

BEFORE THE DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION  
OF THE STATE OF CALIFORNIA

Respondent.

(Fin. Code, § 17423)

1. The Commissioner is authorized to administer and enforce the provisions of the California Escrow Law (Escrow Law) (Fin. Code, § 17000 et seq.) and the rules and regulations promulgated in title 10 of the California Code of Regulations (CCR).

2. At all relevant times, Respondent Yessenia Bocanegra, aka Yessenia Gonzalez, Yessenia Hernandez Gonzalez, and Yessenia Garcia (Respondent) was an escrow officer at Central California Escrow Co. (CCE), a licensed escrow agent.

3. Under the provisions of Financial Code section 17423, the Commissioner brings this action to suspend Respondent for a period of 12 months from any position of employment, management, or control of any escrow agent for the following violations:

- a. Failing to follow escrow instructions and knowingly or recklessly signing and submitting forms to the Department of Alcoholic Beverage Control (ABC) certifying that conditions were met to transfer liquor licenses without receiving all funds in escrow, in violation of Financial Code section 17414, subdivision (a)(2) and 10 CCR sections 1738.2 and 1738.5;
- b. Knowingly or recklessly disbursing of trust funds not in accordance with escrow instructions, causing overpayment of rent proration to a buyer and underpayment of rent proration to a seller, in violation of Financial Code section 17414, subdivision (a)(1) and 10 CCR section 1738; and
- c. Preparing incorrect final closing statement, in violation of 10 CCR section 1741.3.

## II.

### **Escrow Law Violations**

4. Financial Code section 17414, subdivision (a)(2) prohibits any person from knowingly or recklessly making or causing to be made any material misstatement or omission in escrow books, accounts, files, reports, exhibits, statements, or any other document pertaining to an escrow or escrow affairs.

5. On or about November 30, 2022, the Department of Financial Protection and Innovation (Department) commenced a special examination of CCE's books and records (Examination).

#### **Escrow Number 030127-YB**

6. The Examination revealed that, in or about May of 2021, CCE opened Escrow Number 030127-YB for the sale of a business that included transferring of the business' liquor

1 license. Respondent was the escrow officer handling Escrow Number 030127-YB.

2 7. The ABC must approve all liquor license transfers. Before submitting transfer  
3 application documents to the ABC, escrow must receive all funds for the liquor license from the  
4 buyer or individual applying to receive the liquor license. A certified ABC Form 226 signed by  
5 both the escrow agent and the seller must be submitted to the ABC.

6 8. The purchase price of this business was \$185,000, which included the transfer of  
7 the business' liquor license.

8 9. On or about September 29, 2021, Respondent signed and submitted Form ABC-  
9 226 to ABC, certifying that the purchase price or consideration had been deposited with the  
10 escrow holder, even though all the required funds from the buyer had not been received.

11 10. The ABC approved the liquor license transfer on October 18, 2021. At that time,  
12 Escrow Number 030127-YB had received only the initial deposit of \$2,500 from the buyer. The  
13 remaining funds in the amount of \$192,197.50, which included closing costs, were received  
14 about 10 days after the liquor license was already transferred to the buyer.

15 11. Respondent submitted to the ABC the liquor license form that contained a  
16 material misstatement and failed to follow escrow instructions by signing, certifying, and  
17 releasing the liquor license form to the ABC before receiving all the required funds, in violation  
18 of Financial Code section 17414, subdivision (a)(2) and 10 CCR sections 1738.2 and 1738.5.

19 Escrow Number 030485-YB

20 12. In March of 2022, CCE opened Escrow Number 030485-YB for the sale of  
21 another business that included transferring of the business' liquor license. Respondent was the  
22 escrow officer handling Escrow Number 030485-YB.

23 13. The amount of sale in escrow was \$110,000. Escrow received several deposits  
24 from the buyer between March 1, 2022, and September 28, 2022, totaling \$65,500.

25 14. Per the buyer's estimated closing statement, the final funds required from the  
26 buyer was \$46,278.75, which included all the closing costs and the liquor license price.

27 15. Prior to receiving all the funds from the buyer, on or about May 4, 2022,  
28 Respondent signed and submitted Form ABC-226 to ABC, certifying that the purchase price or

1 consideration had been deposited with the escrow holder. The ABC approved the liquor license  
2 transfer on or about October 5, 2022.

3 16. The buyer, however, refused to deposit the \$46,278.75 to close escrow and  
4 Escrow Number 030485-YB did not receive the remaining funds from the buyer.

5 17. Respondent submitted to the ABC the liquor license form that contained a  
6 material misstatement and failed to follow escrow instructions by signing, certifying, and  
7 releasing the liquor license form to the ABC before receiving all the required funds, in violation  
8 of Financial Code section 17414, subdivision (a)(2) and 10 CCR sections 1738.2 and 1738.5.  
9 Escrow Number 030543-YB

10 18. Financial Code section 17414, subdivision (a)(1) prohibits any person from  
11 knowingly or recklessly disbursing or causing the disbursal of escrow funds otherwise than in  
12 accordance with escrow instructions, or knowingly or recklessly directing, participating in, or  
13 aiding or abetting in a material way, any activity which constitutes theft or fraud in connection  
14 with any escrow transaction.

15 19. In May of 2022, CCE opened Escrow Number 030543-YB for the sale of an  
16 investment property. Respondent was the escrow officer handling Escrow Number 030543-YB.

17 20. The final closing statement of Escrow Number 030543-YB incorrectly showed  
18 prorated rents to debit the seller and credit the buyer for \$10,205.63. Due to Respondent's failure  
19 to verify the amount, the buyer was overpaid and seller was underpaid \$9,627.96.

20 21. Respondent prepared an incorrect final closing statement not in accordance with  
21 the escrow instructions, resulting in an overpayment of rent proration paid to the buyer and  
22 underpayment of rent proration paid to the seller, in violation of Financial Code section 17414,  
23 subdivision (a)(1) and 10 CCR sections 1738 and 1741.3.

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**III.**

**Applicable Law**

22. Financial Code section 17414 provides in pertinent part:

(a) It is a violation for any person subject to this division or any director, stockholder, trustee, officer, agent, or employee of any such person to do any of the following:

(1) Knowingly or recklessly disburse or cause the disbursement of escrow funds otherwise than in accordance with escrow instructions, or knowingly or recklessly to direct, participate in, or aid or abet in a material way, any activity which constitutes theft or fraud in connection with any escrow transaction.

(2) Knowingly or recklessly make or cause to be made any misstatement or omission to state a material fact, orally or in writing, in escrow books, accounts, files, reports, exhibits, statements, or any other document pertaining to an escrow or escrow affairs.

23. Financial Code section 17423 provides in pertinent part:

(a) The commissioner may, after appropriate notice and opportunity for hearing, by order, censure or suspend for a period not exceeding 12 months, or bar from any position of employment, management, or control any escrow agent, or any other person, if the commissioner finds either of the following:

(1) That the censure, suspension, or bar is in the public interest and that the person has committed or caused a violation of this division or rule or order of the commissioner, which violation was either known or should have been known by the person committing or causing it or has caused material damage to the escrow agent or to the public.

(b) Within 15 days from the date of a notice of intention to issue an order pursuant to subdivision (a), the person may request a hearing under the Administrative Procedure Act (Chapter 5 (commencing with Section 11500) of Division 3 of Title 2 of the Government Code). Upon receipt of a request, the matter shall be set for hearing to commence within 30 days after such receipt unless the person subject to this division consents to a later date. If no hearing is requested within 15 days after the mailing or service of such notice and none is ordered by the commissioner, the failure to request a hearing shall constitute a waiver of the right to a hearing.

(c) Upon receipt of a notice of intention to issue an order pursuant to this

1 section, the person who is the subject of the proposed order is immediately  
2 prohibited from engaging in any escrow processing activities, including  
3 disbursing any trust funds in the escrow agent's possession, custody or control,  
4 and the financial institution holding trust funds shall be so notified by service of  
5 the notice, accusation and other administrative pleadings. The prohibition  
6 against disbursement of trust funds may be set aside, in whole or in part, by the  
7 commissioner for good cause.

8 (e) Persons suspended or barred under this section are prohibited from  
9 participating in any business activity of a licensed escrow agent and from  
10 engaging in any business activity on the premises where a licensed escrow agent  
11 is conducting escrow business. This subdivision shall not be construed to  
12 prohibit suspended or barred persons from having their personal escrow  
13 transactions processed by a licensed escrow agent.

#### 14 IV.

#### 15 Prayer

16 Based on the foregoing, the Commissioner finds that Respondent has violated Financial  
17 Code section 17414 and 10 CCR sections 1738, 1738.2, 1738.5 and 1741.3 for submitting forms  
18 that contained false information to the ABC, failing to follow written instructions, unauthorized  
19 disbursement of escrow funds, and preparing incorrect final closing statement.

20 WHEREFORE, IT IS PRAYED THAT, under Financial Code section 17423, Yessenia  
21 Bocanegra, aka Yessenia Gonzalez, Yessenia Hernandez Gonzalez, and Yessenia Garcia be  
22 suspended from any position of employment, management or control of any escrow agent for a  
23 period of 12 months.

24 Dated: July 11, 2025  
25 San Diego, California

26 KHALIL MOHSENI  
27 Commissioner of Financial Protection and Innovation

28 By \_\_\_\_\_  
AFSANEH EGHBALDARI  
Senior Counsel  
Enforcement Division