfield
2 informing it of its failure to meet the liquid asset and tangible net worth requirements and demanding
3 it comply with section 17210. Parkfield would bring itself into compliance with section 17210 only
4 after receiving the Commissioner's demand letters.

5 N. Based on Parkfield's consistent and repeated failure to comply with the minimum
6 financial requirements at all times as required in section 17210, on December 18, 2019, the
7 Commissioner issued an Accusation to Suspend Escrow Agent's License, along with a Statement of
8 Issues, and other supporting pleadings against Parkfield seeking to suspend Parkfield's escrow agent
9 license. (collectively, Accusation)

10 O. Parkfield timely filed a Notice of Defense and request for hearing on the Accusation
11 with the Commissioner on December 30, 2019, and the matter is currently set for a one-day hearing
12 on May 28, 2020, at 9:00 a.m., before the Office of Administrative Hearings, located at 320 West
13 Fourth Street, Suite 600, Los Angeles, California 90013.

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

16 II.

17 Terms and Conditions

18 1. Purpose. This Settlement Agreement resolves the issues before the Commissioner,
19 finding that Parkfield violated the Escrow Law, as set forth above in paragraphs A through O, in a
20 manner that avoids the expense of a hearing and other possible court proceedings, protects
21 consumers, is in the public interest, and is consistent with the purposes, policies, and provisions of
22 the applicable law under the Escrow Law.

23 2. Acknowledgment. Parkfield acknowledges that the Commissioner issued and served
24 it with the Accusation in which the Commissioner alleged Parkfield's annual audit reports and
25 financial statements from April 30, 2013 to April 30, 2018, showed liquid asset and tangible net
26 worth deficiencies, in violation of Financial Code section 17210, as set forth above.

27 3. Order to Discontinue Violations. Pursuant to Financial Code sections 17602 and
28 17604, Parkfield Escrow, Inc. is hereby ordered to immediately discontinue violations of the Escrow

1 Law, set forth herein. Parkfield Escrow, Inc. is hereby ordered to maintain, at all times, the required
2 liquid assets and tangible net worth mandated by Financial Code section 17210. This Order to
3 Discontinue Violations is final and effective from the Effective Date of this Settlement Agreement,
4 as defined in paragraph 27 (Effective Date).

5 4. Administrative Penalty. Parkfield shall pay an administrative penalty of \$2,000.00 no
6 later than 30 days after the effective date of this Settlement Agreement as defined in paragraph 27.
7 The penalty must be made payable in the form of a cashier's check or Automated Clearing House
8 deposit to the Department of Business Oversight and transmitted to the attention of Accounting –
9 Litigation, at the Department of Business Oversight, 1515 K Street, Suite 200, Sacramento,
10 California 95814. Notice of the payment must be concurrently sent to Uche Enenwali, Senior
11 Counsel, Department of Business Oversight, 320 West Fourth Street, Suite 750, Los Angeles,
12 California 90013.

13 5. Suspension Order. Parkfield Escrow, Inc. is hereby ordered suspended for 10
14 consecutive business days, as follows: May 11, 2020 through May 22, 2020, inclusive. During this
15 time, Parkfield Escrow, Inc. shall not accept any new escrow business, but may continue to process
16 existing and open escrows, in accordance with Financial Code section 17609. It is further ordered
17 that Parkfield Escrow, Inc. shall file with the Commissioner at close of business on May 8, 2020, a
18 list of all open escrows with escrow numbers and escrow party names along with a copy of the
19 signed escrow instructions and signed deposit receipt(s) for the last opened escrow. Open escrow, for
20 the purpose of this Settlement Agreement, means an escrow wherein the parties to such escrow have
21 already entered into a binding agreement and monies and/or escrow instructions have been submitted
22 to Parkfield regarding the transaction.

23 6. Quarterly Audited Financial Statements. Parkfield hereby agrees to engage (at its
24 own expense) a certified public accountant or certified accounting firm, or compliance auditing firm
25 (Auditor), subject to the approval of the Department. The Auditor shall conduct an audit of
26 Parkfield's books and financial records to ensure compliance with Financial Code section 17210,
27 subdivision (a), and to provide quarterly audit reports containing audited financial statements (Audit
28 Report), set forth as follows:

1 a. The first Audit Report shall cover all of Parkfield’s books and
2 financial records from May 1, 2020 through July 31, 2020 and shall be submitted to the
3 Commissioner no later than August 31, 2020.

4 b. The second Audit Report shall cover all of Parkfield’s books and
5 financial records from August 1, 2020 through October 31, 2020 and shall be submitted to the
6 Commissioner no later than November 30, 2020.

7 c. The third Audit Report shall cover all of Parkfield’s books and
8 financial records from November 1, 2020 through January 31, 2021 and shall be submitted to the
9 Commissioner no later than February 28, 2020.

10 d. The fourth Audit Report shall cover all of Parkfield’s books and
11 financial records from May 1, 2021 through July 31, 2021 and shall be submitted to the
12 Commissioner no later than August 31, 2021. The above Audit Reports shall be sent concurrently to
13 Uche L. Enenwali, Senior Counsel, Enforcement Division, by email at: uche.enenwali@dbo.ca.gov.

14 7. Waiver of Hearing Rights. Parkfield acknowledges the Commissioner is ready,
15 willing, and able to proceed with the filing of an administrative enforcement action on the charges
16 contained in this Settlement Agreement. Parkfield hereby waives the right to any hearings, and to
17 any reconsideration, appeal, or other right to review which may be afforded pursuant to the Escrow
18 Law, the California Administrative Procedure Act, the California Code of Civil Procedure, or any
19 other provision of law. Parkfield further expressly waives any requirement for the filing of an
20 enforcement action pursuant to Government Code section 11415.60, subdivision (b). By waiving
21 such rights, Parkfield effectively consents to this Settlement Agreement becoming final.

22 8. Full and Final Settlement. The Parties hereby acknowledge and agree that this
23 Settlement Agreement is intended to constitute a full, final, and complete resolution of the violations
24 described herein: failing to maintain the required liquid asset and tangible net worth at all times, and
25 that no further proceedings or actions will be brought by the Commissioner in connection with these
26 matters except under the Escrow Law, or any other provision of law, to enforce compliance with the
27 terms of this Settlement Agreement.

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1 9. Failure to Comply with Settlement Agreement. Parkfield agrees that if it fails to
2 comply with any of the terms of this Settlement Agreement or the Order to Discontinue Violations,
3 including but not limited to, failure to maintain, at all times, the required liquid assets and tangible
4 net worth pursuant to Financial Code section 17210, the Commissioner may, in addition to all other
5 available remedies it may invoke under the Escrow Law, summarily suspend or revoke Parkfield's
6 license. Parkfield waives any notice and hearing rights to contest such summary suspension or
7 revocation which may be afforded under the Escrow Law, the California Administrative Procedure
8 Act, the California Code of Civil Procedure, or any other provision of law in connection therewith.

9 10. Information Willfully Withheld or Misrepresented. This Settlement Agreement may
10 be revoked, and the Commissioner may pursue any and all remedies available under the law against
11 Parkfield if the Commissioner discovers that Parkfield knowingly or willfully withheld or
12 misrepresented information used for and relied upon in this Settlement Agreement.

13 11. Future Actions by Commissioner. If Parkfield fails to comply with any terms of this
14 Settlement Agreement or Order to Discontinue Violations, the Commissioner may institute
15 proceedings for any and all violations otherwise resolved under this Settlement Agreement. The
16 Commissioner reserves the right to bring any future actions against Parkfield, or any of its partners,
17 owners, officers, shareholders, directors, employees or successors for any and all unknown
18 violations of the Escrow Law.

19 12. Assisting Other Agencies. Nothing in this Settlement Agreement limits the
20 Commissioner's ability to assist any other government agency (city, county, state, or federal) with
21 any prosecution, administrative, civil, or criminal brought by that agency against Parkfield or any
22 other person based upon any of the activities alleged in this matter or otherwise.

23 13. No Presumption Against Drafting Party. The Parties acknowledge that each has had
24 the opportunity to draft, review, and edit the language of this Settlement Agreement. Accordingly,
25 the Parties intend that no presumption for or against the drafting party will apply in construing any
26 part of this Settlement Agreement. The Parties waive the benefit of Civil Code section 1654 as
27 amended or corresponding provisions of any successor statute, which provide that in cases of
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1 uncertainty, language of a contract should be interpreted most strongly against the party that caused
2 the uncertainty to exist.

3 14. Independent Legal Advice. The Parties represent, warrant, and agree that it has
4 received independent advice from its attorney(s) and/or representative(s) with respect to the
5 advisability of executing this Settlement Agreement.

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

9 16. Binding. This Settlement Agreement is binding on all heirs, assigns, and/or
10 successors in interest.

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

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

26 19. Full Integration. This Settlement Agreement is the final written expression and the
27 complete and exclusive statement of all the agreements, conditions, promises, representations, and
28 covenants between the Parties with respect to the subject matter hereof, and supersedes all prior or

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

4 20. Governing Law. This Settlement Agreement will be governed by and construed in
5 accordance with California law. The Parties hereto consent to the jurisdiction of such court, and
6 hereby irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient
7 forum to the maintenance of such action or proceeding in such court.

8 21. Counterparts. This Settlement Agreement may be executed in one or more separate
9 counterparts, each of which when so executed, shall be deemed an original. Such counterparts shall
10 together constitute a single document.

11 22. Effect Upon Future Proceedings. If Parkfield applies for any license, permit or
12 qualification under the Commissioner's current or future jurisdiction, or is the subject of any future
13 action by the Commissioner to enforce this Settlement Agreement, then the subject matter hereof
14 shall be admitted for the purpose of such application(s) or enforcement proceeding(s).

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

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

22 If to Respondent:

Julian Lopez
President, Parkfield Escrow, Inc.
9220 Haven Avenue, Suite 120, Rancho
Cucamonga, California 91730

25 If to the Commissioner:

Uche Enenwali, Senior Counsel
Department of Business Oversight
320 W. 4th Street, Suite 750
Los Angeles, California 90013-2344

1 25. Signatures. A fax or electronic mail signature shall be deemed the same as an original
2 signature.

3 26. Public Record. Sykes hereby acknowledges that this Settlement Agreement is and
4 will be a matter of public record.

5 27. Effective Date. This Settlement Agreement shall become final and effective when
6 signed by all parties and delivered by the Commissioner's agent via e-mail to Timothy S. Camarena,
7 Esq., attorney for Parkfield, at tim@relawapc.com.

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

11 IN WITNESS WHEREOF, the parties hereto have approved and executed the Settlement
12 Agreement on the dates set forth opposite their respective signatures.

13 Dated: May 8, 2020

MANUEL P. ALVAREZ
Commissioner of Business Oversight

By _____
MARY ANN SMITH
Deputy Commissioner
Enforcement Division

PARKFIELD ESCROW, INC.

21 Dated: May 7, 2020

By _____
JULIAN LOPEZ
President of Parkfield Escrow, Inc.
Respondent

24 APPROVED AS TO FORM

26 _____
27 TIMOTHY S. CAMARENA, ESQ.
RELAW, APC
28 Attorneys for Respondent