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8 BEFORE THE DEPARTMENT OF CORPORATIONS
9 OF THE STATE OF CALIFORNIA
10

11 In the Matter of the Accusation of THE) File No.: 963-2200
COMMISSIONER OF CORPORATIONS OF)
12 THE STATE OF CALIFORNIA,) ACCUSATION
13)
Complainant,)
14)
vs.)
15)
16 BRIDGET MONTILLA aka JET MONTILLA,)
Respondent.)
17)
18)

19 The Complainant is informed and believes, and based upon such information and belief,
20 alleges and charges Respondent as follows:

21 I

22 Respondent Bridget Montilla also known as Jet Montilla ("Montilla") was at all times
23 relevant herein employed as escrow officer at CE Escrow formerly known as City Escrow ("CE
24 Escrow"), an escrow agent licensed by the Commissioner of Corporations of the State of California
25 ("Commissioner" or "Complainant") pursuant to the Escrow Law of the State of California
26 (California Financial Code Section 17000 et seq.). The main office of CE Escrow is located at 9720
27 Las Tunas Drive, Temple City, California 91780. Montilla was employed at the West Covina
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1 branch office of CE Escrow, which was located at 100 N. Citrus Street, Suite 410, West Covina,
2 California 91791 when Montilla was employed by CE Escrow.

3 II

4 On or about May 24, 2011, the Department of Corporations (“Department”) received
5 information that Montilla had made numerous unauthorized disbursements from the trust account
6 while employed at CE Escrow. Based upon such information, on or about June 10, 2011, the
7 Commissioner, by and through staff, commenced a special examination of the books and records of
8 CE Escrow relative to the alleged unauthorized disbursements by Montilla. The special examination
9 revealed that Montilla had made at least forty-nine (49) unauthorized disbursements of trust funds
10 from the CE Escrow trust account totaling \$107,201.77 between December 9, 2009 and March 17,
11 2011 in violation of Financial Code sections 17414(a)(1) and/or 17420 and California Code of
12 Regulations, title 10, sections 1738 and 1738.2. The majority of the unauthorized disbursements
13 were to Damian Rudolph (“Rudolph”), a real estate agent, and several unauthorized disbursements
14 were transfers of funds between escrows to cover shortages caused by the unauthorized
15 disbursements to Rudolph (commonly known as lapping). The disbursements were unauthorized
16 because there were no signed escrow instructions authorizing the disbursements and/or the
17 disbursements were in conflict with signed escrow instructions.

18 The unauthorized disbursements resulted in a trust account shortage and numerous ongoing
19 debit balances in violation of California Code of Regulations, title 10, section 1738.1. Montilla,
20 through a relative, returned \$10,600.00 of the trust account shortage and CE Escrow cured the
21 remaining trust account shortage except for \$2,000.00 in escrow number 3408-JM.

22 The special examination further revealed that, in several instances, Montilla was preparing
23 false Settlement Statements in violation of Financial Code section 17414(a)(1) in order to hide the
24 unauthorized disbursements. Montilla was the escrow officer in all but two of the escrow
25 transactions. The unauthorized disbursements in violation of Financial Code section 17414(a)(1)
26 and Code of Regulations, title 10, sections 1738 and 1738.2 and other violations are described as
27 follows:

- 1 1. CE Escrow #3082-KM – Closed on 1/6/2010:
 - 2 a. On or about January 8, 2010, Montilla made, or caused to be made, an unauthorized
3 disbursement of trust funds to Rudolph in the amount of \$1,085.18. This unauthorized disbursement
4 caused a debit balance (shortage) to exist in this escrow in the amount of \$1,085.18 in violation of
5 California Code of Regulations, title 10, section 1738.1.
 - 6 b. On or about January 6, 2010, Montilla violated Financial Code section 17414(a)(2) by
7 preparing, or causing to be prepared, a Final Master Settlement Statement that misrepresented the
8 \$1,085.18 disbursement to be made to Rudolph described in paragraph 1.a. above as “Delinquent
9 Taxes to Stewart Title”.
- 10 2. CE Escrow #3110-KM – Closed on 2/24/2010:
 - 11 a. On or about February 26, 2010, Montilla made, or caused to be made, an
12 unauthorized disbursement of trust funds to a Mary Isidoro (“Isidoro”) in the amount of \$129.50.
13 This unauthorized disbursement caused a debit balance to exist in this escrow in the amount of
14 \$129.50 in violation of California Code of Regulations, title 10, section 1738.1.
- 15 3. CE Escrow #3170-JM – Closed on 1/21/2010:
 - 16 a. On or about January 22, 2010, Montilla made, or caused to be made, an unauthorized
17 disbursement of trust funds to Rudolph in the amount of \$2,100.49. This unauthorized disbursement
18 caused a debit balance to exist in this escrow in the amount of \$2,100.49 in violation of California
19 Code of Regulations, title 10, section 1738.1.
 - 20 b. On or about January 21, 2010, Montilla violated Financial Code section 17414(a)(2)
21 by preparing, or causing to be prepared, a Final Master Settlement Statement that misrepresented the
22 \$2,100.49 paid to Rudolph as current taxes (overstated taxes by \$1,908.49), a \$150.00 a termite
23 report, and a \$42.00 property report.
- 24 4. CE Escrow #3183-JM –Closed on 12/9/2009:
 - 25 a. On or about December 31, 2009 and February 5, 2010, Montilla made, or caused to
26 be made, two unauthorized disbursements of trust funds to Rudolph in the respective amounts of
27 \$485.00 and \$349.95. These unauthorized disbursements caused a further debit balance of \$834.95
28 to exist in this escrow in violation of California Code of Regulations, title 10, section 1738.1.

1 b. On or about December 9, 2010, Montilla violated Financial Code section 17414(a)(2)
2 by preparing, or causing to be prepared, a Final Master Settlement Statement that misrepresented the
3 disbursements in the transaction to hide the unauthorized disbursements made to, or to be made to,
4 Rudolph described in paragraph 4.a. above as follows: (i) represented the \$485.00 to be paid to
5 Rudolph as \$200.00 on line 1302 for termite work and \$285.00 on line 1304 for a home warranty
6 policy; and (ii) represented the \$349.95 to be paid to Rudolph as a \$260.00 transfer fee on line 1307
7 and \$89.95 property disclosure report fee on line 1301.

8 5. CE Escrow #3208-JM – Closed on 9/30/2010:

9 a. On or about September 22, 2010, Montilla made, or caused to be made, an
10 unauthorized disbursement of trust funds to Rudolph in the amount of \$2,800.00. This unauthorized
11 disbursement caused a debit balance to exist in this escrow in the amount of \$2,800.00 in violation
12 of California Code of Regulations, title 10, section 1738.1.

13 6. CE Escrow #3212-JM – Canceled:

14 a. On or about March 31, April 13, and May 7, 2010, Montilla made, or caused to be
15 made, three (3) unauthorized disbursements of trust funds to Rudolph in the respective amounts of
16 \$4,500.00, \$2,200.00, and \$4,800.00. These unauthorized disbursements caused a debit balance to
17 exist in this escrow in the amount of \$11,500.00 in violation of California Code of Regulations, title
18 10, section 1738.1.

19 7. CE Escrow #3280-JM – Canceled:

20 a. On or about May 28, 2010, Montilla made, or caused to be made, an unauthorized
21 disbursement of trust funds to Isidoro in the amount of \$1,750.00. This unauthorized disbursement
22 caused a debit balance to exist in this escrow in the amount of \$1,750.00 in violation of California
23 Code of Regulations, title 10, section 1738.1.

24 8. CE Escrow #3309-JM –Closed on 9/30/2010:

25 a. On or about May 5, 2010, Montilla made, or caused to be made, an unauthorized
26 disbursement of trust funds in the amount of \$11,500.00 to escrow number 3212-JM. This
27 unauthorized disbursement was used to cover the debit balance in escrow number 3212-JM caused
28 by Montilla’s unauthorized disbursements to Rudolph. (See paragraph 6 above) While the

1 disbursement described herein cured the debit balance in escrow number 3212-JM, it caused a debit
2 balance to exist in this escrow in the amount of \$11,500.00 in violation of California Code of
3 Regulations, title 10, section 1738.1.

4 b. On or about June 4, 2010, Montilla made, or caused to be made, two (2) unauthorized
5 disbursements of trust funds to Rudolph in the respective amounts of \$3,000.00 and \$9,500.00.
6 These unauthorized disbursements caused a further debit balance of \$12,500.00 to exist in this
7 escrow in violation of California Code of Regulations, title 10, section 1738.1.

8 c. On or about July 13, 2010, Montilla made, or caused to be made, an unauthorized
9 disbursement of trust funds in the amount of \$2,500.00 to escrow number 3337-JM. The
10 unauthorized disbursement in this escrow was used to cover the debit balance in escrow number
11 3337-JM caused by Montilla’s unauthorized disbursement to Rudolph. (See paragraph 9 below)
12 While the disbursement described herein cured the debit balance in escrow number 3337-JM, it
13 caused a further debit balance of \$2,500.00 to exist in this escrow in violation of California Code of
14 Regulations, title 10, section 1738.1.

15 d. On or about August 31, 2010, Montilla made, or caused to be made, an unauthorized
16 disbursement of trust funds in the amount of \$1,500.00 to escrow number 3344-JM. The
17 unauthorized disbursement in this escrow was used to cover the debit balance of \$1,444.65 in escrow
18 number 3344-JM caused by Montilla’s unauthorized disbursements to Rudolph and Montilla and not
19 otherwise disguised by the false entries on the Final Master Settlement Statement as described in
20 paragraph 10.c. below. While the disbursement described herein cured the debit balance in escrow
21 number 3344-JM, it caused a further debit balance of \$1,500.00 to exist in this escrow in violation of
22 California Code of Regulations, title 10, section 1738.1.

23 e. On or about February 10, 2011, Montilla made, or caused to be made, an
24 unauthorized disbursement of trust funds to herself in the amount of \$300.00. This unauthorized
25 disbursement caused a further debit balance of \$300.00 to exist in this escrow in violation of
26 California Code of Regulations, title 10, section 1738.1.

27 9. CE Escrow #3337-JM – Closed on 6/11/2010:

28 a. On or about April 29, 2010, Montilla made, or caused to be made, an unauthorized

1 disbursement of trust funds to Rudolph in the amount of \$2,500.00. This unauthorized disbursement
2 caused a debit balance to exist in this escrow in the amount of \$2,500.00 in violation of California
3 Code of Regulations, title 10, section 1738.1.

4 b. On or about April 27, 2010, Montilla violated Financial Code section 17414(a)(2)
5 when she prepared, or caused to be prepared, an amendment to the escrow instructions to allow the
6 immediate release of \$2,500.00 to Rudolph, falsely indicating that Rudolph was a seller in the
7 transaction. The amendment was unsigned.

8 10. CE Escrow #3344-JM- Closed on 8/18/2010:

9 a. Commencing on or about July 9 and continuing through August 17, 2010, Montilla
10 made, or caused to be made, four (4) unauthorized disbursements of trust funds to Rudolph totaling
11 \$10,500.00. These unauthorized disbursements caused a debit balance to exist in this escrow in the
12 amount of \$1,044.65 in violation of California Code of Regulations, title 10, section 1738.1.

13 b. On or about December 16, 2010, Montilla made, or caused to be made, an
14 unauthorized disbursement of trust funds to herself in the amount of \$400.00. This unauthorized
15 disbursement caused a further debit balance of \$400.00 to exist in this escrow in violation of
16 California Code of Regulations, title 10, section 1738.1.

17 c. On or about June 11, 2010, Montilla violated Financial Code section 17414(a)(2) by
18 preparing, or causing to be prepared, a Final Master Settlement Statement that contained false
19 representations to cover the unauthorized disbursements to be made to Rudolph described in
20 paragraphs 10.a. and 10.b. above, as follows: (i) Golden California Mortgage was not the real estate
21 agent in the transaction and did not receive \$4,500.00 as indicated on line 702 nor did the real estate
22 agent actually due the \$4,500.00 (\$4,500); (ii) the appraisal invoice in the amount of \$425.00 was
23 not paid and was also not listed on the settlement statement (\$425); (iii) there was no termite report
24 invoice and no payment of \$150.00 as indicated on line 1302 (\$150); (iv) the property report
25 invoice in the file, which was paid, was for \$42.00, not the \$89.95 indicated on line 1304 (\$47.95);
26 (v) the notary invoice in the file was for \$40.00, which invoice was paid, not the \$20.00 listed on
27 page 3 (-\$20); (vi) the payoff to Wachovia indicated on line 504 was inflated by \$105.00 to
28 \$196,115.15 from \$196,010.15 (\$105); (vii) the seller was paid proceeds in the amount of \$2,000.00

1 not the \$5,000.00 indicated on line 603 (\$3,000); (viii) the buyer’s escrow fees should have been
2 \$895.00, but were inflated to \$1,495.00 as indicated on line 1101 (\$590); and (ix) the buyer’s refund
3 on line 303 was inflated from \$0.00 to \$657.40 (\$657.40).

4 11. CE Escrow #3373-JM – Closed on 2/24/2011:

5 a. Commencing on or about July 30, 2010 and continuing through February 28, 2011,
6 Montilla made, or caused to be made, four (4) unauthorized disbursements of trust funds to Rudolph
7 totaling \$6,766.65. These unauthorized disbursements caused a debit balance of \$6,766.65 to exist
8 in this escrow in violation of California Code of Regulations, title 10, section 1738.1.

9 b. On or about October 28, 2010, Montilla made, or caused to be made, an unauthorized
10 disbursement of trust funds in the amount of \$1,750.00 to escrow number 3280-JM. This
11 unauthorized disbursement was used to cover the debit balance in escrow number 3280-JM caused
12 by Montilla’s unauthorized disbursement to Isidoro. (See paragraph 7 above) While the
13 disbursement described herein cured the debit balance in escrow number 3280-JM, it caused a
14 further debit balance shortage of \$1,750.00 to exist in this escrow in violation of California Code of
15 Regulations, title 10, section 1738.1.

16 12. CE Escrow #3408-JM – Closed on 9/10/2010:

17 a. On or about August 30 and September 10, 2010, Montilla made, or caused to be
18 made, two (2) unauthorized disbursements of trust funds to Rudolph in the respective amounts of
19 \$2,000.00 and \$2,300.00. These unauthorized disbursements caused a debit balance to exist in this
20 escrow in the amount of \$4,300.00 in violation of California Code of Regulations, title 10, section
21 1738.1.

22 13. CE Escrow #3409-JM – Closed on 12/21/2010:

23 a. On or about December 17, 2010, Montilla made, or caused to be made, an
24 unauthorized disbursement of trust funds to Rudolph in the amount of \$2,200.00. This unauthorized
25 disbursement caused a debit balance to exist in this escrow in the amount of \$2,200.00 in violation
26 of California Code of Regulations, title 10, section 1738.1.

27 14. CE Escrow #3437-JM – Closed on 11/12/2010:

28 a. On or about November 15, 2010, Montilla made, or caused to be made, an

1 unauthorized disbursement of trust funds to Rudolph in the amount of \$1,075.00. This unauthorized
2 disbursement caused a debit balance to exist in this escrow in the amount of \$1,075.00 in violation
3 of California Code of Regulations, title 10, section 1738.1.

4 15. CE Escrow #3466-JM – Open as of Regulatory Examination:

5 a. Commencing on or about September 7, 2010 and continuing through at least March
6 11, 2011, Montilla made, or caused to be made, six (6) unauthorized disbursements of trust funds to
7 Rudolph totaling \$13,700.00. These unauthorized disbursements caused a debit balance of
8 \$13,700.00 to exist in this escrow in violation of California Code of Regulations, title 10, section
9 1738.1.

10 16. CE Escrow #3467-JM –Open as of Regulatory Examination:

11 a. On or about August 24 and October 15, 2010, Montilla made, or caused to be made,
12 two (2) unauthorized disbursements of trust funds to Rudolph in the respective amounts of \$1,500.00
13 and \$500.00. These unauthorized disbursements caused a debit balance to exist in this escrow in the
14 amount of \$2,000.00 in violation of California Code of Regulations, title 10, section 1738.1.

15 17. CE Escrow #3531-JM – Closed on 2/28/2011:

16 a. On or about March 2, 2011, Montilla made, or caused to be made, an unauthorized
17 disbursement of trust funds to Rudolph in the amount of \$1,400.00. This unauthorized disbursement
18 caused a debit balance to exist in this escrow in the amount of \$1,400.00 in violation of California
19 Code of Regulations, title 10, section 1738.1.

20 18. CE Escrow #3593-JM -Canceled:

21 a. On or about November 4, 2010, Montilla made, or caused to be made, an
22 unauthorized disbursement of trust funds to Rudolph in the amount of \$2,300.00. This unauthorized
23 disbursement caused a debit balance to exist in this escrow in the amount of \$2,300.00 in violation
24 of California Code of Regulations, title 10, section 1738.1.

25 19. CE Escrow #3619-JM – Closed on 1/26/2011:

26 a. Commencing on or about November 23, 2010 and continuing through January 28,
27 2011, Montilla made, or caused to be made, six (6) unauthorized disbursements of trust funds to
28 Rudolph totaling \$11,560.00. These unauthorized disbursements caused a debit balance of

1 \$11,560.00 to exist in this escrow in violation of California Code of Regulations, title 10, section
2 1738.1.

3 b. On or about December 30, 2010, Montilla made, or caused to be made, two (2)
4 unauthorized disbursements of trust funds to Ice Castle Group, Inc. in the respective amounts of
5 \$2,000.00 and \$1,000.00. These unauthorized disbursements caused a further debit balance of
6 \$3,000.00 to exist in this escrow in violation of California Code of Regulations, title 10, section
7 1738.1.

8 III

9 California Financial Code section 17423 provides in pertinent part:

10 (a) The commissioner may, after appropriate notice and opportunity
11 for hearing, by order, . . . bar from any position of employment, management, or
12 control any escrow agent, or any other person, if the commissioner finds either of the
13 following:

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

19 IV

20 Complainant finds that, by reason of the foregoing, Respondent Bridget Montilla has violated
21 Financial Code sections 17414(a)(1) and 17414(a)(2) and California Code of Regulations, title 10,
22 sections 1738, 1738.1, and 1738.2, and it is in the best interests of the public to bar Respondent
23 Bridget Montilla from any position of employment, management or control of any escrow agent.

24 WHEREFORE, IT IS PRAYED that Respondent Bridget Montilla be barred from any
25 position of employment, management or control of any escrow agent.

26 Dated: April 23, 2013
27 Los Angeles, CA

JAN LYNN OWEN
California Corporations Commissioner

28 By _____
Judy L. Hartley
Senior Corporations Counsel