

1 PRESTON DuFAUCHARD  
California Corporations Commissioner  
2 ALAN S. WEINGER  
Acting Deputy Commissioner  
3 JUDY L. HARTLEY (CA BAR NO. 110628)  
Senior Corporations Counsel  
4 Department of Corporations  
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8 BEFORE THE DEPARTMENT OF CORPORATIONS  
9 OF THE STATE OF CALIFORNIA

11	In the Matter of the Accusation of THE	)	File Nos.: 963-2146
12	CALIFORNIA CORPORATIONS	)	
13	COMMISSIONER,	)	ORDER BARRING REGINALD H. LOPEZ
14	Complainant,	)	FROM ANY POSITION OF EMPLOYMENT,
15	vs.	)	MANAGEMENT OR CONTROL OF ANY
16	REGINALD H. LOPEZ,	)	ESCROW AGENT
17	Respondent.	)	
18		)	

19 The California Corporations Commissioner finds that:

20 1. Respondent Reginald H. Lopez (“Lopez”) was at all times relevant herein, the  
21 manager and an escrow officer at A 2 Z Escrow, Inc. (“A2Z”), an escrow agent licensed by the  
22 California Corporations Commissioner ("Commissioner" or "Complainant") pursuant to the Escrow  
23 Law of the State of California (California Financial Code Section 17000 et seq.). A2Z has its  
24 principal place of business located at 110 S. Montclair Street, Suite 103, Bakersfield, California  
25 93309.

26 2. On August 25, 2006, the Commissioner, by and through his staff, commenced a  
27 special examination of the books and records of A2Z. The special examination was commenced  
28 after the Department of Corporations (“Department”) received information from A2Z on August 23,

1 2006 that Lopez had embezzled approximately \$15,467.40 in trust funds from at least ten escrows.  
2 The special examination revealed that Lopez had made at least twenty (20) unauthorized  
3 disbursements of trust funds from the A2Z trust account for his personal use totaling \$15,467.40  
4 between February 28, 2006 and August 10, 2006 in violation of Financial Code section 17414(a)(1)  
5 and California Code of Regulations, title 10, sections 1738 and 1738.2. The unauthorized  
6 disbursements resulted in a trust account shortage and numerous ongoing debit balances in violation  
7 of California Code of Regulations, title 10, section 1738.1. A2Z cured the trust account shortage.

8 3. The unauthorized disbursements discovered during the special examination of A2Z  
9 are described as follows:

10 A. On July 19, 2006, in escrow number 4477165, Lopez disbursed \$371.08 in  
11 trust funds to himself by way of trust check number 6548 in violation of Financial Code section  
12 17414(a)(1) and California Code of Regulations, title 10, sections 1738 and 1738.2. The trust funds  
13 taken by Lopez represented the balance remaining in escrow after Lopez had previously canceled  
14 trust check number 2033 in the amount of \$600.00 made payable for hazard insurance and issued a  
15 replacement check for the hazard insurance in the proper amount of \$228.92.

16 B. On July 19, 2006, in escrow number 4477302, Lopez disbursed \$267.00 in  
17 trust funds to pay his Master Card bill by way of trust check number 6549 in violation of Financial  
18 Code section 17414(a)(1) and California Code of Regulations, title 10, sections 1738 and 1738.2.  
19 The trust funds taken by Lopez represented the balance remaining in escrow and alleged by Lopez  
20 on the closing statement to be for a property tax lien, which according to the closing statement from  
21 the title company did not exist.

22 C. On March 1, 2006, in escrow number 4477354, Lopez disbursed \$1,890.07 in  
23 trust funds to his friend, Alexander Escobedo, by way of trust check number 5431 in violation of  
24 Financial Code section 17414(a)(1) and California Code of Regulations, title 10, sections 1738 and  
25 1738.2. The trust funds taken by Lopez represented three title refunds belonging to escrow numbers  
26 4477644, 4477735, and 4477747, but receipted into escrow number 4477354 by Lopez.

27 D. On October 25, 2005, the proceeds (\$7,057.00) from an escrow at Alliance  
28 Title were sent to A2Z for deposit into escrow number 4477359. The funds were held by Lopez and

1 not deposited into escrow number 447359 until April 18, 2006. Thereafter, on or about April 19,  
2 2006, April 25, 2006, May 3, 2006, May 4, 2006, and May 5, 2006, Lopez disbursed trust funds  
3 totaling \$6,901.40 as follows: (i) \$1,129.40 for Lopez' car payment via trust check number 5833,  
4 (ii) \$3,370.00 to his friend, Alexander Escobedo, by way of trust check number 5834, (iii) \$400.00  
5 to pay Lopez' Master Card bill via trust check number 5886, (iv) \$327.00 to pay Lopez' utility bill  
6 via trust check number 5974; (v) \$900.00 to pay Lopez' rent via trust check number 5873, (vi)  
7 \$500.00 to pay catering costs for a wedding via trust check number 5978, and (vii) \$275.00 to  
8 himself via trust check number 5990, all in violation of Financial Code section 17414(a)(1) and  
9 California Code of Regulations, title 10, sections 1738 and 1738.2.

10 E. On August 10, 2006, in escrow number 4477626, Lopez disbursed \$230.25 in  
11 trust funds to himself by way of trust check number 6770 in violation of Financial Code section  
12 17414(a)(1) and California Code of Regulations, title 10, sections 1738 and 1738.2. The trust funds  
13 taken by Lopez represented a title refund due the borrower. On or about August 10, 2006, in escrow  
14 number 4477626, Lopez disbursed an additional \$564.70 in trust funds to himself for his car  
15 payment via trust check number 6769, however, A2Z was able to stop payment on the check, and  
16 thus the shortage in this escrow was reduced to \$230.25.

17 F. On February 24, 2006, in escrow number 4477700, Lopez disbursed \$300.00  
18 in trust funds to pay his Master Card bill by way of trust check number 5427 in violation of  
19 Financial Code section 17414(a)(1) and California Code of Regulations, title 10, sections 1738 and  
20 1738.2. On February 24, 2006, in escrow number 4477700, Lopez disbursed an additional \$175.00  
21 in trust funds to Maria's Notary, a notary service that performed no services in this escrow, by way  
22 of trust check number 5426 in violation of Financial Code section 17414(a)(1) and California Code  
23 of Regulations, title 10, sections 1738 and 1738.2. The trust funds taken by Lopez represented  
24 escrow funds remaining after Lopez voided trust check number 4323 in the amount of \$680.00  
25 payable to Garcia Insurance Agency.

26 G. On March 6, 2006, in escrow number 4477779, Lopez disbursed \$3,584.49 in  
27 trust funds to his friend, Alexander Escobedo, by way of trust check number 5534 in violation of  
28 Financial Code section 17414(a)(1) and California Code of Regulations, title 10, sections 1738 and

1 1738.2. The trust funds taken by Lopez represented a title refund due the borrower.

2 H. On May 30, 2006, in escrow number 4477912, Lopez disbursed trust funds  
3 totaling \$1,073.11 as follows: (i) \$592.93 for Lopez’ car payment via trust check number 6136, (ii)  
4 \$80.45 for Lopez’ utility bill via trust check number 6137, (iii) \$167.74 for Lopez’ water bill via  
5 trust check number 6138, and (iv) \$231.99 to pay Lopez’ Master Card bill via trust check number  
6 6139, all in violation of Financial Code section 17414(a)(1) and California Code of Regulations, title  
7 10, sections 1738 and 1738.2. The trust funds taken by Lopez represented a title refund due the  
8 borrower in escrow number 4477912.

9 I. On May 3, 2006, in escrow number 4477951, Lopez disbursed \$275.00 to  
10 himself via trust check number 6240 in violation of Financial Code section 17414(a)(1) and  
11 California Code of Regulations, title 10, sections 1738 and 1738.2. The trust funds taken by Lopez  
12 represented monies due the borrower from a title refund.

13 J. On May 6, 2006, in escrow number 4477891, Lopez disbursed \$400.00 to pay  
14 the DJ costs at a wedding via trust check number 5991 in violation of Financial Code section  
15 17414(a)(1) and California Code of Regulations, title 10, sections 1738 and 1738.2. The trust funds  
16 taken by Lopez represented monies due the borrower from a title refund.

17 4. Violations of Financial Code section 17414(a)(1) and California Code of Regulations,  
18 title 10, sections 1738, 1738.1, and 1738.2 constitute grounds under Financial Code section 17423 to  
19 bar a person from any position of employment, management or control of any escrow agent.

20 5. On April 4, 2008, the Commissioner issued a Notice of Intention to Order Pursuant to  
21 California Financial Code Section 17423 (Bar from Employment, Management or Control of Any  
22 Escrow Agent), Accusation and accompanying documents against Reginald H. Lopez and Reginald  
23 H. Lopez was served with those documents via certified, return-receipt mail on April 29, 2008.  
24 There has been no request for a hearing received by the Commissioner or any other response from  
25 Reginald H. Lopez and the time to request a hearing has expired.

26 THEREFORE, it is hereby ordered that Respondent Reginald H. Lopez is barred from any  
27 position of employment, management or control of any escrow agent. This Order is effective as of  
28 the date hereof.

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Dated: June 30, 2008  
Los Angeles, California

PRESTON DuFAUCHARD  
California Corporations Commissioner

By \_\_\_\_\_  
ALAN S. WEINGER  
Acting Deputy Commissioner