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

12 In the Matter of THE COMMISSIONER OF) File No.: 963-2226
13 BUSINESS OVERSIGHT,)
14) STIPULATION
Complainant,)
15)
16 vs.)
17 RIDGEGATE ESCROW, INC.,)
18 Respondent.)
19)
20)
21)

22 This Stipulation is entered into between RIDGEGATE ESCROW, INC. (“RIDGEGATE”) and the Commissioner of Business Oversight (“Commissioner”), and is made with respect to the following facts:

25 **RECITALS**

26 A. RIDGEGATE is a corporation in good standing, duly formed and existing pursuant to the laws of the State of California, and authorized to conduct business in the State of California.
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1 B. RIDGEGATE currently holds escrow agent’s license number 963-2226 with its
2 principal place of business located at 24025 Park Sorrento, Suite 110B, Calabasas, California 91302.
3 RIDGEGATE has been licensed by the Commissioner pursuant to the California Escrow Law since
4 August 15, 2005.

5 C. Rachel Black is the president and owner of RIDGEGATE and is authorized to enter
6 into this Stipulation on behalf of RIDGEGATE.

7 D. On or about August 5, 2013, RIDGEGATE filed an escrow license application with
8 the Commissioner for a new branch located at 17327 Ventura Blvd. #200A, Encino, California
9 91302 (“unlicensed branch”).

10 E. In February 2014, the Commissioner, by and through staff, during review of
11 RIDGEGATE’s new branch license application, was alerted that the unlicensed branch may have
12 already been operating.

13 F. On or about February 10, 2014, a special examination of the branch was commenced.
14 The special examination disclosed that the branch contained employees and escrow files and
15 appeared to be operating. It was determined, after collecting and reviewing evidence, that the office
16 had opened on or about July 1, 2013 and that approximately 265 escrows had been processed at the
17 unlicensed location since its inception in violation of Financial Code section 17213.5.

18 G. On or about February 26, 2014, Department staff returned to RIDGEGATE’s
19 unlicensed branch location and determined that the branch had been closed.

20 H. On April 29, 2014, RIDGEGATE was personally served with an Order to
21 Discontinue Violations pursuant to California Financial Code Section 17602, Statement of Facts
22 containing notice of the Commissioner’s intent to make the order final, and an Order Imposing
23 Penalties Pursuant to California Financial Code Section 17213.2, issued by the Commissioner on
24 April 24, 2014 (hereinafter collectively referred to as the “Orders”). RIDGEGATE has expressed an
25 interest in working with the Commissioner to resolve this matter.

26 I. RIDGEGATE has satisfactorily corrected all unlicensed escrow activity by closing all
27 escrow operations at its unlicensed branch and it has an appropriate license application pending with
28 the Commissioner for said branch.

1 J. It is the intention and desire of the parties to resolve these matters without the
2 necessity of a hearing and/or other litigation.

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

5 **TERMS AND CONDITIONS**

6 1. This Stipulation is entered into for the purpose of judicial economy and expediency,
7 and to avoid the expense of a hearing, and possible further court proceedings.

8 2. RIDGEGATE, without admitting or denying the findings of the Commissioner set
9 forth in the Orders, and as reiterated above, hereby agrees to the immediate issuance by the
10 Commissioner of a Final Order to Discontinue Violations Pursuant to Financial Code Section 17602.
11 A copy of the Final Order is attached and incorporated as Exhibit A.

12 3. RIDGEGATE agrees that the Order Imposing Penalties is hereby deemed a final
13 order. RIDGEGATE acknowledges that the penalties accruing pursuant to the Order for processing
14 escrows from an unlicensed location totaled the sum of \$3,150.00. As full settlement of the Order,
15 RIDGEGATE agrees to pay to the Commissioner the sum of \$3,150.00 in penalties, which shall be
16 paid in full upon execution of this Stipulation.

17 4. RIDGEGATE acknowledges its right to an administrative hearing under California
18 Financial Code sections 17602 and 17604 in connection with the Orders, and hereby waives its right
19 to a hearing, and to any reconsideration, appeal, or other rights which may be afforded pursuant to
20 the Escrow Law, the California Administrative Procedure Act, the California Code of Civil
21 Procedure, or any other provision of law in connection with these matters.

22 5. RIDGEGATE further agrees that if the Commissioner finds that RIDGEGATE
23 has violated the Order to Discontinue Violations in the future, the allegations set forth in the Order
24 shall be deemed to have been admitted by RIDGEGATE and the Commissioner may take any other
25 action she deems appropriate in connection with any future violations of the Order.

26 6. The parties hereby acknowledge and agree that this Stipulation is intended to
27 constitute a full, final and complete resolution of the Order. The parties further acknowledge and
28 agree that nothing contained in this Stipulation shall operate to limit the Commissioner's ability to

1 assist any other agency, (county, state or federal) with any prosecution, administrative, civil or
2 criminal, brought by any such agency against RIDGEGATE based upon any of the activities alleged
3 in these matters or otherwise.

4 7. Each of the parties represents, warrants, and agrees that it has received independent
5 legal advice from its attorney(s) with respect to the advisability of executing this Stipulation.

6 8. Each of the parties represents, warrants, and agrees that in executing this Stipulation
7 it has relied solely on the statements set forth herein and the advice of its own counsel. Each of the
8 parties further represents, warrants, and agrees that in executing this Stipulation it has placed no
9 reliance on any statement, representation, or promise of any other party, or any other person or entity
10 not expressly set forth herein, or upon the failure of any party or any other person or entity to make
11 any statement, representation or disclosure of anything whatsoever. The parties have included this
12 clause: (1) to preclude any claim that any party was in any way fraudulently induced to execute this
13 Stipulation; and (2) to preclude the introduction of parol evidence to vary, interpret, supplement, or
14 contradict the terms of this Stipulation.

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

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

27 11. This Stipulation may be executed in one or more counterparts, each of which shall be
28 an original but all of which, together, shall be deemed to constitute a single document.

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

Dated: 5/19/14

JAN LYNN OWEN
Commissioner of Business Oversight

By _____
MARY ANN SMITH
Deputy Commissioner

Dated: 5/13/14

RIDGEGATE ESCROW, INC.

By _____
Rachel Black, President

APPROVED AS TO FROM:

DAVIS & DAVIS

By _____
M. STEPHEN DAVIS, Attorneys for
Ridgegate Escrow, Inc.

JAN LYNN OWEN
Commissioner of Business Oversight

By _____
ELHAHM MACKANI, Corporations Counsel