PRESTON DuFAUCHARD
California Corporations Commissioner
ALAN S. WEINGER
Deputy Commissioner
JUDY L. HARTLEY (CA BAR NO. 110628)
Senior Corporations Counsel
Department of Corporations
320 West 4th Street, Ste. 750
Los Angeles, California 90013-2344
Telephone: (213) 576-7604 Fax: (213) 576-7181

Attorneys for Complainant

BEFORE THE DEPARTMENT OF CORPORATIONS

OF THE STATE OF CALIFORNIA

In the Matter of the Accusation of THE CALIFORNIA CORPORATIONS COMMISSIONER, Complainant, vs. LEILA PALOMARES, Respondent.	File No.: 963-2166 ACCUSATION

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

I

On or about July 30, 2010, Escrow of the West ("EOTW"), an escrow agent licensed by the Commissioner under the California Escrow Law (California Financial Code § 17000 et seq.), submitted a Statement of Identity and Employment Application for Respondent Leila Palomares ("Palomares") indicating that Palomares was employed with EOTW as an escrow assistant. Palomares stated in her application in response to question number 6 that she had been convicted of burglary in 1998.

State of California – Department of Corporations

II

On or about November 2, 2010, Palomares was asked to explain the events that led to her arrest and conviction. In a February 17, 2011 response, Palomares stated "In regards to my arrest in 1998, I was working at Great Western Bank, now know as Chase and I was unlawful accused of signing for Atm cards. . . ." In a further response dated March 8, 2011, Palomares stated "I was accused of conspiracy with another person, which name, honestly I don't remember. We were both accused of forgery of credit card/ATM cards. I used to go with her to different stores where she would purchase different items at different times. And the restitution fine I had to paid was for items purchased prior to my arrest. She would make me sign for some. . . ."

The Commissioner's investigation into the application of Palomares confirmed that Palomares, on or about May 26, 1998, was convicted of three counts of Penal Code section 484f(b) (forgery re: access card transactions), a crime which is substantially related to the qualification, functions and duties of a person engaged in the escrow business, and is also an offense identified in subdivision (b) of California Financial Code section 17414.1. The court documents further disclosed that Palomares obtained the access cards (credit/ATM cards) through her employment at Great Western Bank and was almost nine years older than her accomplice, whom Palomares claimed made Palomares engage in the unlawful activity. On or about May 10, 2001, Palomares obtained an order expunging the conviction pursuant to Penal Code section 1203.4. Pursuant to California Financial Code section 17423 (g), the court's order expunging the conviction is not relevant with respect to bar proceedings under the Escrow Law.

III

California Financial Code section 17423 provides in pertinent part:

> (a) The commissioner may, after appropriate notice and opportunity for hearing, by order, . . . bar from any position of employment, management, or control any escrow agent, or any other person, if the commissioner finds either of the following:
>
> (2) That the person has been convicted of or pleaded nolo contendere to any crime, ... if that crime ... involved any offense specified in subdivision (b) of Section 17414.1, or any other offense reasonably related to the qualifications, functions, or duties of a person engaged in the business in accordance with the provisions of this division.

(f) This section shall apply to any violation, conviction, plea, or judgment occurring at any time prior to or after the enactment of this section.

(g) The provisions of Section 17414.1 exempting convictions for which a person has obtained a certificate of rehabilitation from the prohibition against serving as an officer, director, stockholder, trustee, agent, or employee of an escrow agent, or in any position involving any duties with an escrow agent, shall not apply to permit the reinstatement of any person barred by the commissioner pursuant to this section, nor to prohibit the commissioner from bringing any action pursuant to this section.

California Financial Code Section 17414.1(b)(7) provides in pertinent part:

(b)(7) Offenses involving robbery, burglary, theft, embezzlement, fraud, fraudulent conversion or misappropriation of property, forgery, bookmaking, receiving stolen property, counterfeiting, controlled substances, extortion, checks, credit cards, or computer violations specified in Section 502 of the Penal Code.

IV

The Commissioner finds, by reason of the foregoing, that Palomares has been convicted of forgery, a crime identified in subdivision (b) of Section 17414.1 of the Financial Code and reasonably related to the qualifications, functions or duties of a person engaged in the escrow business.

Therefore, the Commissioner asserts that he is justified under Financial Code section 17423 in barring Palomares from any position of employment, management or control of any escrow agent.

WHEREFORE, the Commissioner prays that Leila Palomares be barred from any position of employment, management or control of any escrow agent.

Dated: May 10, 2011
Los Angeles, California

PRESTON DuFAUCHARD
California Corporations Commissioner

By_____
Judy L. Hartley
Senior Corporations Counsel