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6 Attorneys for Complainant

8 BEFORE THE DEPARTMENT OF BUSINESS OVERSIGHT
9 OF THE STATE OF CALIFORNIA

10
11 In the Matter of the Accusation of THE) File No.: 963-0695
12 COMMISSIONER OF BUSINESS)
OVERSIGHT,) ACCUSATION
13)
Complainant,)
14)
vs.)
15)
16 LISA M. VELEZ,)
Respondent.)
17)
18)
19)

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

22 I

23 Respondent Lisa M. Velez ("Velez") was at all times relevant herein employed as an escrow
24 officer at Tri City Escrows, Inc. ("Tri City"), an escrow agent licensed by the Commissioner of
25 Business Oversight ("Commissioner" or "Complainant") pursuant to the Escrow Law of the State of
26 California (California Financial Code Section 17000 et seq.). Tri City has its principal place of
27 business located at 23900 Hawthorne Boulevard, Suite 120B, Torrance, California 90505.
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II

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2 On or about June 2, 2011, the Department of Business Oversight (“Department”) commenced
3 a regulatory examination of the books and records of Tri City. The regulatory examination revealed
4 that commencing on or about November 22, 2011 and continuing through at least April 25, 2012,
5 Velez made one-hundred and fifty-four (154) unauthorized disbursements to herself or her husband
6 totaling \$48,910.42 in violation of Financial Code section 17414(a)(1) and California Code of
7 Regulations, title 10, sections 1738 and 1738.2. The regulatory examination further disclosed that
8 Velez had incorrectly posted fifty-six (56) of the unauthorized disbursements in violation of
9 Financial Code section 17404 and California Code of Regulations, title 10, section 1723.1. The
10 unauthorized disbursements also caused a shortage to exist in the trust account in violation of
11 California Code of Regulations, title 10, section 1738.1.

12 Velez made thirty-seven (37) of the unauthorized disbursements for a total of \$13,023.78
13 from escrow numbers 13851-LMZ and 13934-LMZ. A chart describing each of the thirty-six (36)
14 unauthorized disbursements from escrow number 13851-LMZ totaling \$12,823.78 along with the
15 information showing incorrect postings for twenty-seven of those checks is attached and
16 incorporated herein as Exhibit A.

17 Velez made one unauthorized disbursement to herself in escrow number 13934-LMZ on
18 December 8, 2011 via trust check number 85442 in the amount of \$200.00.

19 Velez made the remaining one-hundred and seventeen (117) unauthorized disbursements to
20 herself or her husband from the escrow fee accounts of Tri City. A chart describing each of the
21 thirty (30) unauthorized disbursements from fee account number 2 totaling \$9,519.10 along with the
22 information showing incorrect postings for thirteen (13) of those checks is attached and incorporated
23 herein as Exhibit B. A chart describing each of the eighty-seven (87) unauthorized disbursements
24 from fee account number 3 totaling \$26,367.54 along with the information showing incorrect
25 postings for fifteen (15) of those checks is attached and incorporated herein as Exhibit C.

26 There were insufficient funds in the escrow fee account number 2 to cover the unauthorized
27 disbursements made by Velez resulting in the trust account being overdrawn on or about April 25,
28 2012 by \$2,717.96.

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III

Velez also violated Financial Code section 17405 by repeatedly failing to provide books and records requested regarding the trust account reconciliation. Velez’ failure to cooperate with the regulatory examination caused delays of the examination for close to a year.

IV

California Financial Code section 17423 provides in pertinent part:

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

V

Complainant finds that, by reason of the foregoing, Respondent Lisa M. Velez has violated Financial Code sections 17404, 17405 and 17414(a)(1)and sections 1732.1, 1738, 1738.1 and 1738.2 of the title 10 of the California Code of Regulations, and it is in the best interests of the public to bar Respondent Lisa M. Velez from any position of employment, management or control of any escrow agent.

WHEREFORE, IT IS PRAYED that Respondent Lisa M. Velez be barred from any position of employment, management or control of any escrow agent.

Dated: April 2, 2014
Los Angeles, CA

JAN LYNN OWEN
Commissioner of Business Oversight

By _____
Judy L. Hartley
Senior Corporations Counsel