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8

9 BEFORE THE DEPARTMENT OF CORPORATIONS
10 OF THE STATE OF CALIFORNIA
11

12 In the Matter of the Accusation of THE) File Nos.: 963-2103
CALIFORNIA CORPORATIONS)
13 COMMISSIONER,) ORDER BARRING CLAUDIA R.
14 Complainant,) SANDOVAL FROM ANY POSITION OF
15) EMPLOYMENT, MANAGEMENT OR
16 vs.) CONTROL OF ANY ESCROW AGENT
17 CLAUDIA R. SANDOVAL,)
18 Respondent.)

19 The California Corporations Commissioner (“Commissioner”) finds that:
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21 1. Respondent Claudia R. Sandoval (“Sandoval”) was at all times relevant herein, an
22 escrow officer at Paramount Escrow Services, Inc. (“Paramount”), 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.). Paramount has its
25 principal place of business located at 15235 Lakewood Boulevard, Paramount, California 90723.

26 2. On September 5, 2007, the Commissioner, by and through his staff, commenced a
27 special examination of the books and records of Paramount. The special examination was
28 commenced after the Department of Corporations (“Department”) received information from
Paramount that one of its escrow officers, Sandoval, had made numerous unauthorized

1 disbursements of trust funds to relatives, including her husband, which created a trust account
2 shortage.

3 3. The special examination revealed that Sandoval had made at least twenty-one (21)
4 unauthorized disbursements of trust funds from the Paramount trust account to relatives, or on behalf
5 of relatives, totaling \$32,398.02 between November 9, 2006 and June 22, 2007 in violation of
6 Financial Code section 17414(a)(1) and California Code of Regulations, title 10, sections 1738 and
7 1738.2. The special examination further revealed that Sandoval had forged or caused the signatures
8 of escrow parties to be forged in violation of Financial Code section 17414(a)(1) to hide the
9 unauthorized disbursements. The unauthorized disbursements resulted in a trust account shortage
10 and numerous ongoing debit balances in violation of California Code of Regulations, title 10, section
11 1738.1. Paramount has cured the trust account shortage.

12 4. The violations discovered during the special examination of Paramount are described
13 as follows:

14 **A. Escrow No. 2433 – closed 11-22-06**

15 (i) On May 23, 2007, Sandoval disbursed or caused two unauthorized disbursements of
16 trust funds in the respective sums of \$3,500.00 and \$2,773.28 to be made to her sister, Laura Galvez
17 (“Galvez”) via trust check numbers 19707 and 19708 in violation of Financial Code section
18 17414(a)(1) and California Code of Regulations, title 10, sections 1738 and 1738.2. The trust funds
19 disbursed to Galvez represented a May 23, 2007 property tax refund from the title company due the
20 borrower.

21 (ii) Sandoval attempted to hide the unauthorized disbursements of trust funds to Galvez
22 by placing in the escrow file an invoice dated May 23, 2007 from a Quintero’s Construction
23 (Quintero is the married name of Galvez) disclosing a payment of \$6,273.28 to Quintero’s
24 Construction with a “Read and Approved” stamp, which invoice contained a forged signature of the
25 borrower, in violation of Financial Code section 17414(a)(2).

26 **B. Escrow No. 2524 – closed 12-26-06**

27 (i) On March 13, 2007, Sandoval disbursed or caused an unauthorized disbursement of
28 trust funds in the amount of \$1,846.92 to be made to her husband, Nestor Sandoval (N. Sandoval”),

1 via trust check number 18546 in violation of Financial Code section 17414(a)(1) and California
2 Code of Regulations, title 10, sections 1738 and 1738.2. The trust funds disbursed to N. Sandoval
3 represented a March 12, 2007 property tax refund from the title company due the seller.

4 (ii) Sandoval attempted to hide the unauthorized disbursement of trust funds to N.
5 Sandoval by placing in the escrow file an escrow amendment dated March 12, 2007 authorizing
6 Sandoval to pay any taxes refunded to N. Sandoval for a personal loan, which amendment contained
7 forged signatures of the sellers, in violation of Financial Code section 17414(a)(2).

8 **C. Escrow No. 2558 – closed 12-14-06**

9 (i) On December 29, 2006, Sandoval disbursed or caused an unauthorized disbursement
10 of trust funds in the amount of \$2,250.00 to be made to N. Sandoval via trust check number 17466 in
11 violation of Financial Code section 17414(a)(1) and California Code of Regulations, title 10,
12 sections 1738 and 1738.2. The trust funds disbursed to N. Sandoval represented a December 29,
13 2006 refund of monies held by title due the borrower.

14 (ii) Sandoval attempted to hide the unauthorized disbursement of trust funds to N.
15 Sandoval by placing in the escrow file an escrow amendment dated December 14, 2006 authorizing
16 Sandoval to disburse such funds to N. Sandoval once released by title, which amendment contained
17 a forged signature of the borrower, in violation of Financial Code section 17414(a)(2).

18 **D. Escrow No. 2578 – closed 11-21-06**

19 (i) On December 21, 2006, Sandoval disbursed or caused an unauthorized disbursement
20 of trust funds in the amount of \$4,151.90 to be made to N. Sandoval via trust check number 17265 in
21 violation of Financial Code section 17414(a)(1) and California Code of Regulations, title 10,
22 sections 1738 and 1738.2. The trust funds disbursed to N. Sandoval represented a December 21,
23 2006 property tax refund from the title company due the seller.

24 (ii) Sandoval attempted to hide the unauthorized disbursement of trust funds to N.
25 Sandoval by placing in the escrow file an escrow amendment dated December 21, 2006 authorizing
26 the payment to N. Sandoval for services rendered, which escrow amendment contained a forged
27 signature of the seller, in violation of Financial Code section 17414(a)(2).

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1 **E. Escrow No. 2701 – closed 10-23-06**

2 (i) On November 9, 2006, Sandoval disbursed or caused an unauthorized disbursement
3 of trust funds in the amount of \$650.00 to be made to N. Sandoval via trust check number 16698 in
4 violation of Financial Code section 17414(a)(1) and California Code of Regulations, title 10,
5 sections 1738 and 1738.2. The trust funds disbursed to N. Sandoval represented a November 9,
6 2006 refund of monies held by title due the borrower.

7 (ii) Sandoval attempted to hide the unauthorized disbursement of trust funds to N.
8 Sandoval by placing in the escrow file an escrow amendment dated October 23, 2006 authorizing
9 Sandoval to disburse such funds to N. Sandoval once released by title, which amendment contained
10 a forged signature of the borrower, in violation of Financial Code section 17414(a)(2).

11 **F. Escrow No. 2702 – closed 11-20-06**

12 (i) On February 13, 2007, Sandoval disbursed or caused an unauthorized disbursement
13 of trust funds to herself in the amount of \$1,303.33 in violation of Financial Code section
14 17414(a)(1) and California Code of Regulations, title 10, sections 1738 and 1738.2 via trust check
15 number 18162 made payable to her brother-in-law, Pablo I. Quintero (“Quintero”), who turned over
16 the funds to Sandoval. The trust funds disbursed to Sandoval through Quintero represented a
17 February 2, 2007 property tax refund from the title company due the seller.

18 (ii) Sandoval attempted to hide the unauthorized disbursement of trust funds to herself by
19 placing in the escrow file an escrow amendment dated February 13, 2007 authorizing Sandoval to
20 void Paramount trust check number 18045 written to the seller for said refund and to reissue a check
21 payable to Quintero, which amendment contained a forged signature of the seller, in violation of
22 Financial Code section 17414(a)(2).

23 **G. Escrow No. 2784 – closed 12-01-06**

24 (i) On February 16, 2007, Sandoval disbursed or caused an unauthorized disbursement
25 of trust fund in the amount of \$2,429.66 to be made to herself in violation of Financial Code section
26 17414(a)(1) and California Code of Regulations, title 10, sections 1738 and 1738.2 via trust check
27 number 18228 made payable to Quintero, who then turned over the funds to Sandoval. The trust
28 funds disbursed to Sandoval through Quintero represented February 16, 2007 property tax refunds

1 from the title company due the borrower.

2 (ii) On February 16, 2007, Sandoval disbursed or caused an unauthorized disbursement
3 of trust fund in the amount of \$436.84 to be made to Quintero via trust check number 18344 in
4 violation of Financial Code section 17414(a)(1) and California Code of Regulations, title 10,
5 sections 1738 and 1738.2. The trust funds disbursed to Quintero represented a February 16, 2007
6 property tax refund from the title company due the borrower.

7 (iii) Sandoval attempted to hide the unauthorized disbursements of trust funds to herself
8 and Quintero by placing in the escrow file an escrow amendment dated February 16, 2007
9 authorizing an unspecified sum to Quintero for a personal loan, which amendment contained forged
10 signatures of the borrowers, in violation of Financial Code section 17414(a)(2).

11 **H. Escrow No. 2804 – closed 11-02-06**

12 (i) On December 5, 2006, Sandoval disbursed or caused an unauthorized disbursement
13 of trust funds in the amount of \$2,300.00 to be made to N. Sandoval via trust check number 17054 in
14 violation of Financial Code section 17414(a)(1) and California Code of Regulations, title 10,
15 sections 1738 and 1738.2. The trust funds disbursed to N. Sandoval represented a December 5, 2006
16 refund of monies held by title due the borrower.

17 (ii) Sandoval attempted to hide the unauthorized disbursement of trust funds to N.
18 Sandoval by placing in the escrow file an escrow amendment dated November 2, 2006 authorizing
19 Sandoval to pay monies on hold to N. Sandoval for services rendered, which amendment contained a
20 forged signature of the borrower, in violation of Financial Code section 17414(a)(2).

21 **I. Escrow No. 2824 – closed 11-09-06**

22 (i) On January 25, 2007, Sandoval disbursed or caused an unauthorized disbursement of
23 trust funds in the amount of \$1,382.26 to be made to N. Sandoval via trust check number 17899 in
24 violation of Financial Code section 17414(a)(1) and California Code of Regulations, title 10,
25 sections 1738 and 1738.2. The trust funds disbursed to N. Sandoval represented a January 25, 2007
26 property tax refund from the title company due the borrower.

27 (ii) Sandoval attempted to hide the unauthorized disbursement of trust funds to N.
28 Sandoval by placing in the escrow file an escrow amendment dated January 25, 2007 authorizing

1 Sandoval to disburse such funds to N. Sandoval, which amendment contained a forged signature of
2 the borrower, in violation of Financial Code section 17414(a)(2).

3 **J. Escrow No. 2954 – closed 12-22-06**

4 (i) On March 30, 2007, Sandoval disbursed or caused an unauthorized disbursement of
5 trust funds in the amount of \$1,400.00 to be made to V7R Auto Repair on behalf of N. Sandoval via
6 trust check number 18761 in violation of Financial Code section 17414(a)(1) and California Code of
7 Regulations, title 10, sections 1738 and 1738.2. The trust funds disbursed to V&R Auto Repair on
8 behalf of N. Sandoval represented a March 30, 2007 property tax refund from the title company due
9 the borrower.

10 (ii) Sandoval attempted to hide the unauthorized disbursement of trust funds on behalf of
11 N. Sandoval by placing in the escrow file an invoice dated March 5, 2007 from V & R Auto Repair
12 showing a balance of \$1,400.00 due and owing from the borrower with a “Read and Approved”
13 stamp, which invoice contained a forged signature of the borrower, in violation of Financial Code
14 section 17414(a)(2).

15 **K. Escrow No. 3249 – closed 3-13-07**

16 (i) On May 11, 2007, Sandoval disbursed or caused an unauthorized disbursement of
17 trust funds in the amount of \$1,076.41 to be made to N. Sandoval via trust check number 19580 in
18 violation of Financial Code section 17414(a)(1) and California Code of Regulations, title 10,
19 sections 1738 and 1738.2. The trust funds disbursed to N. Sandoval represented a May 11, 2007
20 property tax refund from the title company due the borrower.

21 (ii) Sandoval attempted to hide the unauthorized disbursement of trust funds to N.
22 Sandoval by placing in the escrow file a letter dated May 11, 2007 authorizing Sandoval to void
23 Paramount trust check number 19579 written to the borrowers for said refund and to reissue a check
24 payable to N. Sandoval for money owed, which letter contained forged signatures of the borrowers,
25 in violation of Financial Code section 17414(a)(2).

26 **L. Escrow No. 3250– closed 3-29-07**

27 (i) On June 8, 2007, Sandoval disbursed or caused an unauthorized disbursement of trust
28 funds in the amount of \$1,091.64 to N. Sandoval via trust check number 19941 in violation of

1 Financial Code section 17414(a)(1) and California Code of Regulations, title 10, sections 1738 and
2 1738.2. The trust funds disbursed to N. Sandoval represented a June 8, 2007 property tax refund
3 from the title company due the borrower. There was no authorization in the escrow file authorizing
4 this disbursement to N. Sandoval.

5 **M. Escrow No. 3274 – closed 4-11-07**

6 (i) On April 27, 2007, Sandoval disbursed or caused an unauthorized disbursement of
7 trust funds in the amount of \$2,865.20 to be made to N. Sandoval via trust check number 19284 in
8 violation of Financial Code section 17414(a)(1) and California Code of Regulations, title 10,
9 sections 1738 and 1738.2. The trust funds disbursed to N. Sandoval represented an April 27, 2007
10 property tax refund from the title company due the borrower.

11 (ii) Sandoval attempted to hide the unauthorized disbursement of trust funds to N.
12 Sandoval by placing in the escrow file an escrow amendment dated April 27, 2007 authorizing
13 Sandoval to pay any taxes refunded to N. Sandoval for a personal loan, which amendment contained
14 forged signatures of the sellers, in violation of Financial Code section 17414(a)(2).

15 **N. Escrow No. 3310– closed 4-10-07**

16 (i) On June 22, 2007, Sandoval disbursed or caused an unauthorized disbursement of
17 trust funds in the amount of \$1,759.92 to N. Sandoval via trust check number 20159 in violation of
18 Financial Code section 17414(a)(1) and California Code of Regulations, title 10, sections 1738 and
19 1738.2. The trust funds disbursed to N. Sandoval represented a June 22, 2007 property tax refund
20 from the title company due the sellers. There was no authorization in the escrow file authorizing this
21 disbursement to N. Sandoval.

22 **O. Escrow No. 3547– closed 6-13-07**

23 (i) On June 13, 2007, Sandoval disbursed or caused an unauthorized disbursement of
24 trust funds in the amount of \$1,185.66 to be made to N. Sandoval via trust check number 20005 in
25 violation of Financial Code section 17414(a)(1) and California Code of Regulations, title 10,
26 sections 1738 and 1738.2. The trust funds disbursed to N. Sandoval represented loan proceeds due
27 the borrower.

28 (ii) Sandoval attempted to hide the unauthorized disbursement of trust funds to N.

1 Sandoval by placing in the escrow file an escrow amendment dated June 13, 2007 authorizing
2 Sandoval to pay this amount to N. Sandoval for services rendered, which amendment contained a
3 forged signature of the borrower, in violation of Financial Code section 17414(a)(2).

4 **P. Escrow No. 3616– closed 5-18-07**

5 (i) On May 23, 2007, Sandoval disbursed or caused an unauthorized disbursement of
6 trust funds in the amount of \$500.00 to be made to Galvez via trust check number 19709 in violation
7 of Financial Code section 17414(a)(1) and California Code of Regulations, title 10, sections 1738
8 and 1738.2. The trust funds disbursed to Galvez represented loan proceeds due the borrower.

9 (ii) Sandoval attempted to hide the unauthorized disbursement of trust funds to Galvez by
10 describing the disbursement as an unspecified charge on the closing statement in violation of
11 Financial Code section 17414(a)(2).

12 **Q. Escrow No. 3626 – closed 6-07-07**

13 (i) On June 7, 2007, Sandoval disbursed or caused an unauthorized disbursement of trust
14 funds in the amount of \$750.00 to be made to a Diane Lopez via trust check number 19933 in
15 violation of Financial Code section 17414(a)(1) and California Code of Regulations, title 10,
16 sections 1738 and 1738.2. The trust funds disbursed to Diane Lopez represented loan proceeds due
17 the borrowers.

18 (ii) On June 7, 2007, Sandoval disbursed or caused an unauthorized disbursement of trust
19 funds in the amount of \$1,000.00 to be made to N. Sandoval via trust check number 19934 in
20 violation of Financial Code section 17414(a)(1) and California Code of Regulations, title 10,
21 sections 1738 and 1738.2. The trust funds disbursed to N. Sandoval represented loan proceeds due
22 the borrowers.

23 (iii) Sandoval attempted to hide the unauthorized disbursements of trust funds to Diane
24 Lopez and N. Sandoval by placing in the escrow file a letter dated June 7, 2007 authorizing
25 Sandoval to disburse such funds, which letter contained a forged signature of one of the borrowers,
26 in violation of Financial Code section 17414(a)(2).

27 5. The above-described violations constitute grounds under Financial Code section
28 17423 to bar a person from any position of employment, management or control of any escrow

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agent.
6. On September 15, 2008, the Commissioner issued a Notice of Intention to Issue Order Pursuant to California Financial Code Section 17423 (Bar From Employment, Management or Control of Any Escrow Agent), Accusation and accompanying documents against Sandoval based upon the above, and Sandoval was served with those documents on December 1, 2008 via certified, return-receipt mail. The Department has received no request for a hearing or any other response from Sandoval and the time to request a hearing has expired.

NOW GOOD CAUSE APPEARING THEREFORE, it is hereby ordered that Respondent Claudia R. Sandoval is barred from any position of employment, management or control of any escrow agent.

Dated: December 23, 2008
Los Angeles, CA

PRESTON DuFAUCHARD
California Corporations Commissioner

By _____
Alan S. Weinger
Lead Corporations Counsel