PRESTON DUFAUCHARD
California Corporations Commissioner
ALAN S. WEINGER
Deputy Commissioner
AFSANEH EGHBALDARI (BAR NO. 250107)
Corporations Counsel
1350 Front Street, Room 2034
San Diego, California 92101
Telephone: (619) 645-3166

Attorneys for Complainant

BEFORE THE DEPARTMENT OF CORPORATIONS

OF THE STATE OF CALIFORNIA

THE CALIFORNIA CORPORATIONS COMMISSIONER, Complainant, v. Q & S ESCROW, INC., Respondent.	File No.: 963-1818 **SETTLEMENT AGREEMENT**

This Settlement Agreement ("Agreement") is entered into by and between the California Corporations Commissioner ("Commissioner") and Respondent, Q & S Escrow, Inc. ("Respondent") and is made with respect to the following facts:

RECITALS

A. Respondent currently holds an escrow agent's license number 963-1818 pursuant to the Escrow Law of the State of California (California Financial Code Section 17000 et seq.).

B. Respondent had its licensed place of business at 13400 Sabre Springs Parkway, Suite 170, San Diego, CA 92128.

State of California - Department of Corporations

C. Jonathan Alvinito, the sole shareholder and president of Respondent, is authorized to enter into this Agreement on behalf of Respondent.

D. The Commissioner discovered that Respondent's surety bond had expired as of October 13, 2010.

E. On October 14, 2010, an attempt to serve the Order to Discontinue Escrow Activities, for failure to provide proof of bond replacement or reinstatement, at Respondent's licensed location revealed that Respondent had vacated its licensed location without obtaining prior approval or notifying the Commissioner of a possible new location or the location of its books and records, in violation of California Financial Code section 17213.1 and California Code of Regulations, title 10, section 1730.

F. Subsequently, Respondent provided the Commissioner with proof of bond replacement or reinstatement. On February 17, 2011, the Commissioner issued and served upon Respondent an Order Setting Aside Order to Discontinue Escrow Activities.

G. It is the intention and desire of the Parties to resolve these matters without the necessity of a hearing and or other litigation.

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

TERMS AND CONDITIONS

1. **Purpose.** The purpose of this Agreement is to expeditiously resolve the Order Imposing Penalties, and to avoid the expense of a hearing, and possible further court proceedings.

2. **Admissions**. Respondent hereby admits the facts contained in the Recital and Order Imposing Penalties solely for the limited purposes of this Agreement and any future proceeding(s) that may be initiated by or brought before the Commissioner against Respondent. It is the intent and understanding between the Parties that this Agreement and particularly the admissions of Respondent herein, shall not be binding or admissible against Respondent in any action by third parties.

3. **Administrative Penalty**. Respondent hereby agrees to the issuance of an Order Imposing Penalties ("ORDER"), pursuant to California Financial Code section 17213.2. A copy of the

State of California - Department of Corporations

ORDER is attached as Exhibit A. Further, Respondent hereby agrees to pay to the Commissioner a sum of $1,220.00 within thirty (30) days of the execution of this Agreement. The administrative penalty payment amount of $1,220.00 shall be delivered to the California Department of Corporations within thirty (30) days from the date this Agreement is signed and executed by the Parties. Further, the administrative penalty payment amount shall be payable to the California Department of Corporations and delivered to the San Diego Office to the attention of Afsaneh Eghbaldari.

4. **Waiver of Hearing Rights**. Respondent hereby acknowledges its right to an administrative hearing in connection with the ORDER and hereby waives its right to a hearing, and to any reconsideration, appeal, or other right to review which may be afforded pursuant to the Escrow Law, the California Administrative Procedure Act ("APA"), the California Code of Civil Procedure, or any other provision of law, and by waiving such rights, consents to this Agreement becoming final.

5. **Failure to Comply with the Agreement**. Respondent hereby acknowledges and agrees that its failure to comply with the terms of this Agreement will be a breach of this Agreement and shall result in an automatic revocation of its escrow agent's license (License Number 963-1818). Respondent waives any notice and hearing rights to contest such revocation.

6. **Settlement Agreement Coverage**. The Parties hereby acknowledge and agree that this Agreement is intended to constitute a full, final and complete resolution of the ORDER only. The Parties further acknowledge and agree that nothing contained in this Agreement shall operate to limit the Commissioner's ability to assist any other agencies with any prosecution, administrative, civil or criminal, brought by any such agency against Respondent based upon any of the activities alleged in this matter or otherwise.

7. **Independent Legal Advice**. Each of the Parties represents, warrants, and agrees that it has received or been advised to seek independent legal advice from his or her attorneys with respect to the advisability of executing this Agreement.

8. **Reliance.** Each of the Parties represents, warrants, and agrees that in executing this Agreement it has relied solely on the statements set forth herein and the advice of its own counsel and has placed no reliance on any statement, representation, or promise of any other party, or any other

State of California - Department of Corporations

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

9. **Full Integration**. This Agreement, including the attached ORDER, is the final written expression and the complete and exclusive statement of all the agreements, conditions, promises, representations, and covenants between the Parties with respect to the subject matter hereof, and supersedes all prior or contemporaneous agreements, negotiations, representations, understandings, and discussions between and among the Parties, their respective representatives, and any other person or entity with respect to the subject matters covered hereby.

10. **No Presumption From Drafting**. In that the Parties have had the opportunity to draft, review and edit the language of this Agreement, no presumption for or against any party arising out of drafting all or any part of this Agreement will be applied in any action relating to, connected, to, or involving this Agreement. Accordingly, the Parties waive the benefit of California Civil Code section 1654 and any successor or amended statute, providing that in cases of uncertainty, language of a contract should be interpreted most strongly against the party who caused the uncertainty to exist.

11. **Effective Date**. This Agreement shall not become effective until signed by all Parties and delivered by all Parties.

12. **Counterparts**. This Agreement may be executed in one or more counterparts, each of which shall be an original but all of which, together, shall be deemed to constitute a single document.

13. **Modifications and Qualified Integration**. No amendment, change or modification of this Agreement shall be valid or binding to any extent unless it is in writing and signed by all of the Parties affected by it.

14. **Headings and Governing Law**. The headings to the paragraphs of this Agreement are inserted for convenience only and will not be deemed a part hereof or affect the construction or interpretation of the provisions hereof.

State of California - Department of Corporations

15. **Authority For Settlement**. Each signator hereto warrants and represents that he or she possesses all necessary capacity and the authority to sign and execute this Agreement.

16. **Notices**. Any notices required under this Agreement shall be provided to each party at the following addresses:

If to Respondent to: Rose Pothier, Esq., Pothier and Associates
2122 N. Broadway, Santa Ana, CA 92706

If to the Commissioner to: Afsaneh Eghbaldari, Esq., Corporations Counsel
California Department of Corporations
1350 Front St, Room 2034. San Diego, CA 92101

17. **Voluntary Agreement**. The Parties each represent and acknowledge that he, she or it is executing this Agreement completely voluntarily and without any duress or undue influence of any kind from any source.

PRESTON DuFAUCHARD
California Corporations Commissioner

Dated: ___4/27/2011_____ By_____
Alan S. Weinger
Deputy Commissioner

Q & S ESCROW, INC.

Dated: _____4/25/2011_____ By_____
Jonathan Alvinito, sole Shareholder and President, on behalf of Q & S Escrow, Inc.

APPROVED AS TO FORM:

By_____4/26/2011_____
Rose Pothier, Esq.
Attorneys for Q & S Escrow, Inc.

State of California - Department of Corporations