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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:	) OAH Case No.: 2019090130
12 THE COMMISSIONER OF BUSINESS	)
13 OVERSIGHT,	)
14 Complainant,	) SETTLEMENT AGREEMENT
15 v.	)
16 TERESA SCHIARETTI, AKA TERESA	)
17 SHAVER AND TAMMEY BAZINET.	)
18 Respondents.	)

19 This Settlement Agreement is entered into between the Commissioner of Business Oversight  
20 (Commissioner) and Tammy Bazinet (Bazinet) and Teresa Schiaretti, aka Teresa Shaver (Schiaretti)  
21 and is made with respect to the following facts:

22 **I.**

23 **Recitals**

24 A. Shamrock Escrow Services, Inc. (SES) is an escrow agent licensed by the  
25 Commissioner pursuant to the Escrow Law (Financial Code section 17000 et seq.) (Escrow Law),  
26 with its principal place of business at 280 North Benson Avenue, Suite 3, Upland, California 91786.

27 B. Bazinet and Schiaretti, were at all relevant times, escrow officers at SES in their  
28 branch located at 2700 East Foothill Boulevard, Pasadena, California 91105.

1 C. On or around December 6, 2018, the Commissioner commenced a special  
2 examination on the books and records of SES and the escrow transactions processed by Bazinet and  
3 Schiaretti. During the special examination, the Commissioner found Bazinet and Schiaretti made  
4 unauthorized disbursement of trust funds in violation of Financial Code section 17414 (a)(1) and  
5 California Code of Regulations, title 10, sections 1738 and 1738.2 by failing to follow escrow  
6 instructions and record the deed of trust before disbursing trust funds.

7 D. On or about July 8, 2019, the Commissioner issued a Notice of Intention to Issue  
8 Order Pursuant to Financial Code Section 17423 (Bar from Employment, Management, and Control  
9 of Any Escrow Agent) and Accusation and accompanying documents (Administrative Action) on  
10 Bazinet and Schiaretti.

11 E. Bazinet and Schiaretti timely requested a hearing on the Administrative Action and an  
12 administrative hearing is currently set for June 8-11, 2020 in the Office of Administrative Hearings.

13 F. It is the intention of Bazinet, Schiaretti and the Commissioner (the Parties) to resolve  
14 the Administrative Action without the necessity of a hearing

## 15 II.

### 16 Terms and Conditions

17 1. Purpose. This Settlement Agreement resolves the issues before the Commissioner in  
18 a manner that avoids the expense of a hearing and other possible court proceedings, protects  
19 consumers, is in the public interest, and is consistent with the purposes, policies, and provisions of  
20 the applicable law.

21 2. Order Suspending Bazinet and Schiaretti Pursuant to Financial Code Section 17423.

22 Bazinet and Schiaretti hereby agree to the issuance by the Commissioner of an order  
23 suspending Bazinet and Schiaretti from any position of employment, management or control of any  
24 escrow agent for a period of 6 months (Suspension Order). A copy of the Suspension Order is  
25 attached and incorporated as **Exhibit 1**. The effective date of the Suspension Order shall be the date  
26 of the signed Suspension Order.

27 3. Waiver of Hearing Rights. Bazinet and Schiaretti acknowledge the Commissioner is  
28 ready, willing, and able to proceed with the administrative enforcement action described in

1 Paragraph D and Bazinet and Schiaretti hereby waive the right to a hearing, and to any  
2 reconsideration, appeal, or other right to review which may be afforded pursuant to the Escrow Law,  
3 the California Administrative Procedure Act, the California Code of Civil Procedure, or any other  
4 provision of law; and by waiving such rights, Bazinet and Schiaretti effectively consents to this  
5 Settlement Agreement becoming final.

6 4. Monitoring Period. Bazinet and Schiaretti agree that for the 12 months immediately  
7 following the end of the Suspension Order, if the Department makes a finding that Bazinet and/or  
8 Schiaretti made unauthorized disbursement of trust funds in violation of Financial Code section  
9 17414, subdivision (a) and/or California Code of Regulations, title 10, sections 1738, subdivision (a)  
10 and 1738.2, the Commissioner may, in his discretion, within 10 days notice to Bazinet and/or  
11 Schiaretti and a reasonable opportunity for Bazinet and/or Schiaretti to present evidence satisfactory  
12 to the Commissioner that no violation has occurred, summarily suspend Bazinet and/or Schiaretti  
13 from any position of employment, management, or control of any escrow agent for a period of 12  
14 months. Bazinet and Schiaretti waive all hearing rights to contest the summary suspension initiated  
15 pursuant to this provision, which may be afforded under the Escrow Law, the California  
16 Administrative Procedure Act, the California Code of Civil Procedure, or any other provision of law  
17 in connection with these matters.

18 5. Continuing Education. Bazinet and Schiaretti agree to take 24 hours of continuing  
19 education within 12 months following full execution of this Settlement Agreement and submit proof  
20 of compliance to Johnny O. Vuong, Senior Counsel, Department of Business Oversight, at  
21 Johnny.Vuong@dbo.ca.gov within 30 days of completion of each course. Bazinet and Schiaretti  
22 agree to submit proposed continuing education classes to the Commissioner for approval prior to  
23 enrolling in the classes with attention to: Johnny O. Vuong, Senior Counsel, Department of Business  
24 Oversight, at Johnny.Vuong@dbo.ca.gov. Bazinet and Schiaretti agree that only classes approved  
25 by the Commissioner pursuant to this provision will satisfy the 24 hours of continuing education.  
26 Failure to fulfill the minimum hours of continuing education required under this Settlement  
27 Agreement or failure to submit the compliance report by the specified deadline shall be cause for the  
28 Commissioner to summarily suspend Bazinet and/or Schiaretti from any position of employment,

1 management, or control of any escrow agent until Bazinet and/or Schiaretti is in compliance. Bazinet  
2 and Schiaretti waive any notice and hearing rights to contest such summary suspensions which may  
3 be afforded under the Escrow Law, the California Administrative Procedure Act, the California Code  
4 of Civil Procedure, or any other provision of law in connection therewith.

5 6. Information Willfully Withheld or Misrepresented. This Settlement Agreement may  
6 be revoked, and the Commissioner may pursue any and all remedies available under the law against  
7 Bazinet and/or Schiaretti if the Commissioner discovers that Bazinet and/or Schiaretti knowingly or  
8 willfully withheld or misrepresented information used for and relied upon in this Settlement  
9 Agreement.

10 7. Future Actions by Commissioner. Notwithstanding Paragraphs 4 or 5, if Bazinet  
11 and/or Schiaretti fail to comply with any term of the Settlement Agreement, the Commissioner may  
12 institute proceedings for any and all violations otherwise resolved under this Settlement Agreement.  
13 The Commissioner reserves the right to bring any future actions against Bazinet and/or Schiaretti for  
14 any and all unknown violations of the Escrow Law.

15 8. Assisting Other Agencies. Nothing in this Settlement Agreement limits the  
16 Commissioner’s ability to assist any other government agency (city, county, state, or federal) with  
17 any prosecution, administrative, civil or criminal brought by that agency against Bazinet and/or  
18 Schiaretti or any other person based upon any of the activities alleged in this matter or otherwise.

19 9. Headings. The headings to the paragraphs of this Settlement Agreement are inserted  
20 for convenience only and will not be deemed a part hereof or affect the construction or  
21 interpretation of the provisions hereof.

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

24 11. Reliance. Each of the Parties represents, warrants, and agrees that in executing this  
25 Settlement Agreement it has relied solely on the statements set forth herein and the advice of its  
26 own counsel. Each of the Parties further represents, warrants, and agrees that in executing this  
27 Settlement Agreement it has placed no reliance on any statement, representation, or promise of any  
28 other Party, or any other person or entity not expressly set forth herein, or upon the failure of any

1 Party or any other person or entity to make any statement, representation or disclosure of anything  
2 whatsoever. The Parties have included this clause: (1) to preclude any claim that any Party was in  
3 any way fraudulently induced to execute this Settlement Agreement; and (2) to preclude the  
4 introduction of parol evidence to vary, interpret, supplement, or contradict the terms of this  
5 Settlement Agreement.

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

12 13. Full Integration. This Settlement Agreement is the final written expression and the  
13 complete and exclusive statement of all the agreements, conditions, promises, representations, and  
14 covenant 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 14. Governing Law. This Settlement Agreement will be governed by and construed in  
19 accordance with California law. Each of the Parties hereto consents to the jurisdiction of such  
20 court, and hereby irrevocably waives, to the fullest extent permitted by law, the defense of an  
21 inconvenient forum to the maintenance of such action or proceeding in such court.

22 15. Counterparts. This Settlement Agreement 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 16. Effect Upon Future Proceedings. If either Bazinet or Schiaretti apply for approval as  
26 a manager under Financial Code section 17200.8, or for any license, permit, or qualification under  
27 the Commissioner's current or future jurisdiction, or are the subject of any future action by the  
28 Commissioner to enforce this Settlement Agreement, then the subject matter hereof shall be

1 admitted for the purpose of such application(s) or enforcement proceeding(s). Provided, however,  
2 that the fact of the existence of this Settlement Agreement and Suspension Order shall not, in and of  
3 itself, be the basis for the denial of any such application so long as Bazinet and/or Schiaretti are and  
4 have been in compliance with the terms of this Settlement Agreement.

5 17. Voluntary Agreement. Bazinet and Schiaretti enter into this Settlement Agreement  
6 voluntarily and without coercion and acknowledges that no promises, threats or assurances have  
7 been made by the Commissioner or any officer, or agent thereof, about this Settlement Agreement.  
8 The Parties each represent and acknowledge that he, she or it is executing this Settlement  
9 Agreement completely voluntarily and without any duress or undue influence of any kind from any  
10 source.

11 18. Notice. Any notice required under this Settlement Agreement shall be provided to  
12 each Party at the following addresses:

13 To Bazinet: Karel Rocha, Esq., Counsel for Tammy Bazinet  
14 KRocha@pnbd.com

15 To Schiaretti: Matthew Davis, Esq., Counsel for Teresa Schiaretti, aka  
16 Teresa Shaver  
mdavis@ddesq.com

17 To the Commissioner: Johnny Vuong, Senior Counsel  
18 Department of Business Oversight  
19 Johnny.Vuong@dbo.ca.gov

20 19. Signatures. This Settlement Agreement may be executed by facsimile or scanned  
21 signature, and any such facsimile or scanned signature by any Party hereto shall be deemed to be an  
22 original signature and shall be binding on such Party to the same extent as if such facsimile or  
23 scanned signature were an original signature.

24 20. Public Record. Bazinet and Schiaretti acknowledge that this Settlement Agreement  
25 is and will be a matter of public record.

26 21. Effective Date. This Settlement Agreement shall become final and effective when  
27 signed by all Parties and delivered by the Commissioner’s agent via e-mail to Bazinet counsel,  
28 Karel Rocha at KRocha@pnbd.com and Schiaretti’s counsel, Matthew Davis at  
mdavis@ddesq.com.

1           22.    Authority to Sign. Each signatory hereto covenants that he/she possesses all  
2 necessary capacity and authority to sign and enter into this Settlement Agreement and undertake the  
3 obligations set forth herein.

4  
5 Dated: May, 4, 2020

MANUEL P. ALVAREZ  
Commissioner of Business Oversight

6  
7 By: \_\_\_\_\_  
8       MARY ANN SMITH  
9       Deputy Commissioner

10 Dated: May 1, 2020

TAMMEY BAZINET

11  
12 By: \_\_\_\_\_  
13       TAMMEY BAZINET

14 Dated: April 30, 2020

TERESA SCHIARETTI, AKA TERESA SHAVER

15  
16 By: \_\_\_\_\_  
17       TERESA SCHIARETTI, AKA TERESA SHAVER  
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