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10 BEFORE THE DEPARTMENT OF BUSINESS OVERSIGHT
11 OF THE STATE OF CALIFORNIA

12 In the Matter of:) File No.: 96DBO-45896
13)
14 THE COMMISSIONER OF BUSINESS)
OVERSIGHT,)
15) ORDER BARRING YAMI VASQUEZ a.k.a.
16 Complainant,) YAMILETH VASQUEZ FROM ANY
17 v.) POSITION OF EMPLOYMENT,
18 EQUITY TRUST ESCROW, INC., IRIS) MANAGEMENT, OR CONTROL OF ANY
ALTAMIRANO, YAMI VASQUEZ a.k.a.) ESCROW AGENT (FINANCIAL CODE §
19 YAMILETH VASQUEZ) 17423)
20 Respondents.)
21)

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23 The Commissioner of Business Oversight (Commissioner) finds that:

24 I.

25 **Introduction**

26 1. Respondent Yami Vasquez a.k.a. Yamileth Vasquez (Vasquez), was at all times
27 relevant in this matter, employed as the manager and escrow officer at Equity Trust Escrow, Inc.
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1 (Equity Trust), an escrow agent licensed by the Commissioner pursuant to the Escrow Law of the
2 State of California (Fin. Code, § 17000 et seq.) (Escrow Law). Vasquez was employed at Equity
3 Trust until March 2019.

4 2. On or about January 8, 2020, the Commissioner issued and served Vasquez with a
5 notice of intention to issue order barring Vasquez from any position of employment, management, or
6 control of any escrow agent pursuant to Financial Code section 17423. The Commissioner has
7 received no request for a hearing from Vasquez and the time to request a hearing has expired.

8 **II.**

9 **Unlawful Acts**

10 3. On or about April 3, 2018, the Commissioner, by and through his staff, commenced a
11 regulatory examination of Equity Trust that covered the period from April 2017 to April 2018. The
12 examination included the review of escrow files, ledgers and the trust account bank reconciliations.
13 Corporations examiner Tonson Lam (Lam) conducted the examination. As described in the following
14 paragraphs, the examination uncovered unauthorized disbursements of trust funds totaling
15 \$101,484.63. Equity Trust has cured all trust account shortages caused by Vasquez.

16 **Escrow 10076-YV**

17 4. Escrow 10076-YV was a loan escrow. On February 3, 2017, Vasquez issued receipt
18 number 1491 for an incoming wire of \$20,000.00, but no funds were credited at Equity Escrow's
19 trust bank account. Consequently, \$20,000.00 was shown on the February 28, 2017 month end trust
20 account bank reconciliations as a trust bank reconciling item – an adjustment “for receipt 1491 issued
21 on February 3, 2017 with no funds on the bank statement.” Vasquez claimed that the receipt was
22 issued in error and was corrected on September 25, 2017.

23 **Disbursement of \$5,000.00**

24 5. On February 3, 2017, a trust check for \$5,000.00 was issued to a check payee when
25 there were no funds in the escrow file to cover the disbursement. The funds were replaced when
26 Equity Trust issued receipt number 2028 for \$5,000.00 from the general account to the
27 trust account. Vasquez claimed it was an error and admitted that the \$5,000.00 should have been
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1 transferred from the general account to the trust account prior to issuing the trust check.

2 **Disbursement to the Wolf Firm**

3 6. Between February 2017 and July 2018, Vasquez made two unauthorized
4 disbursements from the trust account totaling \$67,825.93. The funds were wired from the trust
5 account, account number ending in 0273, to the Wolf Law Firm, a Law Corporation (Wolf Firm) who
6 was acting as a debt collector to reinstate Vasquez’s home mortgage with M & T Bank, as discussed
7 in detail below.

8 7. On February 28, 2017, Vasquez made an unauthorized disbursement from the trust
9 account to wire \$20,058.77 to the Wolf Firm. As a result of the unauthorized disbursement, the
10 \$20,058.77 was shown on the February 28, 2017 month end trust account bank reconciliation as a
11 trust account bank reconciling item – an adjustment for 2/28/17 wire out “not on control” (not
12 posted).

13 8. Vasquez informed Lam that the \$20,058.77 wired out of the trust account to the Wolf
14 Firm was a mistake, the funds should have been wired from Equity Trust’s general account. Vasquez
15 claimed that the funds were used to prevent foreclose of her home and reinstate her home loan
16 mortgage with M&T Bank. In fact, Vasquez provided Lam with a promissory note dated and signed
17 by both Vasquez and Iris Altamirano (Altamirano), Equity Trust’s president, secretary, sole
18 shareholder, and registered agent, on February 28, 2017 wherein Equity Trust agreed to lend Vasquez
19 the sum of \$20,058.77 and that the funds were to be wired from the company’s general account. This
20 amount was credited back to the trust account on April 12, 2018.

21 9. On July 30, 2018, Vasquez made another unauthorized disbursement of trust fund to
22 the Wolf Firm for \$47,767.16. Again, the funds were purportedly to prevent Vasquez’s home from
23 foreclosure and reinstate her mortgage. The month end trust account bank reconciliation showed the
24 \$47,767.16 as a trust account bank reconciling item – an adjustment on “7/30/18 wire out not on
25 control.” The funds were not immediately replaced. Instead, the funds were reimbursed in three
26 reimbursed in three separate payments: \$4,000.00 was paid on October 5, 2018; \$10,000.00 was paid
27 on October 9, 2018 and the remaining amount of \$33,767.16 was paid on January 29, 2019.

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1 10. On January 23, 2019, Altamirano reviewed Equity Trust's Profit and Loss Statement
2 and found issues with certain entries. She immediately consulted with her bookkeeper who informed
3 her about an earlier missing receipt. When Altamirano asked Vasquez about this item, Vasquez lied
4 and told Altamirano that the item in question as well as the trust funds of \$47,767.16 were missing
5 due to bank errors and she (Vasquez) was working with the bank to rectify the issues. Altamirano
6 contacted the bank requesting an investigation. On January 25, 2019, while the bank investigation
7 was pending, Altamirano purchased a cashier's check for \$67,825.93 from her personal bank account
8 and deposited the funds into Equity Trust's general account and then transferred the money back to
9 the trust account to cover the missing funds.

10 11. During the examination, Vasquez informed Lam that she had refinanced her home in
11 February 2019 and the loan proceeds were used to pay back Equity Trust. Vasquez provided Lam
12 with her refinance closing statement dated February 1, 2019 which showed Vasquez's net loan
13 proceeds of \$67,284.24. The same amount was wired to Altamirano's bank account with Chase Bank
14 on February 1, 2019 to pay Altamirano the amount owed by Vasquez.

15 **Unauthorized Disbursements between February 2017 and November 2018**

16 12. There were approximately 23 unauthorized checks issued between February 2017 and
17 November 2018. The checks were issued to different payees totaling \$28,658.70. These unauthorized
18 disbursements consist of trust funds from the cancellation of old outstanding checks, title refunds,
19 and old ledger balances in the files. The unauthorized disbursements were replaced between March
20 21, 2019 and April 29, 2019.

21 13. On or about March 14, 2019, Vasquez informed Altamirano of the unauthorized
22 disbursements that occurred between February 2017 and November 2018. According to Altamirano,
23 Vasquez claimed full responsibility for all unauthorized disbursements. Moreover, during the
24 examination, Vasquez also claimed full responsibility for the unauthorized disbursements. Although
25 both Vasquez and Altamirano's signatures were on the unauthorized checks, Altamirano claims that
26 Vasquez forged her name on some of the checks since the signature are not hers. Altamirano
27 concedes that her signature is on some of the other unauthorized checks, but at the time, she believed
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1 the checks were authorized disbursements because she completely trusted Vasquez.

2 14. Between March 21, 2019 and April 29, 2019, Altamirano personally replaced all the
3 missing trust funds in the amount of \$28,658.70 back to the company's trust account. Below are
4 samples of 10 checks issued or reissued to different payees.

5 Escrow 10288-YV

6 15. Escrow 10288-YV was a loan escrow that was closed on February 28, 2017. This file
7 had a ledger balance of \$1,160.48 since its last transaction date of March 8, 2017. On June 23, 2017,
8 check number 12544 was issued from the trust account to Bank of America for \$1,160.48. Almost
9 two years later, on March 22, 2019, Equity Trust issued receipt number 2369 for \$1,160.48 from the
10 general account to the escrow file and issued check number 16024 to return funds to the borrower.

11 Escrow 10780-IA

12 16. Escrow 10780-IA was a sale escrow that was closed on March 29, 2018. On May 8,
13 2018, Equity Escrow received a title refund from Ticor Title in the amount of \$2,077.37 for Escrow
14 10780-IA. Trust receipt number 2074 was issued but instead of returning the funds to the principal,
15 check number 14254 in the amount of \$2,077.30 was issued to Marco Lopez, a friend of Vasquez.
16 Equity Trust corrected the unauthorized disbursement on March 28, 2019 when it issued receipt
17 number 2389 in the amount of \$2,077.37 from the general account to the escrow file and thereafter
18 issued check number 16059 to return funds to the buyer.

19 Escrow 10700-YV

20 17. Escrow 10700-YV was a sale escrow that was opened on November 10, 2017. On
21 December 26, 2017, trust check number 13370, in the amount of \$500.00, was issued to the seller
22 (the early release of funds was authorized by the buyer and seller) leaving the escrow ledger with a
23 balance of \$2,500.00. On May 19, 2018, the escrow was cancelled but the buyer and seller could not
24 reach an agreement on the disbursement of the remaining funds in the escrow file. On September 28,
25 2018, check number 14539 was issued to Vasquez for \$250,00 and check number 14540 to Marco
26 Lopez, a friend of Vasquez, in the amount of \$2,250.00. Equity Trust issued receipt number 2388 in
27 the amount of \$2,250.00 and receipt number 2414 in the amount of \$250.00 on April 9, 2019, from
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1 the general account to the appropriate escrow file, thereby correcting the unauthorized disbursement.

2 Escrow 10369-YV

3 18. Escrow 10369-YV was a loan escrow that was closed on December 22, 2017. On
4 March 15, 2017, Equity Trust received \$1,114.01 from Fidelity National Title for a title refund for
5 Escrow 10369-YV. Trust receipt number 1535 was issued, but instead of returning the funds to the
6 principal, check number 12225 was issued to Chase Bank for \$1,114.01. Two years later, on March
7 25, 2019, Equity Trust corrected the unauthorized disbursement, it issued receipt number 2370 in the
8 amount of \$1,114.01 from the general account (incorrectly stated as funds from the borrower) to the
9 escrow file and thereafter issued check number 16025 to return funds to the buyer.

10 Escrow 10345-IA

11 19. Escrow 10345-IA was a loan escrow that was closed on December 5, 2016. On
12 January 27, 2017, Equity Trust received \$763.07 from Ticor Title for a title refund to Escrow 10345-
13 IA. Trust receipt number 1486 was issued for the title refund, but an unauthorized disbursement was
14 made when check number 12752 in the amount of \$763.07 was paid from Equity Escrow's trust
15 account to Wells Fargo Bank. Almost two years later, on March 25, 2019, the unauthorized
16 disbursement was corrected. Equity Trust issued receipt number 2373 for the amount of \$763.07
17 from the general account to the escrow file and thereafter issued check number 16028 to return the
18 funds to the buyer.

19 Escrow 10521-YV

20 20. Escrow 10521-YV was a sale escrow that was closed on June 27, 2017. On August 22,
21 2018, Vasquez cancelled the buyer's refund check in the amount of \$5,083.25, check number 12579
22 and dated June 27, 2017. On August 23 and 24, 2018, respectively, check number 14391 to M & T
23 Bank for \$2,507.85 and check number 14404 for \$2,575.40 to G.A. Vasquez, Vasquez's husband was
24 issued. About seven months later, on April 17, 2019, Equity Trust issued receipt number 2427 for
25 \$2,575.40 from the general account and then issued a trust check for the same amount to the buyer.
26 Similarly, on March 29, 2019, Equity Trust issued receipt number 2395 for \$2,507.85 from the
27 general account, and on the same day, issued trust check number 16070 in the amount of \$2,507.85,
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1 thereby replacing the unauthorized disbursement.

2 Escrow 10687-YV

3 21. Escrow 10687-YV was a loan escrow that was closed on November 17, 2017. On
4 November 16, 2018, Vasquez cancelled the borrower's refund check for \$306.00, dated November
5 17, 2017. On the same date, November 16, 2018, check number 14696 was issued in the amount of
6 \$306.99, payable to Mission Financial. Altamirano claimed that G.A. Vasquez, Vasquez's husband,
7 was working for Mission Financial and the disbursement was possibly for Vasquez's auto loan.
8 Altamirano claimed no knowledge of the disbursement.

9 Escrow 10781-IA

10 22. Escrow 10781-IA was a sale escrow that was closed on March 28, 2018. On May 7,
11 2018, Equity Trust received \$935.08 from Ticor Title for a title refund for Escrow 10781-IA. Trust
12 receipt number 2072 was issued for \$935.08, but instead of returning the funds to the principals,
13 check number 14368 was issued to Chase Bank in the amount of \$935.08. This unauthorized
14 disbursement was corrected on March 29, 2019 when Equity Trust issued receipt number 2401 for
15 \$306.99 from the general account, and on the same day, issued trust check number 16074 for the
16 same amount to the borrower.

17 **III.**

18 **Applicable California Escrow Law**

19 23. Financial Code section 17414 provides in pertinent part:

20 (a) It is a violation for any person subject to this division or any
21 director, stockholder, trustee, officer, agent, or employee of any such
22 person to do any of the following:

23 (1) Knowingly or recklessly disburse or cause the disbursal of escrow
24 funds otherwise than in accordance with escrow instructions, or
25 knowingly or recklessly to direct, participate in, or aid or abet in a
26 material way, any activity which constitutes theft or fraud in connection
27 with any escrow transaction.

28 (2) Knowingly or recklessly make or cause to be made any
misstatement or omission to state a material fact, orally or in writing, in
escrow books, accounts, files, reports, exhibits, statements, or any other
document pertaining to an escrow or escrow affairs.

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24. Financial Code section 17423 provides in pertinent part:
- (a) The commissioner may, after appropriate notice and opportunity for hearing, by order, censure or suspend for a period not exceeding 12 months, or 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 censure, suspension, or 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.

 - (b) Within 15 days from the date of a notice of intention to issue 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 or service of such notice and none is ordered by the commissioner, the failure to request a hearing shall constitute a waiver of the right to a hearing.

 - (c) 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, and the financial institution holding trust funds shall be so notified by service of the notice, accusation and other administrative pleadings. The prohibition against disbursement of trust funds may be set aside, in whole or in part, by the commissioner for good cause.

 - (e) Persons suspended or barred under this section are prohibited from participating in any business activity of a licensed escrow agent and from engaging in any business activity on the premises where a licensed escrow agent is conducting escrow business. This subdivision shall not be construed to prohibit suspended or barred persons from having their personal escrow transactions processed by a licensed escrow agent.

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1 escrow agent pursuant to section 17423, subdivision (a)(1) of the Financial Code. This order is
2 effective as of the date hereof.

3 Dated: April 30, 2020
4 Los Angeles, California

MANUEL P. ALVAREZ
Commissioner of Business Oversight

7 By _____
8 MARY ANN SMITH
9 Deputy Commissioner

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