

1 MARY ANN SMITH
Deputy Commissioner
2 SEAN M. ROONEY
Assistant Chief Counsel
3 JUDY HARTLEY (State Bar No. 110628)
Senior Corporations Counsel
4 Department of Business Oversight
320 West 4th Street, Suite 750
5 Los Angeles, California 90013
Telephone: (213) 576-7604
6 Facsimile: (213) 576-7181

7 Attorneys for Complainant

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

10
11 In the Matter of THE COMMISSIONER OF) File No.: 963-1752
BUSINESS OVERSIGHT,)
12)
13 Complainant,) STIPULATION TO ORDER TO
DISCONTINUE VIOLATIONS PURSUANT
14 vs.) TO FINANCIAL CODE SECTION 17602
15 UNITED ESCROW CO.,)
16 Respondent.)
17)
18)
19)

20 This Stipulation is entered into between United Escrow Co. ("United") and the
21 Commissioner of Business Oversight ("Commissioner"), and is made with respect to the following
22 facts:

23 RECITALS

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

26 B. United is an escrow agent holding a valid and unrevoked license issued by the
27 Commissioner pursuant to the Escrow Law (Financial Code §17000 et seq.); license number 963-
28 1752. United has its principal place of business located at 3440 Wilshire Boulevard, Suite 600, Los

1 Angeles, California 90010. United also has two branch locations at 6281 Beach Boulevard, Suite
2 100, Buena Park, California 90621 and 3600 Wilshire Boulevard, Suite 913, Los Angeles, California
3 90010.

4 C. Eunice Ko (“Ko”) is a director and the treasurer of United Escrow Co. and is
5 authorized to enter into this Stipulation on behalf of United Escrow Co.

6 D. On or about May 3, 2012, the Commissioner, by and through staff, commenced a
7 regulatory examination of the books and records of United. The regulatory examination found that
8 United had made unauthorized disbursements to United in at least 40 escrows totaling \$37,175.68
9 between May 2010 and May 2012 in violation of Financial Code section 17414(a)(1) and California
10 Code of Regulations, title 10, sections 1738 and 1738.2. Each of the unauthorized disbursements of
11 trust funds also caused a shortage to exist in the trust account in violation of California Code of
12 Regulations, title 10, section 1738.1. United has corrected the shortage caused by the unauthorized
13 disbursements. Thirty-five (35) of the unauthorized disbursements totaling \$35,054.63 represented
14 dormant trust funds that should have been escheated to the State Controller pursuant to the
15 Unclaimed Property Law, Code of Civil Procedure, section 1500 et seq. The remaining 5
16 unauthorized disbursements totaling \$2,121.05 involved United overstating vendor invoices on the
17 closing statements and/or cancelation instructions in violation of Financial Code section 17414(a)(2),
18 and then disbursing the overstated amount to United in violation of Financial Code section
19 17414(a)(1) and California Code of Regulations, title 10, sections 1738 and 1738.2.

20 E. It is the desire of the parties to resolve these matters without the necessity of resorting
21 to litigation.

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

24 TERMS AND CONDITIONS

25 1. United, without admitting or denying any of the findings contained in Recital
26 Paragraph D above, agrees to the immediate issuance by the Commissioner of an Order to
27 Discontinue Violations Pursuant to Financial Code section 17602 (“Order to Discontinue
28 Violations”). A copy of the Order to Discontinue Violations is attached and incorporated as

1 Exhibit A.

2 2. United acknowledges its right to an administrative hearing under Financial Code
3 section 17604 in connection with the Order to Discontinue Violations and hereby waives its right to
4 a hearing, and to any reconsideration, appeal, or other rights, including issuance of a statement of
5 facts, which may be afforded pursuant to the Escrow Law, the Administrative Procedure Act, the
6 Code of Civil Procedure, or any other provision of law in connection with the Order to Discontinue
7 Violations.

8 3. The parties hereby acknowledge and agree that this Stipulation is intended to
9 constitute a full, final and complete resolution of the activities alleged in Recital Paragraph B above
10 as between United and the Commissioner. The parties further acknowledge and agree that nothing
11 contained in this Stipulation shall operate to limit the Commissioner's ability to assist any other
12 agency, (city, county, state or federal) with any prosecution, administrative, civil or criminal,
13 brought by any such agency against United based upon any of the activities alleged herein or
14 otherwise.

15 4. Each of the parties represents, warrants, and agrees that it has received independent
16 advice from its attorney(s) and/or representative(s) with respect to the advisability of executing this
17 Stipulation.

18 5. Each of the parties represents, warrants, and agrees that in executing this Stipulation
19 it has relied solely on the statements set forth herein and the advice of its own counsel and/or
20 representative. Each of the parties further represents, warrants, and agrees that in executing this
21 Stipulation it has placed no reliance on any statement, representation, or promise of any other party,
22 or any other person or entity not expressly set forth herein, or upon the failure of any party or any
23 other person or entity to make any statement, representation or disclosure of anything whatsoever.
24 The parties have included this clause: (1) to preclude any claim that any party was in any way
25 fraudulently induced to execute this Stipulation; and (2) to preclude the introduction of parol
26 evidence to vary, interpret, supplement, or contradict the terms of this Stipulation.

27 6. This Stipulation is the final written expression and the complete and exclusive
28 statement of all the agreements, conditions, promises, representations, and covenants between the

1 Parties with respect to the subject matter hereof, and supersedes all prior or contemporaneous
2 agreements, negotiations, representations, understandings, and discussions between and among the
3 Parties, their respective representatives, and any other person or entity, with respect to the subject
4 matter covered hereby.

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

11 8. This Stipulation shall not become effective until signed and delivered by all parties.

12 9. This Stipulation may be executed in one or more counterparts, each of which shall be
13 an original but all of which, together, shall be deemed to constitute a single document. This
14 Stipulation may be executed by facsimile signature, and any such facsimile signature by any party
15 hereto shall be deemed to be an original signature and shall be binding on such party to the same
16 extent as if such facsimile signature were an original signature.

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

19 Dated: 2/2/15 JAN LYNN OWEN
20 Commissioner of Business Oversight

21 By _____
22 MARY ANN SMITH
23 Deputy Commissioner

24 Dated: 1/29/15 UNITED ESCROW CO.

25
26 By _____
27 EUNICE KO, Treasurer
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

APPROVED AS TO FORM:

By _____
_____ Attorney for
UNITED ESCROW CO.

JAN LYNN OWEN
Commissioner of Business Oversight

By _____
JUDY L. HARTLEY
Senior Corporations Counsel