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

11 THE CALIFORNIA CORPORATIONS)
COMMISSIONER,)

12 Complainant,)

14 v.)

15 KIM ELAINE SIMPSON,)

16 Respondent.)
17)
18)

File No.: 963-2545

**ACCUSATION IN SUPPORT OF BARRING
KIM ELAINE SIMPSON FROM ANY
POSITION OF EMPLOYMENT,
MANAGEMENT OR CONTROL OF ANY
ESCROW AGENT**

19 The California Corporations Commissioner (“Commissioner” or “Complainant”) is informed
20 and believes, and based upon such information and belief, alleges and charges as follows:

21 I.

22 Respondent Kim Elaine Simpson (“Simpson”) was, at all relevant times herein, an escrow
23 officer employed by Clear Escrow, Inc. (“Clear”).

24 Clear is an escrow agent licensed by the Commissioner pursuant to the Escrow Law of the
25 State of California (California Financial Code §§17000 et seq.).¹

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28 ¹ All further statutory references are to the California Financial Code unless otherwise indicated.

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II.

In 2010, Simpson started working at Clear as an escrow officer. On or about December 21, 2010, Clear notified the California Department of Corporations (“Department”) that it had discovered Simpson forging mortgage documents.

In December 2010, Terri Gordon (“Gordon”), Clear’s escrow manager, walked into Simpson’s office and saw Simpson with a pair of scissors and tape. Gordon further observed Simpson cutting a signature out of a document; Gordon also observed mortgage documents on Simpson’s desk. When Gordon questioned Simpson about her action, Simpson stated that she needed “to get this loan funded”.

On or about December 20, 2010, Clear terminated Simpson for altering mortgage lender documents. Prior to her termination, on or about December 20, 2010, Simpson admitted to a co-worker that Gordon had caught Simpson forging a Cal-FIRPTA, the California Investment in Real Property Tax Act, document.

Later the same day, Gordon and another manager discovered and retrieved from the shred bin altered mortgage documents; the altered mortgage documents were from Simpson’s escrow files. A review of Simpson’s escrow files revealed additional altered documents. In addition, Gordon found a deposit check that Simpson had received on December 11, 2010, but had failed to deposit, as required by California Code of Regulations §1737. Simpson was the escrow officer on all of the effected escrow files.

III.

The Commissioner obtained and reviewed the effected escrow files and altered documents. Simpson acted in violation of the California Financial Code and California Code of Regulations in the manner more fully described bellow:

1. Escrow Number C-1008211 KS:

The borrowers’ names were cut out of Deed of Trust documents and pasted on pages 14 and 15 of a California-Single Family-Fannie Mae/Freddie Mac Uniform Instrument.

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2. Escrow Number C-1008215 KS:

The trustee’s signature was cut out of a Cal-FIRPTA Certification document and pasted on a HUD² document, HUD-1 Settlement Statement. A review of Simpson’s escrow file number C-1008215 KS shows an altered buyer’s signature on an Assignment of Funds Authorization document.

3. Escrow Number C-1008216 KS:

The seller’s signature was cut out of an escrow document. A review of Simpson’s escrow file number C-1008216 KS shows that the seller’s signatures on pages 1 and 2 of the Settlement Statement (HUD-1) are identical to the seller’s signature on the said escrow document.

4. Escrow Number C-1008256 KS:

The trustee’s signature was cut out of a Grant Deed document. A review of Simpson’s escrow file number C-1008256 KS shows that the trustee’s signature on the Escrow Instructions document is identical to the trustee’s signature that was cut out of the Grant Deed document.

5. Escrow Number C-1008276 KS:

After Simpson’s termination, Gordon discovered a deposit check (number 3244) in the amount of \$2,500 that had been received on December 11, 2010. The check (number 3244) was deposited 17 days later, on December 28, 2010. In violation of California Code of Regulations, title 10, § 1737(a), Simpson failed to deposit the funds on or before the next full working day.

IV.

California Financial Code §17414 provides in pertinent part:

- (a) It is a violation for any person subject to this division or any director, stockholder, trustee, officer, agent, or employee of any such person to do any of the following:
- (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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² The United States Department of Housing and Urban Development (“HUD”) was established to create affordable homes for all.

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California Financial Code §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.

V.

The Commissioner finds that, by reason of the foregoing, Kim Elaine Simpson has violated California Financial Code §17414 and California Code of Regulations §1737 and it is in the best interest of the public to bar Kim Elaine Simpson from any position of employment, management or control of any escrow agent, pursuant to California Financial Code §17423, subdivision (a)(1).

WHEREFORE, IT IS PRAYED that Kim Elaine Simpson be barred from any position of employment, management or control of any escrow agent.

Dated: May 13, 2011
San Diego, CA

PRESTON DuFAUCHARD
California Corporations Commissioner

By _____
AFSANEH EGHBALDARI
Corporations Counsel