

1 MARY ANN SMITH  
Deputy Commissioner  
2 SEAN M. ROONEY  
Assistant Chief Counsel  
3 JUDY L. HARTLEY (CA BAR NO. 110628)  
Senior Corporations Counsel  
4 Department of Business Oversight  
320 West 4<sup>th</sup> Street, Ste. 750  
5 Los Angeles, California 90013-2344  
Telephone: (213) 576-7604 Fax: (213) 576-7181

6 Attorneys for Complainant  
7

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

11 In the Matter of the Accusation of THE	)	OAH Case No. 2014030973
12 COMMISSIONER OF BUSINESS	)	File No. 963-2160
13 OVERSIGHT,	)	
14 Complainant,	)	SETTLEMENT AGREEMENT
15 vs.	)	TRIAL DATE: November 24 & 25, 2014
16 ALL COMMUNITIES ESCROW SERVICE,	)	ASSIGNED TO:
17 INC.	)	
18 Respondent.	)	

19  
20 This Settlement Agreement is entered into between Respondent All Communities Escrow  
21 Service, Inc. ("All Communities") and Complainant the Commissioner of Business Oversight  
22 ("Commissioner") on the other hand, and is made with respect to the following facts:

23 RECITALS

24 A. All Communities is a corporation in good standing, duly formed and existing  
25 pursuant to the laws of the State of California, and authorized to conduct business in the State of  
26 California.

27 B. All Communities is an escrow agent licensed by the Commissioner pursuant to the  
28 Escrow Law of the State of California (California Financial Code § 17000 et seq.). All Communities

1 has its principal place of business located at 5207 Rosemead Boulevard, Suite 105, Pico Rivera,  
2 California 90660.

3 C. On January 29, 2014, All Communities was personally served by the Commissioner  
4 with a Notice of Intention to Issue Order Revoking Escrow Agent’s License, Accusation and  
5 accompanying documents dated January 28, 2014. All Communities has filed a Notice of Defense  
6 with the Commissioner. The matter is set for hearing on November 24 and 25, 2014.

7 D. Evelyn Arnold is the secretary and treasurer of All Communities and is authorized to  
8 enter into this Settlement Agreement on behalf of All Communities.

9 E. It is the intention and desire of the parties to resolve this matter without the necessity  
10 of a hearing and/or other litigation.

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

13 **TERMS AND CONDITIONS**

14 1. This Settlement Agreement is entered into for the purpose of judicial economy and  
15 expediency, and to avoid the expense of a hearing, and possible further court proceedings.

16 2. All Communities, without admitting or denying any of the allegations contained in  
17 the Accusation described in paragraph C above (“Accusation”), hereby agrees to the issuance by the  
18 Commissioner of an order revoking the escrow agent’s license of All Communities. The revocation  
19 shall become effective sixty (60) days from the date of execution of this Settlement Agreement to  
20 allow All Communities to complete and/or transfer any pending escrows, and properly close out the  
21 trust account(s). A copy of the revocation order is attached and incorporated herein as Exhibit A.

22 3. All Communities acknowledges its right to an administrative hearing under Financial  
23 Code section 17608 in connection with the revocation and hereby waives that right to a hearing, and  
24 to any reconsideration, appeal, or other rights which may be afforded pursuant to the Escrow Law,  
25 the California Administrative Procedure Act, the California Code of Civil Procedure, or any other  
26 provision of law in connection with this matter herein.

27 4. All Communities, in consideration of the sixty-day period to wind down its business,  
28 (i) has filed with the Commissioner a list of pending escrows with established escrow close dates

1 along with a copy of its trust account(s) reconciliation for June 30, 2014, which reconciliation(s)  
2 included an outstanding checklist and trial balance, and (ii) agrees to submit to the Commissioner by  
3 the 15<sup>th</sup> day of each month a trust account reconciliation to include the outstanding checklist and a  
4 trial balance for the prior month until the effective date of the revocation, provided that such trust  
5 account reconciliation(s) submissions shall commence on or about August 15, 2014 for July 31,  
6 2014 and continue through at least October 15, 2014 for September 30, 2014.

7         5. All Communities further agrees that it will not open any new escrow transactions  
8 during the remainder of the its licensure and represents that it has not opened any further escrow  
9 transactions since filing the list of pending escrows with the Commissioner on August 7, 2014.

10         6. All Communities hereby acknowledges and understands that Financial Code Section  
11 17406(c) requires a closing audit report to be filed with the Commissioner within 105 days of the  
12 effective date of the revocation and hereby agrees to timely submit the closing audit.

13         7. The parties hereby acknowledge and agree that this Settlement Agreement is intended  
14 to constitute a full, final and complete resolution of this matter. The parties further acknowledge and  
15 agree that nothing contained in this Settlement Agreement shall operate to limit the Commissioner's  
16 ability to assist any other agency, (city, county, state or federal) with any prosecution,  
17 administrative, civil or criminal, brought by any such agency against All Communities or any other  
18 person based upon any of the activities alleged in this matter or otherwise.

19         8. Each of the parties represents, warrants, and agrees that it has received independent  
20 advice from its attorney(s) and/or representatives with respect to the advisability of executing this  
21 Settlement Agreement.

22         9. Each of the parties represents, warrants, and agrees that in executing this Settlement  
23 Agreement it has relied solely on the statements set forth herein and the advice of its own counsel  
24 and/or representative. Each of the parties further represents, warrants, and agrees that in executing  
25 this Settlement Agreement it has placed no reliance on any statement, representation, or promise of  
26 any other party, or any other person or entity not expressly set forth herein, or upon the failure of any  
27 party or any other person or entity to make any statement, representation or disclosure of anything  
28 whatsoever. The parties have included this clause: (1) to preclude any claim that any party was in

1 any way fraudulently induced to execute this Settlement Agreement; and (2) to preclude the  
2 introduction of parol evidence to vary, interpret, supplement, or contradict the terms of this  
3 Settlement Agreement.

4 10. This Settlement Agreement is the final written expression and the complete and  
5 exclusive statement of all the agreements, conditions, promises, representations, and covenants  
6 between the parties with respect to the subject matter hereof, and supersedes all prior or  
7 contemporaneous agreements, negotiations, representations, understandings, and discussions  
8 between and among the parties, their respective representatives, and any other person or entity, with  
9 respect to the subject matter covered hereby.

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

17 12. This Settlement Agreement shall not become effective until signed by all parties and  
18 delivered by all parties.

19 13. This Settlement Agreement may be executed in one or more counterparts, each of  
20 which shall be an original but all of which, together, shall be deemed to constitute a single  
21 document. This Settlement Agreement may be executed by facsimile signature, and any such  
22 facsimile signature by any party hereto shall be deemed to be an original signature and shall be  
23 binding on such party to the same extent as if such facsimile signature were an original signature.

24 14. Any notices or submissions required under the Settlement Agreement shall be provided  
25 to each party at the following addresses:

26 If to Respondent to: Michael A. Lanphere, Esq.  
27 Aaron B. Fairchild, Esq.  
28 Lanphere Law group  
400 N. Tustin Avenue, Suite 225  
Santa Ana, California 92705

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

If to the Commissioner to: Judy L. Hartley, Esq.  
Senior Corporations Counsel  
Department of Business Oversight  
320 W. 4<sup>th</sup> Street, Suite 750  
Los Angeles, California 90013-2344

15. Each signatory hereto covenants that he/she possesses all necessary capacity and authority to sign and enter into this Settlement Agreement.

Dated: 8/22/14 JAN LYNN OWEN  
Commissioner of Business Oversight

By \_\_\_\_\_  
MARY ANN SMITH  
Deputy Commissioner

Dated: 8/18/2014 ALL COMMUNITIES ESCROW SERVICE, INC.

By \_\_\_\_\_  
EVELYN ARNOLD, Secretary and Treasurer

APPROVED AS TO FORM:

LANPHERE LAW GROUP

By \_\_\_\_\_  
MICHAEL A. LANPHERE, ESQ.  
AARON B. FAIRCHILD, ESQ.  
Attorneys for ALL COMMUNITIES ESCROW SERVICE, INC.

JAN LYNN OWEN  
Commissioner of Business Oversight

By \_\_\_\_\_  
JUDY L. HARTLEY  
Senior Corporations Counsel