

1 CLOTHILDE V. HEWLETT
Commissioner
2 MARY ANN SMITH
Deputy Commissioner
3 SEAN ROONEY
Assistant Chief Counsel
4 MARLOU de LUNA (State Bar No. 162259)
Senior Counsel
5 Department of Financial Protection and Innovation
6 320 W. 4th Street, Suite 750
7 Los Angeles, CA 90013-2344
8 (213) 503-3360
9 Attorneys for Complainant

10 BEFORE THE DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION
11 OF THE STATE OF CALIFORNIA
12

13 In the Matter of:) ESCROW LICENSE NO.: 963-1721
14)
15 THE COMMISSIONER OF FINANCIAL)
PROTECTION AND INNOVATION,)
16)
17 Complainant,) SETTLEMENT AGREEMENT
18 v.)
19)
20 TEAM ESCROW, INC.,)
21 Respondent.)
22)
23 _____

24 This Settlement Agreement is entered into between the Commissioner of Financial Protection
25 and Innovation (Commissioner) and Team Escrow, Inc. (Team Escrow) (collectively, the Parties),
26 and is made with respect to the following facts:

27 ///

28 ///

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

I.
RECITALS

A. The Department of Financial Protection and Innovation (Department) through the Commissioner has jurisdiction over the licensing and regulation of persons and entities engaged in the business of escrow agents pursuant to the Escrow Law (Financial Code, section 17000, et seq.) (Escrow Law).

B. Team Escrow, Inc. (Team Escrow) is a California corporation with its principal place of business located at 6025 Beach Boulevard, Buena Park, California.

C. Candie Choi is the president and owner of Team Escrow, and is authorized to enter into this Settlement Agreement on behalf of Team Escrow.

D. On or about July 2, 2020, the Commissioner commenced a regulatory examination of the books and records of Team Escrow covering the period of July 1, 2019 to July 2, 2020 (2020 Examination).

E. On November 3, 2020, Team Escrow discovered that Judy Lee (Lee), a long-time employee of Team Escrow and a signatory on its trust account, had disbursed, without authorization, approximately \$2,000,000.00 from Team Escrow’s trust account. All funds taken from the trust account had been transferred to a Wells Fargo bank account belonging to Lee but has since been closed. On that same day Team Escrow filed a police report resulting in Lee’s arrest on November 4, 2020.

F. On November 4, 2020, Team Escrow reported Lee’s embezzlement to the Department.

G. The 2020 Examination found that Lee misappropriated, through unauthorized disbursements or transfers, approximately \$3,300,000.00 from the trust account, as fully discussed in the Amended Accusation, paragraphs 14 through 54 .

H. Lee’s unauthorized disbursements or transfers, as discussed in the Amended Accusation, paragraphs 14 through 54, created a shortage in Team Escrow’s trust account at various times. Between November 6th and December 15, 2018, Team Escrow replaced all funds taken by Lee to the trust account as discussed in the Amended Accusation, paragraphs 17, 22, 27, 34, 37. Team Escrow’s replacement of funds prevented any injury to the public.

1 I. On or about June 16, 2021, the Commissioner issued a Notice of Intention to Issue
2 Orders: 1) Suspending Escrow Agent License of Team Escrow, Inc. Pursuant to Financial Code
3 Section 17608; and 2) Barring Ju Hee Lee a.k.a. Judy Lee from Any Position of Employment,
4 Management, or Control of Any Escrow Agent Pursuant to Financial Code Section 17423,
5 Accusation and accompanying documents (Administrative Pleadings). Subsequently, an amended
6 accusation (Amended Accusation) was issued on July 13, 2021.

7 J. Team Escrow timely filed its Notice of Defense regarding the Amended Accusation
8 and requested a hearing before the Office of Administrative Hearings.

9 K. It is the intention of Team Escrow and the Commissioner (the Parties) to resolve the
10 Findings without the necessity of a hearing.

11 L. The Commissioner finds that entering into this Settlement Agreement is in the public
12 interest and consistent with the purposes fairly intended by the policy and provisions of the Escrow
13 Law.

14 NOW, THEREFORE, in consideration of the foregoing, and the terms and conditions
15 contained herein, the Parties agree as follows:

16 **II**

17 **TERMS AND CONDITIONS**

18 1. Purpose. This Settlement Agreement resolves the issues before the Commissioner in a
19 manner that avoid the expense and uncertainty of a hearing or other possible litigation, protects
20 consumers, is in the public interest, and is consistent with the purpose, policies, and provisions of the
21 applicable law.

22 2. Compliance with Policies and Procedures. No later than 30 days after the effective date
23 of this Settlement Agreement as defined in Paragraph 25 (Effective Date), Team Escrow shall
24 implement certain policies, and procedures for handling its trust funds reviewed and approved by the
25 Commissioner. Team Escrow shall comply with these policies and procedures unless it receives
26 written approval from the Commissioner to do otherwise.

27 ///

28 ///

1 3. Administrative Penalties. Team Escrow shall pay an administrative penalty to the
2 Commissioner in the amount of \$5,000.00 within ten days of the Effective Date of this Settlement
3 Agreement. Team Escrow shall pay in accordance with Paragraph 5.

4 4 Waiver of Hearing Rights. Team Escrow acknowledges that the Commissioner is
5 ready, willing, and able to proceed with the administrative enforcement action described above in
6 Paragraphs D through H. Team Escrow hereby waives the right to any hearings and to any
7 reconsideration, appeal, or other right to review which may be afforded by the Escrow Law, the
8 California Administrative Procedure Act (APA), the California Code of Civil Procedure (CCP), or
9 any other provision of law. By waiving such rights, Team Escrow effectively consents to this
10 Settlement Agreement becoming final.

11 5. Payment of Fees and Penalties. Team Escrow shall pay fees and penalties by
12 automated Clearing House deposit or cashier’s check to the Department of Financial Protection and
13 Innovation and transmitted to the attention of Accounting – Accounting, at the Department of
14 Financial Protection and Innovation, 2101 Arena Blvd, Sacramento, California 95834. Notice of
15 payments must be simultaneously sent to Marlou de Luna, Senior Counsel, 320 West 4th Street, Suite
16 750, Los Angeles, California 90013.

17 6. Full and Final Settlement. The Parties hereby acknowledge and agree that this
18 Settlement Agreement is intended to constitute a full, final, and complete resolution of the Findings
19 described herein. No further proceedings or actions will be brought by the Commissioner in
20 connection with the Findings in this matter, subject to the exceptions set forth in paragraph 7 below.

21 7. Exceptions to Full and Final Settlement. Nothing in paragraph 6 above or anything
22 else in this Settlement Agreement shall be construed to prohibit or restrict or preclude the
23 Commissioner from taking any of the following actions:

- 24 a) Bringing a proceeding to enforce compliance with the terms of this Settlement Agreement;
- 25 b) Bringing a proceeding based upon discovery of violations of the Escrow Law occurring
26 after the effective date of this Settlement Agreement;
- 27 c) Bringing a proceeding based upon discovery of violations of the Escrow Law which do not
28 form the basis for this Settlement Agreement; or

1 d) Bringing a proceeding based upon discovery of violations of the Escrow Law which Team
2 Escrow knowingly concealed from the Commissioner.

3 8. Failure to Comply with Settlement. Team Escrow agrees that if it fails to comply with
4 the terms of this Settlement Agreement, the Commissioner may, in addition to all other remedies it
5 may invoke under the Escrow Law, summarily suspend or revoke the escrow license of Team Escrow
6 until Team Escrow is in compliance, subject to the Opportunity to Cure provision in paragraph9,
7 below. Team Escrow waives any notice and hearing rights to contest such suspensions or revocations
8 which may be afforded under the Escrow Law, the Administrative Procedure Act, including
9 Government Code section 11415.60, subdivision (b); Code of Civil Procedure; or any other provision
10 of law to contest the summary suspension.

11 9. Opportunity to Cure. In the event Team Escrow fails to maintain, departs, changes, or
12 expands the certain policies and procedures for handling its trust funds, approved by the
13 Commissioner herein, the Commissioner, in her sole discretion, may give Team Escrow written
14 notice of such breach (Notice) and the opportunity to cure the breach (Cure). The Cure must be
15 completed to the satisfaction of the Commissioner within five (5) business days after the day the
16 Notice has been sent to Team Escrow, with a copy of the Notice sent via email to Team Escrow’s
17 counsel, Matthew Davis at mdavis@ddesq.com, unless another date for receipt of Cure is agreed to in
18 writing by the Commissioner. Proof of Cure, satisfactory to the Commissioner, shall be sent to
19 Commissioner pursuant to the Notice provision at paragraph 26 below.

20 10. Information Willfully Withheld or Misrepresented. This Settlement Agreement may
21 be rescinded, and the Commissioner may pursue any and all remedies available under law against
22 Team Escrow if the Commissioner discovers that Team Escrow knowingly or willfully withheld or
23 misrepresented information used for and relied upon in this Settlement Agreement.

24 11. Future Actions by Commissioner. If Team Escrow fails to comply with any terms of
25 this Settlement Agreement, the Commissioner may take any action authorized under law to enforce
26 the Settlement Agreement. Except as provided in paragraph 6, the Commissioner reserves the right to
27 bring any future action against Team Escrow, for all violations of the Escrow Law.

28 12. Assisting Other Agencies. Nothing in this Settlement Agreement limits the

1 Commissioner’s ability to assist any other governmental agency (city, county, state, or federal) with
2 any administrative, civil, or criminal prosecution brought by that agency against Team Escrow or any
3 other person based upon any of the acts, omissions, or events described in this Settlement
4 Agreement.

5 13. Independent Legal Advice. Each of the parties represents, warrants, and agrees that in
6 executing this Settlement Agreement it has relied solely on the statements set forth herein and on the
7 advice of its attorney(s) and/or representative(s).

8 14. Reliance Each of the parties represents, warrants, and agrees that in executing this
9 Settlement Agreement it has placed no reliance on any statement, representation or disclosure of
10 anything whatsoever. The Parties have included this clause: (1) to preclude any claim that any party
11 was in any way fraudulently induced to execute this Settlement Agreement; and (2) to preclude the
12 introduction of parol evidence to vary, interpret, supplement, or contradict the terms of this
13 Settlement Agreement.

14 15. 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 between
18 and among the parties, their respective representatives, and any other person or entity, with respect to
19 the subject matter covered hereby.

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

27 17. Waiver, Amendments, and Modifications. No waiver, amendment, or modification of
28 this Settlement Agreement will be valid or binding unless it is in writing and signed by each of the

1 parties. The waiver of any provision of this Settlement Agreement will not be deemed a waiver of any
2 other provision. No waiver by either party of any breach of, or of compliance with, any condition or
3 provision of this Settlement Agreement by the other party will be considered a waiver of any other
4 condition or provision or of the same condition or provision at another time.

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

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

12 20. Authority to Sign. Each signatory hereto represents that the person signing this
13 Settlement Agreement possesses all necessary capacity and authority to sign and enter into this
14 Settlement Agreement and undertake the obligations set forth herein.

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

20 22. Public Record. Team Escrow acknowledges that this Settlement Agreement is a
21 matter of public record.

22 23. 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 24. Signatures. This Settlement Agreement may be executed by facsimile, scanned, or
26 digital signature, and any such signature by any Party hereto shall be deemed to be an original
27 signature and shall be bind on such Party to the same extend as if such facsimile, scanned or digital
28 signature were an original signature.

1 Dated: April 18, 2023

CLOTHILDE V. HEWLETT
Commissioner of Financial Protection and Innovation



2
3
4 By _____
5 MARY ANN SMITH
6 Deputy Commissioner
7 Enforcement Division

8 Dated: April 17, 2023

TEAM ESCROW, INC.

9
10 By _____
11 CANDIE CHOI
12 President of Team Escrow, Inc.

13 APPROVED AS TO FORM:

14
15 By: _____
16 Matthew S. Davis, Esq.
17 Davis & Davis Law Group, APC
18 Counsel for Respondent Team Escrow, Inc.
19
20
21
22
23
24
25
26
27
28