

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  
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5 Los Angeles, California 90013-2344  
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6 Attorneys for Complainant

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

11	In the Matter of the Accusation of THE	)	File No.: 963-2638
12	CALIFORNIA CORPORATIONS	)	
13	COMMISSIONER,	)	ORDER SUSPENDING MARTHA A.
14	Complainant,	)	HERNANDEZ RABADAN FROM ANY
15	vs.	)	EMPLOYMENT, MANAGEMENT OR
16	MARTHA A. HERNANDEZ RABADAN aka	)	CONTROL OF ANY ESCROW AGENT
17	MARTHA A. HERNANDEZ,	)	
18	Respondent.	)	

19 Pursuant to the Settlement Agreement entered into between Martha A. Hernandez Rabadan  
20 and the California Corporations Commissioner on August 19, 2011, attached and incorporated herein  
21 as Exhibit 1, Martha A. Hernandez Rabadan is hereby suspended from any position of employment,  
22 management or control of any escrow agent subject to the provisions of the California Escrow Law  
23 (California Financial Code §§ 17000 et seq.) for a period of one year. This Order shall become  
24 effective on the date hereof.

25 Dated: August 22, 2011  
26 Los Angeles, CA

PRESTON DuFAUCHARD  
California Corporations Commissioner

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

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9 OF THE STATE OF CALIFORNIA

10  
11 In the Matter of the Accusation of THE ) OAH No. 2011071017  
CALIFORNIA CORPORATIONS )  
12 COMMISSIONER, ) File No.: 963-2638  
13 )  
Complainant, ) SETTLEMENT AGREEMENT  
14 )  
15 vs. )  
16 MARTHA A. HERNANDEZ RABADAN aka )  
MARTHA A. HERNANDEZ, )  
17 )  
18 Respondent. )

19 This Settlement Agreement is entered into between respondent Martha A. Hernandez  
20 Rabadan aka Martha A. Hernandez (“Hernandez”) and complainant the California Corporations  
21 Commissioner ("Commissioner") and is made with respect to the following facts:

22 **RECITALS**

23 A. Hernandez was during the time relevant in the Accusation described in Paragraph B  
24 below (“Accusation”), an escrow officer at New Millennium Escrow, Inc., an escrow agent licensed  
25 by the Commissioner pursuant to the Escrow Law of the State of California (California Financial  
26 Code Section 17000 et seq.) (the “Escrow Law). At the time of this action, Hernandez was the  
27 proposed manager for Greater L.A. Escrow Inc, an escrow agent license applicant with the  
28 Commissioner under the Escrow Law.



1 Accusation or any similar statues or regulations of the state of California, another state, or any  
2 agency of the federal government, the Commissioner may immediately issue an Order barring  
3 Hernandez from any position of employment, management or control of any escrow agent subject to  
4 the provisions of the Escrow Law

5 5. Hernandez hereby waives her right to any reconsideration, appeal or other right to  
6 review any finding by the Commissioner pursuant to Paragraph 4 above, which may be afforded  
7 pursuant to the Escrow Law, the California Administrative Procedure Act, the California Code of  
8 Civil Procedure, or any other provision of law in connection therewith.

9 6. The Parties hereby agree that Paragraph 4 above is not intended to limit the remedies  
10 available to the Commissioner in pursuing future violations, if any, nor the time period for which  
11 any remedy available to the Commissioner under the Escrow Law may be sought and employed.

12 7. Hernandez additionally agrees that she shall not undertake any position as an escrow  
13 manager, corporate officer, director, trustee or stockholder with any escrow agent licensed by the  
14 Commissioner, or act in any such capacity, and/or apply for any such position, whether such  
15 application be with the Commissioner or an escrow agent licensed by the Commissioner or seeking  
16 licensure with the Commissioner, for a period of four years following the completion of her  
17 suspension.

18 8. Hernandez agrees that if the Commissioner finds that Hernandez has violated any of  
19 the provisions of Paragraph 7, the Commissioner may immediately issue an Order barring  
20 Hernandez from any position of employment, management or control of any escrow agent subject to  
21 the provisions of the Escrow Law.

22 9. Hernandez hereby waives her right to any reconsideration, appeal or other right to  
23 review of any finding by the Commissioner pursuant to Paragraph 8 above which may be afforded  
24 pursuant to the Escrow Law, the California Administrative Procedure Act, the California Code of  
25 Civil Procedure, or any other provision of law in connection therewith.

26 10. The Commissioner shall cause this Settlement Agreement to be filed with the Office  
27 of Administrative Hearings immediately upon its execution.

28 11. The parties hereby acknowledge and agree that this Settlement Agreement is intended

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

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

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

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

25 15. In that the parties have had the opportunity to draft, review and edit the language of  
26 this Settlement Agreement, no presumption for or against any party arising out of drafting all or any  
27 part of this Settlement Agreement will be applied in any action relating to, connected, to, or  
28 involving this Settlement Agreement. Accordingly, the parties waive the benefit of California Civil

1 Code section 1654 and any successor or amended statute, providing that in cases of uncertainty,  
2 language of a contract should be interpreted most strongly against the party who caused the  
3 uncertainty to exist.

4 16. This Settlement Agreement shall not become effective until signed by all parties and  
5 delivered by all parties.

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

11 18. Each signator hereto covenants that he/she possesses all necessary capacity and  
12 authority to sign and enter into this Settlement Agreement.

13 Dated: 8/19/2011 PRESTON DuFAUCHARD  
14 California Corporations Commissioner

15 By \_\_\_\_\_  
16 ALAN S. WEINGER  
17 Deputy Commissioner

18 Dated: 8/19/2011  
19 By \_\_\_\_\_  
20 MARTHA A. HERNANDEZ RABADAN  
21 aka MARTHA A. HERNANDEZ, an individual

22  
23  
24  
25  
26  
27  
28

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11 In the Matter of the Accusation of THE ) File No.: 963-2638  
CALIFORNIA CORPORATIONS )  
12 COMMISSIONER, ) ACCUSATION  
13 )  
Complainant, )  
14 )  
vs. )  
15 )  
16 MARTHA A. HERNANDEZ RABADAN aka )  
MARTHA A. HERNANDEZ, )  
17 )  
Respondent. )  
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 On or about February 7, 2011, Greater L.A. Escrow Inc. filed its escrow agent application  
23 with the California Corporations Commissioner (“Commissioner”). Greater L.A. Escrow Inc.  
24 identified Respondent Martha A. Hernandez Rabadan aka Martha A. Hernandez (“Hernandez”) as its  
25 proposed escrow manager through the submission of a Statement of Identity and Employment  
26 Application (“SIEA”) and Escrow Agent Manager Questionnaire (“EAMQ”) for Hernandez.  
27  
28

## II

1  
2 The Commissioner, while investigating Hernandez as the proposed manager for Greater L.A.  
3 Escrow Inc. obtained information that Hernandez may have committed numerous violations of the  
4 Escrow Law (Financial Code §§ 1700 et seq.) while employed as an escrow officer at New  
5 Millennium Escrow, Inc. (“New Millennium”). New Millennium is an escrow agent licensed by the  
6 Commissioner pursuant to the provisions of the Escrow Law. A special examination of certain  
7 escrow transactions handled by Hernandez while employed at New Millennium was commenced on  
8 or about June 6, 2011 and revealed that Hernandez had engaged in the following activities in  
9 violation of the Escrow Law:

10 1. New Millennium Escrow no. 1326-RG (formerly Morris Escrow no.5272-MH<sup>1</sup>)

11 (a) On or about January 6, 2011, Hernandez violated Financial Code section 17414(a)(2)  
12 by issuing receipt number 2541, which falsely represented that third party Rodney Jackson had  
13 deposited the sum of \$2,000.00 via wire into escrow on behalf the buyer.

14 (b) On or about January 7, 2011, Hernandez caused an unauthorized disbursement of  
15 trust funds in the amount of \$250.00 to be made to Daniel Beech of Helping Your House Inc. via  
16 trust check number 14554 in violation of Financial Code section 17414(a)(1). The disbursement was  
17 unauthorized as the signatures on the January 7, 2011 cancelation instructions directing escrow to  
18 disburse \$250.00 of the escrow deposit to Daniel Beech had been forged by Hernandez in violation  
19 of Financial Code section 17414(a)(2).

20 (c) On or about January 14, 2011, Hernandez caused an unauthorized disbursement of  
21 trust funds in the amount of \$1,750.00 to be made to Edward Jung via wire transfer number 727 in  
22 violation of Financial Code section 17414(a)(1)<sup>2</sup>. The disbursement was unauthorized as the  
23 signatures on the January 7, 2011 cancelation instructions directing escrow to disburse \$1,750.00 of  
24

25  
26 <sup>1</sup> According to the escrow file, this escrow transaction was originally opened by Hernandez on or about September 25,  
2009 while she was employed at Morris Escrow. This escrow transaction had no activity from November 2009 until  
receipt of the \$2,000.00 wire on or about January 6, 2011.

27 <sup>2</sup> Hernandez had previously tried to disburse \$1,750.00 to Edward Jung via a wire transfer on or about January 7, 2011,  
28 but the wire transfer did not go through. Additionally, the January 14, 2011 wire transfer was returned by New  
Millennium’s bank due to incorrect bank information. Hernandez then caused a trust check, number 14633, to be issued  
to Edward Jung on or about January 18, 2011 for \$1,750.00, but New Millennium was able to successfully stop payment  
on the check.



1 the escrow deposit to Edward Jung had been forged by Hernandez in violation of Financial Code  
2 section 17414(a)(2).

3 2. New Millennium Escrow no. 1334-VP (formerly Morris Escrow no.5271-MH<sup>3</sup>)

4 (a) On or about January 3, 2011, Hernandez violated Financial Code section 17414(a)(2)  
5 by issuing receipt number 2525, which falsely represented that third party Kathy Pomeroy had  
6 deposited the sum of \$1,500.00 via personal check into escrow on behalf the buyer.

7 (b) On or about January 4, 2011, Hernandez further violated Financial Code section  
8 17414(a)(2) by issuing receipt number 2527, which falsely represented that third party Robert  
9 Eusebio had deposited the sum of \$3,500.00 via personal check into escrow on behalf the buyer.

10 (c) On or about January 5, 2011, Hernandez caused an unauthorized disbursement of  
11 trust funds in the amount of \$500.00 to be made to Daniel Beech of Helping Your House Inc. via  
12 trust check number 14531 in violation of Financial Code section 17414(a)(1). The disbursement was  
13 unauthorized as the signatures on the January 5, 2011 cancelation instructions directing escrow to  
14 disburse \$500.00 of the escrow deposit to Daniel Beech had been forged by Hernandez in violation  
15 of Financial Code section 17414(a)(2).

16 (d) On or about January 5, 2011, Hernandez caused an unauthorized disbursement of  
17 trust funds in the amount of \$4,500.00 to be made to Ju Hee Hong via trust check number 14532 in  
18 violation of Financial Code section 17414(a)(1). The disbursement was unauthorized as the  
19 signatures on the January 5, 2011 cancelation instructions directing escrow to disburse \$4,500.00 of  
20 the escrow deposit to Ju Hee Hong had been forged by Hernandez in violation of Financial Code  
21 section 17414(a)(2).

22 (e) On or about January 7, 2011, the \$3,500.00 check described in paragraph (b) above  
23 was returned by the bank “not sufficient funds”. Accordingly, the issuance of the unauthorized  
24 disbursement to Ju Hee Hong described in paragraph(c) also violated California Code of  
25 Regulations, title 10, section 1738.1 as there were insufficient funds on deposit in the escrow to  
26

27  
28 <sup>3</sup> According to the escrow file, this escrow transaction was originally opened by Hernandez on or about September 25,  
2009 while she was employed at Morris Escrow. This escrow transaction had no activity from October 2009 until on or  
about January 3 and 4, 2011, respectively, when New Millennium received the two checks totaling \$5,000.00.

1 cover the disbursement thereby causing a debit balance (shortage) of \$3,500.00 to exist in the escrow  
2 until January 11, 2001 when New Millennium received replacement funds.

3 3. New Millennium Escrow no. 1390-MH (formerly Morris Escrow no.5264-MH<sup>4</sup>)

4 (a) On or about January 11, 2011, Hernandez violated Financial Code section  
5 17414(a)(2) by issuing receipt number 2552, which falsely represented that third party Freddie  
6 Parker had deposited the sum of \$2,000.00 via personal check into escrow on behalf the buyer.

7 (b) On or about January 11, 2011, Hernandez further violated Financial Code section  
8 17414(a)(2) by issuing receipt number 2553, which falsely represented that third party Felix Meza  
9 had deposited the sum of \$3,500.00 via personal check into escrow on behalf the buyer.

10 (c) On or about January 14, 2011, Hernandez caused an unauthorized disbursement of  
11 trust funds in the amount of \$500.00 to be made to Daniel Beech of Helping Your House Inc. via  
12 trust check number 14627 in violation of Financial Code section 17414(a)(1). The disbursement was  
13 unauthorized as the signatures on the January 14, 2011 cancelation instructions directing escrow to  
14 disburse \$500.00 of the escrow deposit to Daniel Beech had been forged by Hernandez in violation  
15 of Financial Code section 17414(a)(2).

16 (d) On or about January 14, 2011, Hernandez caused an unauthorized disbursement of  
17 trust funds in the amount of \$5,000.00<sup>5</sup> to be made to Ju Hee Hong via wire number 729 in violation  
18 of Financial Code section 17414(a)(1). The disbursement was unauthorized as the signatures on the  
19 January 14, 2011 cancelation instructions directing escrow to disburse \$5,000.00 of the escrow  
20 deposit to Ju Hee Hong had been forged by Hernandez in violation of Financial Code section  
21 17414(a)(2).

22 4. New Millennium Escrow no. 2538-MH

23 (a) On or about January 13, 2011, Hernandez violated Financial Code section  
24 17414(a)(2) by issuing receipt number 2563, which falsely represented that third party Robert  
25 \_\_\_\_\_

26 <sup>4</sup> According to the escrow file, this escrow transaction was originally opened by Hernandez on or about August 3, 2009  
27 while she was employed at Morris Escrow. This escrow transaction had no activity from September until on or about  
28 January 11, 2011 when New Millennium received the two checks totaling \$5,500.00.

<sup>5</sup> New Millennium was able to successfully cancel the wire on January 18, 2011.

1 Eusebio had deposited the sum of \$2,000.00 via personal check into escrow on behalf the buyer.

2 (b) On or about January 13, 2011, Hernandez further violated Financial Code section  
3 17414(a)(2) by issuing receipt number 2564, which falsely represented that third party Jackson and  
4 Modesta Gallant had deposited the sum of \$2,000.00 via personal check into escrow on behalf the  
5 buyer.

6 III

7 California Financial Code section 17423 provides in pertinent part:

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

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

17 IV

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

22 WHEREFORE, IT IS PRAYED that Respondent Hernandez be barred from any position of  
23 employment, management or control of any escrow agent.

24 Dated: July 6, 2011  
25 Los Angeles, CA

26 PRESTON DuFAUCHARD  
27 California Corporations Commissioner

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