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10 BEFORE THE DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION  
11 OF THE STATE OF CALIFORNIA  
12

13 In the Matter of: )

14 THE COMMISSIONER OF FINANCIAL )  
15 PROTECTION AND INNOVATION, )

16 Complainant, )

17 v. )

18 DANIELLE RENEE MARTINEZ, )

19 Respondent. )  
20 )  
21

ACCUSATION IN SUPPORT OF ORDER  
BARRING DANIELLE RENEE MARTINEZ  
FROM ANY POSITION OF EMPLOYMENT,  
MANAGEMENT, OR CONTROL OF ANY  
ESCROW AGENT PURSUANT TO  
FINANCIAL CODE SECTION 17423

22 Complainant, the Commissioner of Financial Protection and Innovation (Complainant or  
23 Commissioner), is informed and believes, and based upon such information and belief, alleges  
24 and charges Respondent as follows:

25 **I.**

26 **Introduction**

27 1. Respondent Danielle Renee Martinez (Martinez) was an escrow officer at  
28 EscrowQuick, Inc. (EscrowQuick), a licensed escrow agent.



1 the theft caused by Martinez’s fraudulent disbursements to correct the trust shortages and unpaid  
2 invoices.

3 9. The Department conducted a special examination and reviewed the internal audit,  
4 which revealed that Martinez, without authorization, paid herself fees for services that she did  
5 not perform, took fees that belonged to third-party notaries or other parties, altered statements by  
6 charging the principals to the escrow fees without performing services, inflated courier fees, and  
7 took escrow fees belonging to EscrowQuick.

8 10. Below are some examples of the unauthorized disbursements made by Martinez:  
9 Escrow file 21-1025-DM

10 11. Escrow 21-1025-DM was opened on January 6, 2021 and closed on February 1,  
11 2021.

12 12. On February 1, 2021, Martinez altered the Borrower Statement to show that the  
13 notary/signing fee of \$300.00 was to be paid to Martinez, instead of the notary that was  
14 authorized to perform the work and actually performed the work.

15 13. Martinez issued a check in the amount of \$300.00 to herself for performing  
16 notary/signing services. The check cleared the bank on February 5, 2021.

17 14. There is no evidence in this escrow file showing that Martinez performed the  
18 notary/signing services for the principals.

19 15. Martinez took this payment or fee for herself without authorization, and altered  
20 the final closing statement without authorization, in violation of Financial Code section 17414  
21 and title 10 CCR sections 1738 and 1738.2.

22 Escrow 21-2318-DM

23 16. Escrow 21-2318-DM was opened on May 11, 2021 and closed on July 27, 2021.

24 17. On July 28, 2021, one day after this escrow was closed, Martinez altered the  
25 Borrower Statement to show that the notary/signing fee of \$250.00 would be paid to her, instead  
26 of the notary that was authorized to perform the work and actually performed the work.

27 18. Martinez issued a check for \$250.00 to herself. The check cleared the bank on  
28 July 30, 2021.

1           19.     There is no evidence in this escrow file showing that Martinez performed the  
2 notary/signing services for the principals.

3           20.     Martinez took this payment or fee without authorization, and altered the final  
4 closing statement without authorization, in violation of Financial Code section 17414 and title 10  
5 CCR sections 1738 and 1738.2.

6 Escrow 21-2800-DM

7           21.     Escrow 21-2800-DM was opened on June 21, 2021, and closed on September 13,  
8 2021.

9           22.     Martinez inflated title charges on the closing statement for this escrow by adding  
10 unauthorized wire/overnight/courier fees that were not performed and were not charged by the  
11 title company resulting in an overcharge of \$350.00 in this escrow.

12          23.     On September 12, 2021, Martinez issued a check to herself for \$350.00 for the  
13 unauthorized wire/overnight/courier fees, which cleared the bank on September 13, 2021.

14          24.     There is no evidence that Martinez performed any wire/overnight/courier services  
15 on behalf of Chicago Title.

16          25.     Martinez took this payment or fee without authorization, and altered the final  
17 closing statement without authorization, in violation of Financial Code section 17414 and title 10  
18 CCR sections 1738 and 1738.2.

19 Escrow 21-3991-DM

20          26.     Escrow 21-3991-DM was opened on December 14, 2021, and closed on January  
21 12, 2022.

22          27.     Martinez altered the final settlement statement to show that the notary/signing fee  
23 of \$200.00 would be paid to her, instead of the notary that was authorized to perform the work  
24 and actually performed the work. She also added to the final settlement statement an  
25 unauthorized messenger fee of \$200.00 to be paid to her.

26          28.     On January 8, 2022, Martinez issued two checks to herself for the total amount of  
27 \$400.00 for the notary/signing and messenger services that she did not perform. The checks  
28 cleared the bank on January 10, 2022.

1           29.     There is no evidence in this escrow file showing that Martinez performed the  
2 notary/signing or messenger services.

3           30.     Martinez took these payments or fees without authorization, and altered the final  
4 closing statement without authorization, in violation of Financial Code section 17414 and title 10  
5 CCR sections 1738 and 1738.2.

6 Escrow 22-1567-DM

7           31.     Escrow 22-1567-DM was opened on June 7, 2022, and closed on July 29, 2022.

8           32.     Martinez falsified the final settlement statement to show extra notary/signing fees  
9 and messenger/delivery fees in the total amount of \$1,000.00 to be paid to her for services that  
10 she did not perform. As a result, the principals of this escrow were overcharged \$1,000.00.

11          33.     Martinez issued three checks to herself in the total amount of \$1,000.00. Two of  
12 the checks cleared the bank on July 26, 2022, and the third check cleared on August 1, 2022.

13          34.     There is no evidence showing that Martinez performed any notary/signing or  
14 messenger/delivery services.

15          35.     Martinez took these payments or fees without authorization, and altered the final  
16 closing statement without authorization, in violation of Financial Code section 17414 and title 10  
17 CCR sections 1738 and 1738.2.

18 Escrow 22-1577-DM

19          36.     Escrow 22-1577-DM was opened on June 13, 2022, and closed on July 5, 2022.

20          37.     Martinez altered the final settlement statement to show that signing/document and  
21 delivery/messenger fees in the total amount of \$805.00 would be paid to her for services that she  
22 did not perform. As a result, the principals of this escrow were overcharged \$805.00, and this  
23 escrow incurred a shortage.

24          38.     Martinez issued three checks to herself in the total amount of \$805.00. Two of the  
25 checks cleared the bank on June 29, 2022, and the third check cleared the bank on July 8, 2022.

26          39.     Martinez took these payments or fees without authorization, and altered the final  
27 closing statement without authorization, in violation of Financial Code section 17414 and title  
28 CCR sections 1738 and 1738.2.

1 Escrow file 22-1604-DM

2 40. Escrow 22-1604-DM was opened on June 24, 2022, and closed on August 5,  
3 2022.

4 41. Martinez took the \$775.00 settlement agent fee that belonged to EscrowQuick,  
5 and overcharged the buyer \$100.00 as her own miscellaneous fee without authorization and  
6 without performing any notary/signing or delivery services. As a result, EscrowQuick took a loss  
7 of \$775.00 for its own escrow fees, and the escrow file had a shortage of \$100.00 due to the  
8 fraudulent charge to the principal.

9 42. On August 4 and 8, 2022, Martinez issued two checks to herself totaling \$875.00.  
10 The checks cleared the bank on August 8 and 9, 2022.

11 43. There is no evidence in this escrow file showing that Martinez performed any  
12 notary/signing or delivery services.

13 44. Martinez took these payments or fees without authorization, in violation of  
14 Financial Code section 17414 and title 10 CCR sections 1738 and 1738.2.

15 **IV.**

16 **Applicable Law**

17 45. Financial Code section 17414 provides in pertinent part:

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

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

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

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1 46. Financial Code section 17423 provides in pertinent part:

2 (a) The commissioner may, after appropriate notice and opportunity for hearing,  
3 by order, censure or suspend for a period not exceeding 12 months, or bar from  
4 any position of employment, management, or control any escrow agent, or any  
5 other person, if the commissioner finds either of the following:

6 (1) That the censure, suspension, or bar is in the public interest and that the  
7 person has committed or caused a violation of this division or rule or order of  
8 the commissioner, which violation was either known or should have been  
9 known by the person committing or causing it or has caused material damage to  
10 the escrow agent or to the public.

11 (b) Within 15 days from the date of a notice of intention to issue an order  
12 pursuant to subdivision (a), the person may request a hearing under the  
13 Administrative Procedure Act (Chapter 5 (commencing with Section 11500) of  
14 Division 3 of Title 2 of the Government Code). Upon receipt of a request, the  
15 matter shall be set for hearing to commence within 30 days after such receipt  
16 unless the person subject to this division consents to a later date. If no hearing is  
17 requested within 15 days after the mailing or service of such notice and none is  
18 ordered by the commissioner, the failure to request a hearing shall constitute a  
19 waiver of the right to a hearing.

20 (c) Upon receipt of a notice of intention to issue an order pursuant to this  
21 section, the person who is the subject of the proposed order is immediately  
22 prohibited from engaging in any escrow processing activities, including  
23 disbursing any trust funds in the escrow agent's possession, custody or control,  
24 and the financial institution holding trust funds shall be so notified by service of  
25 the notice, accusation and other administrative pleadings. The prohibition  
26 against disbursement of trust funds may be set aside, in whole or in part, by the  
27 commissioner for good cause.

28 (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.

47. California Code of Regulations, title 10, section 1738, provides in pertinent part:

(a) All money deposited in such "trust" or "escrow" account shall  
be withdrawn, paid out, or transferred to other accounts only in  
accordance with the written escrow instructions of the principals to

the escrow transaction or the escrow instructions transmitted electronically over the Internet executed by the principals to the escrow transaction or pursuant to order of a court of competent jurisdiction.

48. California Code of Regulations, title 10, section 1738.2, provides:

An escrow agent shall use documents or other property deposited in escrow only in accordance with the written escrow instructions of the principals to the escrow transaction or the escrow instructions transmitted electronically over the Internet executed by the principals to the escrow transaction, or if not otherwise directed by written or electronically executed instructions, in accordance with sound escrow practice, or pursuant to order of a court of competent jurisdiction.

**V.**

**Prayer**

Based on the foregoing, the Commissioner finds that Danielle Renee Martinez has violated Financial Code section 17414 and California Code of Regulations, title 10, sections 1738 and 1738.2 by disbursing escrow funds without authorization, altering or falsifying closing statements to conceal the unauthorized disbursements, disbursing trust funds without instructions, and failing to follow written instructions.

WHEREFORE, IT IS PRAYED THAT, under Financial Code section 17423, Danielle Renee Martinez be barred from any position of employment, management or control of any escrow agent.

Dated: June 28, 2023  
San Diego, California

CLOTHILDE V. HEWLETT  
Commissioner of Financial Protection and  
Innovation

By \_\_\_\_\_  
AFSANEH EGHBALDARI  
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