

1 PRESTON DuFAUCHARD  
California Corporations Commissioner  
2 ALAN S. WEINGER  
Deputy Commissioner  
3 JUDY L. HARTLEY (CA BAR NO. 110628)  
Senior Corporations Counsel  
4 Department of Corporations  
320 West 4<sup>th</sup> Street, Ste. 750  
5 Los Angeles, California 90013-2344  
Telephone: (213) 576-7604 Fax: (213) 576-7181  
6 Attorneys for Complainant

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

10  
11 In the Matter of THE CALIFORNIA ) Case No.: 963-2182  
CORPORATIONS COMMISSIONER, )  
12 )  
Complainant, ) ORDER TO DISCONTINUE ESCROW  
13 ) ACTIVITIES PURSUANT TO CALIFORNIA  
vs. ) FINANCIAL CODE SECTION 17415  
14 )  
15 PRECISIONONE ESCROW, INC., )  
16 )  
Respondent. )  
17 )  
18 )

19 TO: PRECISIONONE ESCROW, INC.,  
20 78-115 Calle Estado, Suite 203  
21 La Quinta, California 92253

22 THE CALIFORNIA CORPORATIONS COMMISSIONER FINDS THAT:

23 1. Precisionone Escrow, Inc. has allowed its secretary, co-owner, and escrow officer,  
24 Yesenia Espinoza to continue processing escrows after both Yesenia Espinoza and Precisionone  
25 Escrow, Inc. were served with the pleadings to bar Yesenia Espinoza from any position of  
26 employment, management or control of any escrow agent in violation of Financial Code section  
27 17423(c).  
28

1           2.       Precisionone Escrow, Inc. effectively does not have a person stationed at its licensed  
2 location that meets the experience requirements of Financial Code section 17200.8,

3           3.       Precisionone Escrow, Inc. has failed to provide any evidence that it meets the net  
4 worth requirements of California Financial Code section 17210.

5           Based upon the foregoing, Precisionone Escrow, Inc. is conducting escrow business in such  
6 an unsafe and injurious manner as to render further operations hazardous to the public or to  
7 customers.

8           NOW, BASED ON THE FOREGOING, AND GOOD CAUSE APPEARING  
9 THEREFORE, it is hereby ORDERED, under the provisions of Financial Code section 17415, that  
10 Precisionone Escrow, Inc. immediately discontinue acceptance of any new escrow or joint control  
11 business, and of money, documents or other property in connection therewith.

12           This order is to remain in full force and effect until further order of the Commissioner.

13           Section 17415 of the Financial Code provides as follows:

14           (a) If the commissioner, as a result of any examination or from any  
15 report made to him or her, shall find that any person subject to this  
16 division is in an insolvent condition, is conducting escrow business in  
17 such an unsafe or injurious manner as to render further operations  
18 hazardous to the public or to customers, has failed to comply with  
19 the provisions of Section 17212.1 or 17414.1, has permitted its tangible  
20 net worth to be lower than the minimum required by law, has failed to  
21 maintain its liquid assets in excess of current liabilities as set forth in  
22 Section 17210, or has failed to comply with the bonding requirements  
23 of Chapter 2 (commencing with Section 17200) of this division, the  
24 commissioner may, by an order addressed to and served by registered  
25 or certified mail or personal service on such person and on any other  
26 person having in his or her possession or control any escrowed funds,  
27 trust funds or other property deposited in escrow with said person,  
28 direct discontinuance of the disbursement of trust funds by the parties  
or any of them, the receipt of trust funds, the delivery or recording of  
documents received in escrow, or other business operations. No person  
having in his or her possession any of these funds or documents shall be  
liable for failure to comply with the order unless he or she has received  
written notice of the order. Subject to subdivision (b), the order shall remain  
in effect until set aside by the commissioner in whole or in part, the person  
has been adjudged bankrupt, or pursuant to Chapter 6 (commencing with  
Section 17621) of this division the commissioner has assumed possession  
of the escrow agent.

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(b) Within 15 days from the date of 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 of service of such notice and none is ordered by the commissioner, the failure to request a hearing shall constitute a waiver of the right for a hearing. Neither the request for a hearing nor the hearing itself shall stay the order issued by the commissioner under subdivision (a).

Dated: May 11, 2011  
Los Angeles, CA

PRESTON DuFAUCHARD  
California Corporations Commissioner

By \_\_\_\_\_  
Alan S. Weinger  
Deputy Commissioner

1 PRESTON DuFAUCHARD  
California Corporations Commissioner  
2 ALAN S. WEINGER  
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3 JUDY L. HARTLEY (CA BAR NO. 110628)  
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6 Attorneys for Complainant

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

10  
11 In the Matter of the Accusation THE ) Case No.: 963-2182  
CALIFORNIA CORPORATIONS )  
12 COMMISSIONER, ) FIRST AMENDED ACCUSATION  
13 )  
Complainant, )  
14 )  
15 vs. )  
16 PRECISIONONE ESCROW, INC., YESENIA )  
ESPINOZA, and JOSE ESPINOZA, )  
17 )  
18 Respondents. )

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

21 I

22 Respondent Precisionone Escrow, Inc. ("Precision") is an escrow agent licensed by the  
23 California Corporations Commissioner ("Commissioner" or "Complainant") pursuant to the Escrow  
24 Law of the State of California (California Financial Code Section 17000 et seq.). Precision has its  
25 principal place of business at 78-115 Calle Estado, Suite 203, La Quinta, California 92253.

26 Respondent Jose Espinoza ("J. Espinoza") was at all times relevant herein the president and  
27 co-owner of Precision.  
28

1 Respondent Yesenia Espinoza (“Y. Espinoza”) was at all times relevant herein the secretary  
2 and co-owner of Precision.

3 II

4 On or about February 13, 2009, the Commissioner, by and through his staff, commenced a  
5 regulatory examination of the books and records of Precision. The most recent trust account  
6 reconciliation available for review at the commencement of the regulatory examination was for  
7 December 31, 2008, as Precision had not yet prepared its January 2009 trust account reconciliation.  
8 The regulatory examination revealed at this point that Respondents, commencing on or about  
9 February 11, 2008 and continuing through at least December 31, 2008, had made at least fifty-six  
10 (56) unauthorized disbursements of trust funds via wire transfer to its general account totaling  
11 \$74,945.00, which trust funds were used to pay operating expenses, in violation of Financial Code  
12 sections 17409 and 17414(a)(1) and California Code of Regulations, title 10, sections 1738 and  
13 1738.2. The unauthorized disbursements also caused a continuous trust account shortage to exist in  
14 violation of California Code of Regulations, title 10, section 1738.1 in varying amounts from on or  
15 about February 11, 2008 until on or about December 15, 2008 when Precision cured the then  
16 existing trust account shortage of \$31,650.00 with a transfer of funds from the general account. The  
17 remaining unauthorized disbursements of \$43,295.00 had previously been cured by Precision by  
18 foregoing escrow fees it earned later in time. The Espinoza’s assured the Commissioner that they  
19 would not make any further unauthorized disbursements from the trust account.

20 On or about April 3, 2009, the Commissioner, by and through his staff, returned to Precision  
21 and at that time discovered that from on or about January 5, 2009 through February 10, 2009,  
22 Respondents had made three (3) further unauthorized disbursements of trust funds to the general  
23 account of Precision totaling \$34,800.00 via wire transfer in violation of Financial Code sections  
24 17409 and 17414(a)(1) and California Code of Regulations, title 10, sections 1738 and 1738.2.  
25 These unauthorized disbursements had not previously been discovered because the January and  
26 February 2009 trust account reconciliations had not been prepared when the regulatory examination  
27 had originally commenced. Of the \$33,000.00 in unauthorized disbursements of trust funds  
28 transferred to the general account in January 2009, Respondents had forwarded the sum of

1 \$30,000.00 to the personal account of the Espinoza's. These unauthorized disbursements also  
2 caused a trust account shortage to exist in the amount of \$34,800.00 until on or about April 8, 2009  
3 when Precision cured the shortage after demand was made by the Commissioner.

4 On or about April 21, 2009, the Commissioner, by and through his staff, requested  
5 Respondents to provide the outgoing wire list for the months of March and April 2009 for review. A  
6 review of the such outgoing wire lists revealed that Respondents had continued making unauthorized  
7 disbursements from the trust account to the general account of Precision in violation of Financial  
8 Code sections 17409 and 17414(a)(1) and California Code of Regulations, title 10, sections 1738 and  
9 1738.2. The unauthorized disbursements made by Respondents in March and April 2009 numbered  
10 three (3) and totaled \$5,300.00. These unauthorized disbursements also caused a further trust  
11 account shortage to exist in the amount of \$5,300.00 until on or about April 21, 2009 when Precision  
12 cured the shortage after demand was made by the Commissioner.

13 In or about January 2010, Precision was requested to submit trust account reconciliations  
14 to the Commissioner for May 2009 through December 31, 2009 in order to determine whether  
15 Respondents had continued taking unauthorized disbursements from the trust account. A review of  
16 the trust account reconciliations disclosed that on or about July 10, 2009, Respondents had again  
17 made an unauthorized disbursement from the trust account to the general account of Precision in  
18 violation of Financial Code sections 17409 and 17414(a)(1) and California Code of Regulations, title  
19 10, sections 1738 and 1738.2. The unauthorized disbursement made by Respondents on July 10,  
20 2009 was in the amount of \$25,000.00. This unauthorized disbursement caused another trust  
21 account shortage to exist in the amount of \$25,000.00 until on or about September 1, 2009 when  
22 Precision cured the shortage.

23 To summarize the above, the regulatory examination disclosed that Respondents,  
24 commencing on or about February 11, 2008 and continuing through at least July 10, 2009, had made  
25 at least sixty-three (63) unauthorized disbursements of trust funds to the general account of Precision  
26 totaling \$140,045.00, which funds were used to pay operating expenses of Precision and other  
27 unauthorized uses. The unauthorized disbursements also caused a trust account shortage to exist,  
28 which Precision cured during the course of the examination.

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III

The Commissioner also discovered during the regulatory examination that Precision does not have a person stationed at its licensed location that meets the experience requirements of Financial Code section 17200.8.

IV

On or about July 7, 2010, the Commissioner issued the first accusation in this matter. The Accusation along with the Notice of Intention, Statement to Respondent, blank Notice of Defense and government code sections concerning discovery were personally served on Respondents on or about July 9, 2010.

Financial Code section 17423 subsection (c) provides in pertinent part:

Upon receipt of a notice of intention to issue an order pursuant to this section, the person who is the subject of the proposed order is immediately prohibited from engaging in any escrow processing activities, including disbursing any trust funds in the escrow agent's possession, custody or control, . . .

The cover letter served on J. Espinoza and Y. Espinoza notified them that upon receipt of the pleadings they were immediately prohibited from engaging in any escrow processing activities, including disbursing any trust funds on behalf of Precision or any other escrow agent licensee.

On or about March 25, 2011, the Department received correspondence from Precision regarding its annual audit for the period ended August 31, 2010. In the correspondence, J. Espinoza, as president of Precision, indicated that Y. Espinoza was the escrow manager for Precision. This activity would be in violation of Financial Code section 17423, subsection (c). Accordingly, on or about April 25, 2011, the Commissioner, by and through his staff, commenced a special examination of Precision to ascertain if Y. Espinoza was violating the prohibition set forth in Financial Code section 17423.

The special examination disclosed that Y. Espinoza, with the knowledge of Precision and J. Espinoza, continued processing escrows after Y. Espinoza was served with pleadings to bar her from any position of employment, management or control of any escrow agent in violation of Financial Code section 17423(c).

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V

California Financial Code section 17608 provides in pertinent part:

The commissioner may, after notice and a reasonable opportunity to be heard, suspend or revoke any license if he finds that:

(b) The licensee has violated any provision of this division or any rule made by the commissioner under and within the authority of this division.

(c) Any fact or condition now exists which, if it had existed at the time of the original application for such license, reasonably would have warranted the commissioner in refusing originally to issue such license.

California Financial Code section 17423 provides in pertinent part:

(a) The commissioner may, after appropriate notice and opportunity for hearing, by order, . . . 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 . . . 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.

VI

Complainant finds that, by reason of the foregoing, Respondents Precisionone Escrow, Inc., Yesenia Espinoza and Jose Espinoza have violated Financial Code sections 17409, 17414(a)(1) and 17423(c) and California Code of Regulations, title 10, sections 1732.2, 1738, 1738.1, and 1738.2 and it is in the best interests of the public to revoke the escrow agent’s license of Respondent Precisionone Escrow, Inc. and to bar Respondents Yesenia Espinoza and Jose Espinoza from any position of employment, management or control of any escrow agent.

WHEREFORE, IT IS PRAYED that Respondents Yesenia Espinoza and Jose Espinoza be barred from any position of employment, management or control of any escrow agent and the escrow agent’s license of Respondent Precisionone Escrow, Inc. be revoked.



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Dated: May 18, 2011  
Los Angeles, CA

PRESTON DuFAUCHARD  
California Corporations Commissioner

By \_\_\_\_\_  
Judy L. Hartley  
Senior Corporations Counsel

1 PRESTON DuFAUCHARD  
California Corporations Commissioner  
2 ALAN S. WEINGER  
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6 Attorneys for Complainant

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

10  
11 In the Matter of the Accusation of THE ) OAH Case No. 2011010783  
CALIFORNIA CORPORATIONS )  
12 COMMISSIONER, ) File No.: 963-2182  
13 )  
Complainant, ) SETTLEMENT AGREEMENT  
14 )  
15 vs. )  
16 PRECISIONONE ESCROW, INC., YESENIA )  
ESPINOZA, and JOSE ESPINOZA, )  
17 )  
18 Respondents. )

19 This Settlement Agreement is entered into between Precisionone Escrow, Inc.  
20 (“Precisionone”), Yesenia Espinoza (Y. Espinoza”) and Jose Espinoza (“J. Espinoza”), on the one  
21 hand, and the California Corporations Commissioner ("Commissioner") on the other hand, and is  
22 made with respect to the following facts:

23 **RECITALS**

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

26 B. Precisionone is an escrow agent licensed by the Commissioner pursuant to the  
27 Escrow Law of the State of California (California Financial Code § 17000 et seq.). Precisionone has  
28 its principal place of business at 78-115 Calle Estado, Suite 203, La Quinta, California 92253.

1 C. J. Espinoza is, and was at all times relevant, the president and co-owner of  
2 Precisionone.

3 D. Y. Espinoza is, and was at all times relevant, the secretary and co-owner of  
4 Precisionone.

5 E. On July 9, 2011, Precisionone, Y. Espinoza and J. Espinoza were personally served  
6 by the Commissioner with a Notice of Intention to Issue Order to Revoke Escrow Agent’s License  
7 and To Issue Orders Pursuant to Section 17423 (Bar from Employment, Management or Control of  
8 an Escrow Agent), Accusation and accompanying documents dated July 7, 2011. Thereafter, on  
9 May 18, 2011, the Commissioner issued a First Amended Accusation against Precisionone, Y.  
10 Espinoza and J. Espinoza, which First Amended Accusation was personally served on Rspodents,  
11 by and through their attorney, on May 18, 2011. Precisioneone, Y. Espinoza and J. Espinoza have  
12 filed Notices of Defense with the Commissioner on the above-referenced matter. A two-day hearing  
13 has been scheduled for October 5 and 6, 2011.

14 F. It is the intention and desire of the parties to resolve this matter without the necessity  
15 of a hearing and/or other litigation.

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

18 **TERMS AND CONDITIONS**

19 1. This Settlement Agreement is entered into for the purpose of judicial economy and  
20 expediency, and to avoid the expense of a hearing, and possible further court proceedings.

21 2. Precisionone, without admitting or denying any of the allegations contained in the  
22 First Amended Accusation described in paragraph E above, hereby agrees to the issuance by the  
23 Commissioner of an order revoking the escrow agent’s license of Precisionone. The revocation  
24 order shall become effective upon execution of this Settlement Agreement. A copy of the revocation  
25 order is attached and incorporated as Exhibit A.

26 3. Precisionone acknowledges its right to an administrative hearing under Financial  
27 Code section 17608 in connection with the revocation and hereby waives its right to a hearing, and  
28 to any reconsideration, appeal, or other rights which may be afforded pursuant to the Escrow Law,

1 the California Administrative Procedure Act, the California Code of Civil Procedure, or any other  
2 provision of law in connection with this matter herein.

3 4. Y. Espinoza, without admitting or denying any of the allegations contained in the  
4 First Amended Accusation described in paragraph E above, hereby agrees to the issuance by the  
5 Commissioner of an order barring her from any position of employment, management or control of  
6 any escrow agent. The order shall become effective upon execution of this Settlement Agreement.  
7 A copy of the bar order is attached and incorporated as Exhibit B.

8 5. Y. Espinoza acknowledges her right to an administrative hearing under Financial  
9 Code section 17423 in connection with the bar and hereby waives her right to a hearing, and to any  
10 reconsideration, appeal, or other rights which may be afforded pursuant to the Escrow Law, the  
11 California Administrative Procedure Act, the California Code of Civil Procedure, or any other  
12 provision of law in connection with this matter herein.

13 6. J. Espinoza, without admitting or denying any of the allegations contained in the First  
14 Amended Accusation described in paragraph E above, hereby agrees to the issuance by the  
15 Commissioner of an order barring him from any position of employment, management or control of  
16 any escrow agent. The order shall become effective upon execution of this Settlement Agreement.  
17 A copy of the bar order is attached and incorporated as Exhibit C.

18 7. J. Espinoza acknowledges his right to an administrative hearing under Financial Code  
19 section 17423 in connection with the bar and hereby waives his right to a hearing, and to any  
20 reconsideration, appeal, or other rights which may be afforded pursuant to the Escrow Law, the  
21 California Administrative Procedure Act, the California Code of Civil Procedure, or any other  
22 provision of law in connection with this matter herein.

23 8. Notwithstanding, paragraphs 2, 4 and 6 above, the allegations set forth in the First  
24 Amended Accusation described in paragraph E above shall be deemed admitted in the event  
25 Respondents (i) seek reinstatement pursuant to Government Code section 11522, or (ii) apply to the  
26 Department of Corporations for any license, whether individually or through any business entity in  
27 which Respondents or any Respondent named herein, is a partner, officer, director, manager, or  
28 person owning or controlling, directly or indirectly, ten percent or more of the outstanding interests

1 or equity securities as the case may be.

2 9. The parties hereby acknowledge and agree that this Settlement Agreement is intended  
3 to constitute a full, final and complete resolution of this matter. The parties further acknowledge and  
4 agree that nothing contained in this Settlement Agreement shall operate to limit the Commissioner's  
5 ability to assist any other agency, (county, state or federal) with any prosecution, administrative,  
6 civil or criminal, brought by any such agency against Precisionone, Y. Espinoza and/or J. Espinoza  
7 based upon any of the activities alleged in this matter or otherwise.

8 10. Each of the parties represents, warrants, and agrees that it has received independent  
9 advice from its attorney(s) and/or representatives with respect to the advisability of executing this  
10 Settlement Agreement.

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

21 12. This Settlement Agreement is the final written expression and the complete and  
22 exclusive statement of all the agreements, conditions, promises, representations, and covenants  
23 between the parties with respect to the subject matter hereof, and supercedes all prior or  
24 contemporaneous agreements, negotiations, representations, understandings, and discussions  
25 between and among the parties, their respective representatives, and any other person or entity, with  
26 respect to the subject matter covered hereby.

27 13. In that the parties have had the opportunity to draft, review and edit the language of  
28 this Settlement Agreement, no presumption for or against any party arising out of drafting all or any

1 part of this Settlement Agreement will be applied in any action relating to, connected, to, or  
2 involving this Settlement Agreement. Accordingly, the parties waive the benefit of California Civil  
3 Code section 1654 and any successor or amended statute, providing that in cases of uncertainty,  
4 language of a contract should be interpreted most strongly against the party who caused the  
5 uncertainty to exist.

6 14. This Settlement Agreement shall not become effective until signed by all parties and  
7 delivered by all parties.

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

13 16. Each signator hereto covenants that he/she possesses all necessary capacity and  
14 authority to sign and enter into this Settlement Agreement.

15 Dated: 5/31/11 PRESTON DuFAUCHARD  
16 California Corporations Commissioner

17 By \_\_\_\_\_  
18 ALAN S. WEINGER  
19 Deputy Commissioner

20 Dated: 5/26/11 PRECISIONONE ESCROW, INC.

21 By \_\_\_\_\_  
22 JOSE ESPINOZA, President

23 Dated: 5/26/11

24 By \_\_\_\_\_  
25 JOSE ESPINOZA, an individual

26 Dated: 5/26/11

27 By \_\_\_\_\_  
28 YESENIA ESPINOZA, an individual

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APPROVED AS TO FORM:

DAVIS & DAVIS, LLP

By \_\_\_\_\_  
M. STEPHEN DAVIS, ESQ. Attorney for PRECISIONONE  
ESCROW, INC., JOSE ESPINOZA and  
YESENIA ESPINOZA

PRESTON DuFAUCHARD  
California Corporations Commissioner

By \_\_\_\_\_  
JUDY L. HARTLEY  
Senior Corporations Counsel

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9 OF THE STATE OF CALIFORNIA

10  
11 In the Matter of the Accusation of THE ) File No.: 963-2182  
CALIFORNIA CORPORATIONS )  
12 COMMISSIONER, ) ORDER REVOKING ESCROW AGENT’S  
13 ) LICENSE  
Complainant, )  
14 )  
15 vs. )  
16 PRECISIONONE ESCROW, INC., YESENIA )  
ESPINOZA and JOSE ESPINOZA, )  
17 )  
18 Respondents. )  
\_\_\_\_\_ )

19  
20 Pursuant to the Settlement Agreement entered into between Precisionone Escrow, Inc. and  
21 the California Corporations Commissioner on May 31, 2011, attached and incorporated herein as  
22 Exhibit 1, the escrow agent’s license of Precisionone Escrow, Inc. is hereby revoked effective this  
23 date.

24 Dated: May 31, 2011  
25 Los Angeles, CA

PRESTON DuFAUCHARD  
California Corporations Commissioner

26 By \_\_\_\_\_  
27 Alan S. Weinger  
28 Deputy Commissioner



1 PRESTON DuFAUCHARD  
California Corporations Commissioner  
2 ALAN S. WEINGER  
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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 No.: 963-2182
12	CALIFORNIA CORPORATIONS	)	
13	COMMISSIONER,	)	ORDER BARRING JOSE ESPINOZA FROM
14	Complainant,	)	ANY EMPLOYMENT, MANAGEMENT OR
15	vs.	)	CONTROL OF ANY ESCROW AGENT
16	PRECISIONONE ESCROW, INC., YESENIA	)	
17	ESPINOZA and JOSE ESPINOZA,	)	
18	Respondents.	)	

19  
20 Pursuant to the Settlement Agreement entered into between Jose Espinoza and the California  
21 Corporations Commissioner on May 31, 2011, attached and incorporated herein as  
22 Exhibit 1, Jose Espinoza is hereby barred from any position of employment, management or control  
23 of any escrow agent. This Order shall become effective on the date hereof.

24 Dated: May 31, 2011 PRESTON DuFAUCHARD  
25 Los Angeles, CA California Corporations Commissioner

26 By \_\_\_\_\_  
27 Alan S. Weinger  
28 Deputy Commissioner

1 PRESTON DuFAUCHARD  
California Corporations Commissioner  
2 ALAN S. WEINGER  
Deputy Commissioner  
3 JUDY L. HARTLEY (CA BAR NO. 110628)  
Senior Corporations Counsel  
4 Department of Corporations  
320 West 4<sup>th</sup> Street, Ste. 750  
5 Los Angeles, California 90013-2344  
Telephone: (213) 576-7604 Fax: (213) 576-7181

6 Attorneys for Complainant  
7

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

11	In the Matter of the Accusation of THE	)	File No.: 963-2182
12	CALIFORNIA CORPORATIONS	)	
13	COMMISSIONER,	)	ORDER BARRING YESENIA ESPINOZA
14	Complainant,	)	FROM ANY EMPLOYMENT,
15	vs.	)	MANAGEMENT OR CONTROL OF ANY
16	PRECISIONONE ESCROW, INC., YESENIA	)	ESCROW AGENT
17	ESPINOZA and JOSE ESPINOZA,	)	
18	Respondents.	)	

19  
20 Pursuant to the Settlement Agreement entered into between Yesenia Espinoza and the  
21 California Corporations Commissioner on May 31, 2011, attached and incorporated herein as  
22 Exhibit 1, Yesenia Espinoza is hereby barred from any position of employment, management or  
23 control of any escrow agent. This Order shall become effective on the date hereof.

24 Dated: May 31, 2011  
25 Los Angeles, CA

PRESTON DuFAUCHARD  
California Corporations Commissioner

26 By \_\_\_\_\_  
27 Alan S. Weinger  
28 Deputy Commissioner

1 PRESTON DuFAUCHARD  
California Corporations Commissioner  
2 ALAN S. WEINGER  
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6 Attorneys for Complainant

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

10  
11 In the Matter of the Accusation THE ) Case No.: 963-2182  
CALIFORNIA CORPORATIONS )  
12 COMMISSIONER, ) ACCUSATION  
13 )  
Complainant, )  
14 )  
15 vs. )  
16 PRECISIONONE ESCROW, INC., YESENIA )  
ESPINOZA, and JOSE ESPINOZA, )  
17 )  
18 Respondents. )

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

21 I

22 Respondent Precisionone Escrow, Inc. ("Precision") is an escrow agent licensed by the  
23 California Corporations Commissioner ("Commissioner" or "Complainant") pursuant to the Escrow  
24 Law of the State of California (California Financial Code Section 17000 et seq.). Precision has its  
25 principal place of business at 78-115 Calle Estado, Suite 203, La Quinta, California 92253.

26 Respondent Jose Espinoza ("J. Espinoza") was at all times relevant herein the president and  
27 co-owner of Precision.  
28

1 Respondent Yesenia Espinoza (“Y. Espinoza”) was at all times relevant herein the secretary  
2 and co-owner of Precision.

3 II

4 On or about February 13, 2009, the Commissioner, by and through his staff, commenced a  
5 regulatory examination of the books and records of Precision. The most recent trust account  
6 reconciliation available for review at the commencement of the regulatory examination was for  
7 December 31, 2008, as Precision had not yet prepared its January 2009 trust account reconciliation.  
8 The regulatory examination revealed at this point that Respondents, commencing on or about  
9 February 11, 2008 and continuing through at least December 31, 2008, had made at least fifty-six  
10 (56) unauthorized disbursements of trust funds via wire transfer to its general account totaling  
11 \$74,945.00, which trust funds were used to pay operating expenses, in violation of Financial Code  
12 sections 17409 and 17414(a)(1) and California Code of Regulations, title 10, sections 1738 and  
13 1738.2. The unauthorized disbursements also caused a continuous trust account shortage to exist in  
14 violation of California Code of Regulations, title 10, section 1738.1 in varying amounts from on or  
15 about February 11, 2008 until on or about December 15, 2008 when Precision cured the then  
16 existing trust account shortage of \$31,650.00 with a transfer of funds from the general account. The  
17 remaining unauthorized disbursements of \$43,295.00 had previously been cured by Precision by  
18 foregoing escrow fees it earned later in time. The Espinoza’s assured the Commissioner that they  
19 would not make any further unauthorized disbursements from the trust account.

20 On or about April 3, 2009, the Commissioner, by and through his staff, returned to Precision  
21 and at that time discovered that from on or about January 5, 2009 through February 10, 2009,  
22 Respondents had made three (3) further unauthorized disbursements of trust funds to the general  
23 account of Precision totaling \$34,800.00 via wire transfer in violation of Financial Code sections  
24 17409 and 17414(a)(1) and California Code of Regulations, title 10, sections 1738 and 1738.2.  
25 These unauthorized disbursements had not previously been discovered because the January and  
26 February 2009 trust account reconciliations had not been prepared when the regulatory examination  
27 had originally commenced. Of the \$33,000.00 in unauthorized disbursements of trust funds  
28 transferred to the general account in January 2009, Respondents had forwarded the sum of

1 \$30,000.00 to the personal account of the Espinoza's. These unauthorized disbursements also  
2 caused a trust account shortage to exist in the amount of \$34,800.00 until on or about April 8, 2009  
3 when Precision cured the shortage after demand was made by the Commissioner.

4 On or about April 21, 2009, the Commissioner, by and through his staff, requested  
5 Respondents to provide the outgoing wire list for the months of March and April 2009 for review. A  
6 review of the such outgoing wire lists revealed that Respondents had continued making unauthorized  
7 disbursements from the trust account to the general account of Precision in violation of Financial  
8 Code sections 17409 and 17414(a)(1) and California Code of Regulations, title 10, sections 1738 and  
9 1738.2. The unauthorized disbursements made by Respondents in March and April 2009 numbered  
10 three (3) and totaled \$5,300.00. These unauthorized disbursements also caused a further trust  
11 account shortage to exist in the amount of \$5,300.00 until on or about April 21, 2009 when Precision  
12 cured the shortage after demand was made by the Commissioner.

13 In or about January 2010, Precision was requested to submit trust account reconciliations  
14 to the Commissioner for May 2009 through December 31, 2009 in order to determine whether  
15 Respondents had continued taking unauthorized disbursements from the trust account. A review of  
16 the trust account reconciliations disclosed that on or about July 10, 2009, Respondents had again  
17 made an unauthorized disbursement from the trust account to the general account of Precision in  
18 violation of Financial Code sections 17409 and 17414(a)(1) and California Code of Regulations, title  
19 10, sections 1738 and 1738.2. The unauthorized disbursement made by Respondents on July 10,  
20 2009 was in the amount of \$25,000.00. This unauthorized disbursement caused another trust  
21 account shortage to exist in the amount of \$25,000.00 until on or about September 1, 2009 when  
22 Precision cured the shortage.

23 To summarize the above, the regulatory examination disclosed that Respondents,  
24 commencing on or about February 11, 2008 and continuing through at least July 10, 2009, had made  
25 at least sixty-three (63) unauthorized disbursements of trust funds to the general account of Precision  
26 totaling \$140,045.00, which funds were used to pay operating expenses of Precision and other  
27 unauthorized uses. The unauthorized disbursements also caused a trust account shortage to exist,  
28 which Precision cured during the course of the examination.

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III

The Commissioner also discovered during the regulatory examination that Precision does not have a person stationed at its licensed location that meets the experience requirements of Financial Code section 17200.8.

IV

California Financial Code section 17608 provides in pertinent part:

The commissioner may, after notice and a reasonable opportunity to be heard, suspend or revoke any license if he finds that:

(b) The licensee has violated any provision of this division or any rule made by the commissioner under and within the authority of this division.

(c) Any fact or condition now exists which, if it had existed at the time of the original application for such license, reasonably would have warranted the commissioner in refusing originally to issue such license.

California Financial Code section 17423 provides in pertinent part:

(a) The commissioner may, after appropriate notice and opportunity for hearing, by order, . . . 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 . . . 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.

VI

Complainant finds that, by reason of the foregoing, Respondents Precisionone Escrow, Inc., Yesenia Espinoza and Jose Espinoza have violated Financial Code sections 17409, and 17414(a)(1) and California Code of Regulations, title 10, sections 1732.2, 1738, 1738.1, and 1738.2 and it is in the best interests of the public to revoke the escrow agent’s license of Respondent Precisionone Escrow, Inc. and to bar Respondents Yesenia Espinoza and Jose Espinoza from any position of employment, management or control of any escrow agent.

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WHEREFORE, IT IS PRAYED that Respondents Yesenia Espinoza and Jose Espinoza be barred from any position of employment, management or control of any escrow agent and the escrow agent’s license of Respondent Precisionone Escrow, Inc. be revoked.

Dated: July 7, 2010  
Los Angeles, CA

PRESTON DuFAUCHARD  
California Corporations Commissioner

By \_\_\_\_\_  
Judy L. Hartley  
Senior Corporations Counsel