

**STATE OF ILLINOIS
DEPARTMENT OF FINANCIAL & PROFESSIONAL REGULATION
DIVISION OF FINANCIAL INSTITUTIONS**

In the Matter of:

AJ Escrow Management, LLC

No. 23TI105

CONSENT ORDER

Recitals

WHEREAS, the Department of Financial and Professional Regulation, Division of Financial Institutions (“Department”) administers the Title Insurance Act, 215 ILCS 155/1 *et. seq.*, (“Act”)

WHEREAS, the Secretary of Financial and Professional Regulation may issue a cease and desist order without notice and before a hearing, to a title insurance company or agent, “when in the opinion of the Secretary, the company, agent, or other entity is violating or is about to violate any provision of this Act or any law or of any rule or condition imposed in writing. If it is determined that the Secretary had the authority to issue the cease and desist order, the Secretary may issue such orders as may be reasonably necessary to correct, eliminate or remedy such conduct.”¹

WHEREAS, “Title insurance company” means any domestic company organized under the laws of this State for the purpose of conducting the business of title insurance and any title insurance company organized under the laws of another State, the District of Columbia or foreign government and authorized to transact the business of title insurance in this State.²

WHEREAS, “Title insurance agent” means a person, firm, partnership, association, corporation or other legal entity registered by a title insurance company and authorized by such company to determine insurability of title in accordance with generally acceptable underwriting rules and standards in reliance on either the public records or a search package prepared from a title plant, or both, and authorized by such title insurance company in addition to do any of the following: act as an escrow agent, solicit title insurance, collect premiums, or issue title insurance commitments, policies, and endorsements of the title insurance company.³

WHEREAS, “Escrow Agent” means any title insurance company or any title insurance agent, including independent contractors of either, acting on behalf of a title insurance company, which receives deposits, in trust, of funds or documents, or both, for the purpose of effecting the sale,

¹ 215 ILCS 155/21(h).

² 215 ILCS 155/3.

³ *Id.*

transfer, encumbrance or lease of real property to be held by such escrow agent until title to the real property that is the subject of the escrow is in a prescribed condition.⁴

WHEREAS, "Independent Escrowee" means any firm, person, partnership, association, corporation or other legal entity, other than a title insurance company or a title insurance agent, which receives deposits, in trust, of funds or documents, or both, for the purpose of effecting the sale, transfer, encumbrance or lease of real property to be held by such escrowee until title to the real property that is the subject of the escrow is in a prescribed condition. Federal and State chartered banks, savings and loan associations, credit unions, mortgage bankers, banks or trust companies authorized to do business under the Illinois Corporate Fiduciary Act, licensees under the Consumer Installment Loan Act, real estate brokers licensed pursuant to the Real Estate License Act of 2000, as such Acts are now or hereafter amended, and licensed attorneys when engaged in the attorney-client relationship are exempt from the escrow provisions of this Act. "Independent Escrowee" does not include employees or independent contractors of a title insurance company or title insurance agent authorized by a title insurance company to perform closing, escrow, or settlement services.⁵

WHEREAS, it is unlawful for any company to engage or to continue in the business of title insurance without first procuring from the Secretary a certificate of authority stating that the company has complied with the requirements of Section 4 of this Act. An insurer that transacts any class of insurance other than title insurance anywhere in the United States is not eligible for the issuance of a certificate of authority to transact title insurance in this State nor for a renewal of a certificate of authority.⁶

WHEREAS, no person, firm, partnership, association, corporation or other legal entity shall act as or hold itself out to be a title insurance agent unless duly registered by a title insurance company with the Secretary.⁷

WHEREAS, no person, firm, corporation or other legal entity shall hold itself out to be an independent escrowee unless it has been issued a certificate of authority by the Secretary.⁸

WHEREAS, it is a violation of the Act to, *inter alia*: (a) to intentionally make a material misstatement or fraudulent misrepresentation in relation to a matter covered by the Act; (b) demonstrate untrustworthiness or incompetency in transacting the business of guaranteeing titles to real estate in such a manner as to endanger the public; (c) engage in dishonorable, unethical, or unprofessional conduct of a character likely to deceive, defraud, or harm the public; (d) disregard or violate any provision of the Act or the published rules adopted by the Department to enforce

⁴ *Id.*

⁵ *Id.*

⁶ 215 ILCS 155/5.

⁷ 215 ILCS 155/16

⁸ 215 ILCS 155/17(b).

the Title Insurance; and (e) act as a title insurance company, title insurance agent, or independent escrowee without a certificate of authority, registration, or license.⁹

WHEREAS, AJ Escrow Management, LLC (“AJ Escrow”) is an Illinois limited liability corporation with an office located at 4156 South Maplewood Avenue, #100, Chicago, Illinois. As used in this order, “AJ Escrow” includes any person or entity using the name “AJ Escrow” to offer or provide unlicensed title insurance services.

WHEREAS, Gerardo Hernandez owns AJ Escrow.

WHEREAS, AJ Escrow does not have a certificate authority, registration, or license authorizing it to act as a title insurance company, title insurance agent, escrow agent, or independent escrowee pursuant to the Act.

WHEREAS, there is a website purporting to belong to AJ Escrow at the following web address: <https://ajescrowmgmtllc.com/>.

WHEREAS, among other things, the website purporting to belong to AJ Escrow states, “Founded in Chicago, our escrow company provides secure and reliable services for buyers and sellers. We strive to simplify the real estate transaction process and ensure that all parties involved are protected. Our services include holding funds, managing contracts, and facilitating closing procedures. Our team consists of experienced and knowledgeable professionals who are dedicated to providing excellent customer service. We are committed to ensuring a smooth and stress-free experience for our clients, and we look forward to assisting you with your escrow needs.”

WHEREAS, individuals purporting to work for AJ Escrow have solicited consumers by offering to provide escrow services for real estate transactions and timeshare transactions.

WHEREAS, individuals purporting to work for AJ Escrow have solicited timeshare owners (“consumers”) to use AJ Escrow’s services to sell the consumers’ timeshares. Individuals purporting to be AJ Escrow provided consumers with purported legal documents including PDF attachments titled: “1. Escrow Agreement,” a “2. Certificate of Assumption,” “3. Acuse Unico de inscripcion al Registro Federal de Contribuyentes,” “4. Translation of the Federal Registration Inscription Tax ID”, “ 5. Solicitud de carta de Naturalizacion”, “6. Solicitud de carta de Naturalizacion_Translation”, “7. Wire Instructions.”

WHEREAS, individuals purporting to work for AJ Escrow require consumers to pay AJ Escrow money up front – rather than through a closing – to complete the transaction.

WHEREAS, individuals purporting to work for AJ Escrow claim to be affiliated with Realty Leadership Group, LLC, which appears to operate the website: www.realtylgllc.com. The Realty

⁹ 215 ILCS 155/21(a).

Leadership Group website purports to have an address at 275 27th Street, New York City, New York 10001 (no suite or floor number provided), a phone number of (917) 463-3218 and email address emailus@realtyglc.com. There is a Realty Leadership Group registered with the New York State Department of State but its address is in Hauppauge, New York – not in New York City.

WHEREAS, an individual purporting to be an employee of AJ Escrow has used the name “Jessica Martell” to correspond as an Executive assistant from the chicago@ajescrowmgmtllc.com email address. The purported AJ Escrow’s PDF “1. Escrow Agreement” appears to be signed by a Michelle L. Andres as “Head Escrow Officer.” And a purported employee of Realty Leadership Group uses the email address harris.john@realtyglc.com.

WHEREAS, A document titled “Escrow Agreement” under the name of AJ Escrow purports to provide escrow services for real estate transactions. The document represents, *inter alia*, that “it holds all required legal licenses and permissions to perform services herein agreed to be performed and maintains a properly equipped staff suitable to render services contracted for herein”.

WHEREAS, A document titled “Escrow Guarantee Agreement” under the name of AJ Escrow purports to provide escrow services for real estate transactions. The document represents, *inter alia*, that “it holds all required legal licenses and permissions to perform services herein agreed to be performed and maintains a properly equipped staff suitable to render services contracted for herein”.

WHEREAS, a company using the name of AJ Escrow solicits funds from consumers to provide escrow services.

WHEREAS, Gerardo Hernandez asserts and expressly represents that persons are using the name AJ Escrow without his knowledge and consent and that he is not associated with any of the conduct described above, including the website.

WHEREAS, the Department finds that AJ Escrow, or individuals impersonating AJ Escrow, have violated the Act by:

- a. Intentionally making material misstatements and fraudulent misrepresentations in relation to a matter covered by the Act;
- b. Demonstrating untrustworthiness or incompetency in transacting the business of guaranteeing titles to real estate in such a manner as to endanger the public;
- c. Engaging in dishonorable, unethical, or unprofessional conduct of a character likely to deceive, defraud, or harm the public; and

- d. Operating as title insurance company, title insurance agent, escrow agent, and/or independent escrowee without a certificate of authority, registration, or license in violation of the Act.

The Department hereby **ORDERS** AJ Escrow as follows:

- I. AJ Escrow shall cease and desist operating as a title insurance company, title agent, and independent escrowee without the required certificate authority, registration, or license.
- II. AJ Escrow shall cease and desist from stating or otherwise representing itself, directly or indirectly, as a title insurance company, title agent, escrow agent, or independent escrowee authorized to conduct business pursuant to the Act.
- III. AJ Escrow shall cease and desist soliciting or receiving any funds from consumers for providing or agreeing to provide unlicensed title insurance services and return such funds to consumers.

The Effective Date of this Consent Order shall be the date it is signed by the Department and AJ Escrow. If the Consent Order is signed on different dates, the Effective Date shall be the date of the last signature.

The provisions of this Consent Order shall be binding upon AJ Escrow and the Department, and their successors and assigns, legatees, heirs, and personal representatives.

The provisions of this Consent Order shall remain effective and enforceable except to the extent that, and until such time as, any provision has been modified, terminated, suspended, or set aside by the Department.

Any provision of this Agreement that by its context is intended to apply after termination will survive this Agreement.

This Consent Order may be executed by physical signatures or electronic signature in counterparts and by email, and when each Party has signed and delivered at least one such counterpart, each counterpart shall be deemed an original and, when taken together with each of the other signed counterparts, shall constitute one Consent Order, which shall be binding and effective as to the Parties. Signatures emailed in portable document format (PDF) shall be acceptable and deemed binding on the Parties as if they were originals.

**STATE OF ILLINOIS
DEPARTMENT OF FINANCIAL AND
PROFESSIONAL REGULATION
DIVISION OF FINANCIAL
INSTITUTIONS**

AJ ESCROW MANAGEMENT, LLC

[Redacted Signature]

Signature

[Redacted Signature]

Signature

By: [Redacted]
Its: [Redacted]

By: [Redacted]
Its: [Redacted]

Dated: [Redacted], [Redacted] 2023

Dated: [Redacted], 2023