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8 Attorneys for Complainant

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

11 In the Matter of:) OAH NO. 2019051148
12)
13 THE COMMISSIONER OF BUSINESS)
OVERSIGHT,)
14) Complainant,)
15) v.) SETTLEMENT AGREEMENT
16)
17) STEPHANIE ANN JORDAN)
18) Respondent.)
19)
20 _____)

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22 This Settlement Agreement (Settlement Agreement) is entered into between the
23 Commissioner of Business Oversight (Commissioner) and Stephanie Ann Jordan (Jordan) and is
24 made with respect to the following facts:

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I.

Recitals

A. The Commissioner has jurisdiction over the licensing and regulation of persons and entities engaged in the business of receiving escrows for deposit or delivery under the Escrow Law (Fin. Code, § 17000 et seq.) (Escrow Law). The Commissioner is authorized to administer and enforce the Escrow Law and the rules and regulations promulgated in title 10 of the California Code of Regulations (CCR).

B. At all relevant times, Bayside Escrow, Inc. (Bayside) was an escrow agent licensed by the Commissioner pursuant to the Escrow Law, with its principal place of business at 14101 Yorba Street, Suite #203, Tustin, California 92780.

C. At all relevant times, Stephanie Ann Jordan (Jordan) was escrow manager, escrow officer, and stockholder at Bayside.

D. On or about April 2, 2019, the Commissioner commenced a special examination of Bayside. A review of Bayside’s escrow books and records revealed that Jordan made unauthorized disbursement of trust funds in violation of Financial Code section 17414, subdivision (a)(1) and California Code of Regulations, title 10, section 1738 and made misrepresentations of materials fact in escrow records in violation of Financial Code section 17414, subdivision (a)(2).

E. On or about May 6, 2019, the Commissioner issued an Accusation, Notice of Intention to Issue Order Pursuant to Financial Code Section 17423 and other supporting pleadings (Bar Action) against Jordan for making unauthorized disbursement of trust funds in violation of Financial Code section 17414, subdivision (a)(1) and California Code of Regulations, title 10, section 1738 and falsifying escrow documents and escrow records, pursuant to Financial Code section 17414, subdivision (a)(2) and served the Bar Action on Jordan.

F. Jordan timely requested a hearing on the Bar Action and an administrative hearing is currently set for June 22-25, 2020 at the Office of Administrative Hearings.

G. The Commissioner and Jordan find that entering into this Settlement Agreement is in the public interest and consistent with the purposes and fairly intended by the policies and provisions of the Escrow Law.

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

3 II.

4 **Terms and Conditions**

5 1. **Purpose.** This Settlement Agreement resolves the issues of the Bar Action in a
6 manner that avoids the expense of a hearing and other possible court proceedings, protects
7 consumers, is in the public interest, and is consistent with the purposes and provisions of the Escrow
8 Law.

9 2. **Order Barring Stephanie Ann Jordan Pursuant to Financial Code section 17423.**
10 Jordan hereby agrees to the issuance by the Commissioner of an order barring Jordan from
11 any position of employment, management, or control of any escrow agent (Bar Order). A copy of
12 the Bar Order is attached and incorporated as **Exhibit 1**. The effective date of the Bar Order shall be
13 September 30, 2020.

14 3. **Restrictions on Jordan’s Activities.** From the effective date of this Settlement
15 Agreement as set forth in Paragraph 22 until September 30, 2020, Jordan agrees to continue to
16 comply with Financial Code section 17423 and not process any escrow instructions or make any
17 disbursement of trust funds at Bayside or any other escrow agent.

18 4. **Sale of Bayside Escrow, Inc. Shares.** The Commissioner agrees that Jordan shall have
19 until September 30, 2020, to complete her application for sale of her shares in Bayside. The
20 Commissioner reserves its rights pursuant to the Escrow Law to approve all applications for change
21 in ownership. The Commissioner agrees to not unreasonably delay approval of an application by
22 Jordan to sell her shares in Bayside.

23 5. **Waiver of Hearing Rights.** Jordan acknowledges that the Commissioner is ready,
24 willing, and able to proceed with the administrative enforcement action described in Paragraph E
25 and Jordan hereby waives the right to a hearing, and to any reconsideration, appeal, or other right to
26 review in connection with the Bar Order, which may be afforded pursuant to the Escrow Law, the
27 California Administrative Procedure Act, the California Code of Civil Procedure, or any other
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1 provision of law; and by waiving such rights, Jordan effectively consents to this Settlement
2 Agreement becoming final.

3 6. Failure to Comply With Settlement Agreement. Jordan agrees that if she fails to
4 comply with any terms of the Settlement Agreement, the Commissioner may summarily bar Jordan
5 from any position of employment, management, and control of any escrow agent under the Escrow
6 Law and Jordan waives any notice and hearing rights to contest such summary bar which may be
7 afforded under the Escrow Law, the California Administrative Procedure Act, the California Code of
8 Civil Procedure, or any other provision of law in connection therewith.

9 7. 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 Jordan if the Commissioner discovers that Jordan knowingly or willfully withheld information used
12 for and relied upon in this Settlement Agreement.

13 8. Future Actions by Commissioner. If Jordan fails to comply with any terms of the
14 Settlement Agreement, the Commissioner may institute proceedings for any and all violations
15 otherwise resolved under this Settlement Agreement. The Commissioner reserves the right to bring
16 any future actions against Jordan for any and all unknown violations of the Escrow Law.

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

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

24 11. Binding. This Settlement Agreement is binding on all heirs, assigns, and/or
25 successors in interest.

26 12. Reliance. Each of the parties represents, warrants, and agrees that in executing this
27 Settlement Agreement it has relied solely on the statements set forth herein and the advice of its own
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1 counsel. Each of the parties further represents, warrants, and agrees that in executing this Settlement
2 Agreement it has placed no reliance on any statement, representation, or promise of any other party,
3 or any other person or entity not expressly set forth herein, or upon the failure of any party or any
4 other person or entity to make any statement, representation or disclosure of anything whatsoever.

5 The parties have included this clause: (1) to preclude any claim that any party was in any way
6 fraudulently induced to execute this Settlement Agreement; and (2) to preclude the introduction of
7 parol evidence to vary, interpret, supplement, or contradict the terms of this Settlement Agreement.

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

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

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

24 16. Counterparts. This Settlement Agreement may be executed in one or more separate
25 counterparts, each of which when so executed, shall be deemed an original. Such counterparts shall
26 together constitute a single document.

27 17. Effect Upon Future Proceedings. If Jordan applies for any license, permit or
28 qualification under the Commissioner's current or future jurisdiction, or is the subject of any future

1 action by the Commissioner to enforce this Settlement Agreement, then the subject matter hereof
2 shall be admitted for the purpose of such application(s) or enforcement proceeding(s).

3 18. Voluntary Agreement. Jordan enters into this Settlement Agreement voluntarily and
4 without coercion and acknowledges that no promises, threats or assurances have been made by the
5 Commissioner or any officer, or agent thereof, about this Settlement Agreement. The parties each
6 represent and acknowledge that he, she or it is executing this Settlement Agreement completely
7 voluntarily and without any duress or undue influence of any kind from any source.

8 19. Notice. Any notice required under this Settlement Agreement is to be provided to
9 each party at the following addresses:

10 To Jordan: Benjamin Berger, Esq., Berger Harrison, APC, at:
11 bb@bergerharrison.com

12 To the Commissioner: Johnny Vuong, Department of Business Oversight at:
13 Johnny.Vuong@dbo.ca.gov.

14 20. Signatures. A fax or electronic mail signature shall be deemed the same as an
15 original signature.

16 21. Public Record. Jordan hereby acknowledges that this Settlement Agreement is and
17 will be a matter of public record.

18 22. Effective Date. This Settlement Agreement shall become final and effective when
19 signed by all parties and delivered by the Commissioner’s counsel via e-mail to Benjamin Berger,
20 Esq. at: bb@bergerharrison.com.

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

Dated: June 19, 2020

MANUEL P. ALVAREZ
Commissioner of Business Oversight

By _____
MARY ANN SMITH
Deputy Commissioner
Enforcement Division

Dated: June 19, 2020

STEPHANIE ANN JORDAN

By _____
Stephanie Ann Jordan