

1 **ARIZONA DEPARTMENT OF FINANCIAL INSTITUTIONS**

2 In the Matter of the Removal and Prohibition of: No. 08F-BD057-BNK

3 **CHRIS BARTLEMUS**  
4 1814 East Patrick Lane  
Phoenix, AZ 85024

**CONSENT ORDER**

5 Respondent.

6  
7 On April 24, 2008, the Arizona Department of Financial Institutions (“Department”) issued a  
8 Notice of Hearing, alleging that Respondent had violated Arizona law. Wishing to resolve this  
9 matter in lieu of an administrative hearing, Respondent does not contest the following Findings of  
10 Fact and Conclusions of Law, and consents to the entry of the following Order.

11 **FINDINGS OF FACT**

12 1. Respondent Chris Bartlemus (“Mr. Bartlemus”) was employed as an escrow officer by  
13 Security Title Agency, Inc. dba Security Title Agency (“Security Title”) at its Raintree Branch #47,  
14 from on or about early 2001 to June 2007.

15 2. Mr. Bartlemus was terminated from Security Title on or about June 2007.

16 3. Security Title is licensed by the Department as an escrow agent, License Number  
17 EA-000878.

18 4. On or around September 5, 2006, the Department conducted an examination of Security  
19 Title’s business affairs. As a result of the examination, the Department discovered Mr. Bartlemus:

20 a. Failed to obtain and maintain adequate escrow file documentation; and

21 b. Failed to account properly for escrow property by improperly disbursing escrow  
22 funds, specifically:

23 i. Failed to account properly for escrow property as required by the terms of the  
24 escrow;

25 ii. Failed to disburse funds in accordance with the provisions of the HUD-1  
26 escrow; and

1 iii. Failed to follow written escrow instructions; specifically:

2 **SECURITY TITLE AGENCY BRANCH #47, RAINTREE**

3 **1. Buyer: Darwin Hunter / Seller: Gerald Collier—Escrow #47-3852-CB**

4 **Open Date: 03-21-06 Close Date: 04-28-06 HUD-1 Contract Sales Price: \$556,000.00**

5 **Escrow Officer: Chris Bartlemus**

6 **Cash-out: \$26,000 to April Lucero; invoice for D.L.A. Development, LLC**

7 **Loan Status: Foreclosed; Trustee Sale scheduled for 12-05-07**

- 8 1. The Final HUD-1 Escrow Settlement Statement shows the contract sales price as  
9 \$556,000.00. The Purchase Contract shows \$580,000.00 as the sale price. The  
10 addendum #1 dated 4-16-06 shows the sales price as \$556,000.00.
- 11 2. The Final HUD -1 Escrow Settlement Statement indicated on line #1307 that  
12 \$26,000.00 was to be paid to D.L.A. Development, LLC. The pre-audit of 4-21-  
13 06 shows that \$60,000.00 was to be paid to D.L.A. Development, LLC. A  
14 subsequent pre-audit of 4-26-06 indicates D.L.A. Development, LLC was to be  
15 paid \$26,000.00.  
16 An invoice for \$26,000.00 from D.L.A. Development, LLC dated 4-24-06 for  
17 Assignment/Declaration Fee is included in the escrow file. There is no detailed  
18 explanation or adequate description in the file to determine what  
19 "Assignment/Declaration Fee" means or the purpose of the invoice. On the  
20 invoice there is a handwritten note saying "Bof A Acct 4188 April Lucero / wire  
21 info for D.L.A. Development."
- 22 3. On 5-1-06 an outgoing wire for \$26,000.00 was sent to Bank of America for the  
23 benefit of April Lucero, account #XXXXXXXX4188. April Lucero is a  
24 mortgage loan officer at Sterling Home Mortgage, who signed the Fannie Mae  
25 Form 1003 Loan Application as the loan applicant's interviewer on 4-3-06.  
26 According to information provided to the examiners, April Lucero was no longer  
employed at Sterling Home Mortgage as of the end of February 2006.  
It is unclear why April Lucero, agent for Lamp Light Marketing, received  
\$26,000.00.

19 **2. Buyer: Kevin Williams / Seller: Eric D. Ford—Escrow #47-3723-CB**

20 **Open Date: 01-24-06 Close Date: 02-28-06 HUD-1 Contract Sales Price: \$525,000.00**

21 **Escrow Officer: Chris Bartlemus**

22 **Cash-out: \$106,000 Lamp Light Marketing, LLC (April Lucero)**

23 **Loan Status: Foreclosed; Trustee Deed sale 6-25-07**

- 24 1. The Final HUD-1 Escrow Settlement Statement indicates on line #1304 that  
25 \$106,000.00 was to be paid to Lamp Light Marketing, LLC. Escrow instructions  
26 dated 2-28-06 state that "\$106,000.00 is to be paid to Lamp Light Marketing  
LLC." An invoice for \$106,000.00 from Lamp Light Marketing for Assignment /  
Declaration fees is included in the escrow file. There is no detailed explanation or  
adequate description in the file to determine what "Assignment/Declaration Fee"

1 means or the purpose of the invoice. April Lucero is the Statutory Agent for  
2 Lamp Light Marketing, LLC.

- 3 2. The disbursement listing shows all funds (except one receipt of 1-24-06) on  
4 Escrow File #3723 were received and disbursed the same day the funds were  
5 received, 2-28-06. A personal money order was receipted in on 2-28-06 for  
6 \$883.14 drawn on Wells Fargo Bank. Non-postal money orders funds are  
7 available on the 5th business day of the deposit; therefore these funds were not  
8 available until 3-7-06.  
9 3. On 3-24-06 Lamp Lighting Marketing issued a quit claim deed to D.L.A.  
10 Development LLC.

11 **3. Buyer: Kevin D. Williams / Seller: Sandra Rubio—Escrow #47-3635-CB**

12 **Open Date: 01-04-06 Close Date: 04-06-06 HUD-1 Contract Sales Price: \$365,000.00**

13 **Escrow Officer: Chris Bartlemus**

14 **Cash-Out: \$51,000 to Lamp Light Marketing, LLC**

15 **Loan Status: Foreclosed; Trustee Deed Sale on 5/21/07**

- 16 1. The Final HUD-1 Escrow Settlement Statement shows the contract price as  
17 \$365,000.00.  
18 The Purchase Contract dated 1-18-06 states the contract sales price as  
19 \$365,000.00. The Purchase Contract was subsequently amended by Addendum  
20 #1 stating, "Buyer reserves the right to borrow additional monies as it related to  
21 this transaction at buyer's expense. Seller will be paid \$314,000.00 gross minus  
22 seller's traditional closing costs and related payoffs. All additional fees if any paid  
23 by buyer." Assignment of Contract signed by both buyer and seller dated 1-3-06  
24 shows sales price as \$314,000.00.
- 25 2. The Final HUD -1 Escrow Settlement Statement shows on line #603 Cash to  
26 seller as \$112,318.94.  
The Certified HUD shows \$112,500.70 to the seller. The pre-audit of 1-13-06,  
shows \$114, 844.29 cash to seller.
1. An out going wire #2300 for \$59,318.94 was sent to Bank of America for benefit  
of Sandra Rubio, the seller, for account number # XXXXX8419 on 2-1-06.  
Pre-Audit Escrow Settlement Statement of 2-1-06, shows cash to seller for  
\$59,318.94.  
Line #1305 shows \$51,000.00 to be paid to Lamp Lighting Development LLC  
and line #1304 shows \$2,000.00 to Anastasia Lisa Daly.  
Invoice dated 1-27-06 from Lamp Light Marketing LLC shows "Assignment /  
Declaration fee" of \$51,000.00 due to Lamp Light Marketing. No description or  
explanation of "Assignment/Declaration fee," was provided.  
Escrow Amendment/Supplement shows \$51,000.00 to be disbursed to Lamp  
Light Marketing, \$2,000.00 disbursed to Anastasia Lisa Daly and the remaining  
proceeds to Sandra Rubio.  
On 2-1-06, Security Title Agency issued check #4702556 for \$51,000.00 payable  
to Lamp Light Marketing LLC.  
On 2-1-06 Security Title Agency issued check #47025560 for \$2,000.00 payable  
to Lisa Daly.  
The Final HUD-1 Escrow Settlement Statement form does not show any  
disbursements for the \$51,000.00 to Lamp Lighting Development or the  
\$2,000.00 to Lisa Daly.  
The loan application, Freddie Mac form #65, shows April Lucero as the mortgage

1 loan officer at Sterling Home Mortgage; she is also the owner of Lamp Light  
Marketing.

2 Note: There are discrepancies on the Uniform Residential Loan application form  
3 of 1-27-06 between this escrow file #47-3635 and # 47-3543. On escrow file  
4 #47-3635, Kevin William's base monthly income is listed as \$8,900.00. Escrow  
file #47-3543 shows a different amount as income. Both files show Kevin  
employed at the BJ's Group Home in Chandler, AZ.

- 5 4. On 2-1-06 Security Title Agency issued check #47025565 for \$2,920.00 payable  
6 to Sterling Mortgage. On 4-6-06 the transaction is marked cancelled on the  
Receipts and Disbursement sheet; however the original check is not marked void.  
On 4-6-06, another check for \$2,920.00, check # 47026449 was issued to Sterling  
Mortgage.

7 **4. Buyer: Christine Shipett / Seller: Compass Development Inc.—Escrow #47-4677-CB**

8 **Open Date: 01-09-07 Close Date: 02-22-07 HUD-1 Contract Sales Price: \$935,000.00**

9 **Escrow Officer: Chris Bartlemus**

10 **Cash-Out: \$120,000 to JC Development (owned by the buyer, Christine Shiplett)**

11 **Loan Status: Trustee Sale Scheduled for 12/19/07**

12 **NOTE: This is the second cash-out and second property flip for this condo facilitated through**  
13 **the same escrow officer. See Escrow #47-3464-CB, referenced at paragraph 6 herein.**

- 14 1. The final HUD-1 Escrow Settlement Statement form line #1307 shows J.C.  
15 Development to be paid \$120,000.00. Escrow instructions dated 2-12-07 state  
16 \$120,000.00 is to be paid to JC Development. The escrow instructions lacked a  
detailed explanation and / or description for the disbursement to JC Development.  
17 On 2-22-07 an outgoing wire was sent to Wells Fargo Bank for \$120,000.00,  
account #XXXXXX7201 for the benefit of JC Development.  
18 Per Arizona State Corporate Commission, JC Development is owned by Christine  
Shiplett which is the buyer on this escrow.  
It is unclear as to why the buyer received money through a company owned by  
the buyer.

19 **5. Buyer: Stephanie McWilliams / Seller: Aaron Scott Mikolic—Escrow #47-3926-CB**

20 **Open Date: 05-02-06 Close Date: 05-31-06 Escrow Amount: \$600,000.00**

21 **Escrow Officer: Chris Bartlemus**

22 **Cash-Out: \$114,600 to Lamp Light Marketing, LLC**

23 **Loan Status: This was the first cash-out for this property. The same escrow officer did the**  
24 **subsequent escrow, #47-4541-CB, referenced at paragraph 7 herein. The subsequent cash-out**  
25 **was for \$35,602.87. The property was subsequently foreclosed and the Trustee Deed sale was**  
26 **on 11/09/07.**

- 1 1. The Final HUD-1 Escrow Statement shows the contract sales price as  
\$600,000.00.  
2 The Purchase Contract states the contract price as \$600,000.00. An Addendum  
3 dated 4-28-06 states, "Seller will be paid \$485,400.00 gross as per line # 8. Buyer  
4 reserves the right to borrow additional monies as it related to this transaction; all  
5 additional fees, if any with paid by buyer. Buyer will pay the escrow and title  
6 fees that represent the difference from \$485,400.00 to the purchase price as per  
7 line # 8." (sic)  
8 2. The Final HUD -1 Escrow Settlement Statement, line # 1303 stated \$114,600.00  
9 to be paid to DLA Development.  
10 Escrow instructions dated 5-24-06 state \$114,600.00 to be paid to DLA  
11 Development.  
12 Invoice # 17264 dated 5-30-06 from DLA Development states balance due of  
13 \$114,600.00.  
14 An outgoing wire dated 6-1-06 for \$114,600.00 was sent to Chase Bank for the  
15 benefit of Lamp Light Marketing, LLC account #XXXXX4971.

16 **6. Buyer: Tahki Banister / Seller: SLL Enterprises L.L.C.—Escrow #47-3464-CB**

17 **Open Date: 10-27-05 Close Date: 12-06-05 HUD-1 Contract Sales Price: \$675,000.00**

18 **Escrow Officer: Chris Bartlemus**

19 **Cash-Out: \$50,469.43 to Compass Development**

20 **Loan Status: See escrow 47-4677-CB, referenced at paragraph 4 herein, for the subsequent**  
21 **cash-out of \$120,000 and property flip with a sales price of \$935,000 ... Now in foreclosure**  
22 **with Trustee Sale scheduled for 12-19-07.**

- 23 1. The Final HUD-1 Escrow Settlement Statement form states the contract sales  
24 price as \$675,000.00. The Purchase Contract states the contract price as  
25 \$675,000.00.  
26 2. The Final HUD-1 on line #1301 shows \$55,000.00 to be paid to Compass  
Development.  
Escrow instructions dated 11-29-05 states a separate check is to be issued to  
Compass Development for \$55,000.00 after the close of escrow.  
12-6-05, check #47024731 was issued for \$50,469.43 to Compass Development.  
3. The Final HUD-1 Escrow Settlement Statement form shows Cash to Borrower for  
\$1,469.43.  
The Receipts and Disbursements sheet does not show any checks for \$1,469.43  
payable to the buyer, Tahki Banister.  
4. The Final HUD-1 Escrow Settlement Statement shows closing funds totaling  
\$10,000.00 on line # 204. Only \$4,000.00 was received from Broker Credit,  
leaving a difference of \$6,000.00.  
5. A copy of Funds Wired In, form # 1052665 for \$10,000.00 dated 12-5-05  
stamped certified copy by Security Title Agency, was in the escrow file; however  
it does not show as an incoming receipt. The \$10,000.00 wire does not show  
booked as an incoming wire on the Receipts/Disbursements sheet. The examiners  
verified with Clara Seager, Account Department Supervisor that the wire has  
never arrived using that reference number. Clara confirmed using Security Title's  
internal on line system as well as back up internal reports / print outs that no wire

- 1 with that particular reference number existed. It is unclear why the incoming wire  
form was in the file if the wire was not actually received at Security Title Agency.
- 2 6. A Bank One Official check # 828862384 for \$1,000.00 was issued on 11-1-05.  
3 This check was receipted 11-22-05. It is unclear when Security Title Agency  
4 received this check and or where the check was for twenty one (21) days prior to  
5 depositing at the bank.
- 6 7. The Receipts and Disbursement sheet shows three (3) checks payable to Security  
7 Title Agency each for \$1,000.00. It is unclear why these checks were payable to  
8 Security Title Agency. Nothing is noted on the Final HUD Settlement Statement  
9 to explain the reason for the disbursements nor is there adequate backup  
10 documentation in the file to support the \$1,000.00 checks payable to Security  
11 Title Agency.

12 **7. Buyer: Christine Shiplett / Seller: Stephanie McWilliams—Escrow #47-4541-CB**

13 **Open Date: 12-04-06 Close Date: 02-08-07 HUD-1 Contract Sales Price: \$655,000.00**

14 **Escrow Officer: Chris Bartlemus**

15 **Cash-Out: \$35,602.87 to AMB Consulting Corp**

16 **Loan Status: Foreclosed; Trustee Deed Sale on 11/09/07**

17 **NOTE: This was the second cash-out and second flip for this property through the same**  
18 **escrow officer. See escrow #47-3926-CB, referenced at paragraph 5 herein, for the other cash-**  
19 **out of \$114,600.**

- 20 1. The Pre Audit HUD-1 Escrow Settlement Statement of 1-29-07, line #1304,  
21 shows \$55,000.00 to be paid to AMB Consulting. Invoice # 186601 from AMB  
22 Consulting Corp. shows \$55,000.00 due to AMB Consulting. There was no  
23 detailed explanation or adequate description provided on the invoice or in the  
24 escrow file to explain why \$55,000.00 was due to AMB Consulting. Escrow  
25 instructions dated 1-29-07 instructed \$55,000.00 to be disbursed / wired to AMB  
26 Consulting Corp.  
The Final Escrow Settlement Statement HUD-1, line #1304 shows \$35,602.87 to  
AMB Consulting Corp.  
The receipts and disbursements log shows an outgoing wire for \$35,602.87 was  
sent to Wells Fargo on 2-8-07. A copy of the Security Title Agency Inc Wire out  
Form shows \$35,602.87 to Wells Fargo for benefit of AMB Consulting, account  
#XXXXXX6473.
2. A cashier's check drawn on Wells Fargo Bank dated 1-30-07 for \$13,770.94  
shows as an incoming receipt #XXXX4641 on 2-8-07. It is unclear when  
Security Title Agency received the check or if the check was held prior to  
depositing it at the bank on 2-8-07.  
The Receipts and Disbursement log shows an incoming receipt for \$500.00 on 12-  
8-06.  
There are two Security Title Agency receipts for the same \$500.00 check in the  
escrow file.  
One Security Title Agency receipt is dated 12-4-06 and the receipt is marked  
"void 12-8-06". A copy of a check for \$500.00, drawn on Chase Bank, maker of  
the check is Lamp Light Marketing, dated 11-30-06 and payable to Chris  
Bartlemus, Escrow Officer, was attached to the receipt of 12-4-06. "Earnest" is

1 written in the memo section of the check.

2 The second Security Title Agency receipt is dated 12-8-06. The copy of the  
3 check is the same check number with the same information as above; however  
4 this copy of the check shows Chris Bartlemus' name crossed out and Security  
5 Title written in on the "payable to" line. The correction was initialed by what  
6 appears to be April Lucero the owner of Lamp Light Marketing.

7 The Lamp Light Marketing name does not show anywhere on the HUD-1  
8 Settlement Statement form. It is unclear why Lamp Light Marketing would be  
9 supplying earnest money for this particular escrow. The purpose of this check is  
10 not known, why it was voided, where the check was held during 11-30 to 12-8-06,  
11 and if it was a returned /denied item from the bank.

12 There is nothing in the escrow file to substantiate a reason why AMB Consulting  
13 received money from the seller.

14 **8. Buyer: Kevin D. Williams / Seller: Robert and Leah Varner—Escrow #47-03650-CB**

15 **Open Date: 01-09-06 Close Date: 01-31-06 HUD-1 Contract Sales Price: \$347,000.00**

16 **Escrow Officer: Chris Bartlemus**

17 **Cash-out: \$60,000 to Lamplight Marketing, LLC (April Lucero)**

18 **Loan Status: Foreclosed; Trustee Deed sale on 6-21-07**

- 19 1. The HUD-1 Escrow Settlement Statement indicated on line #1306 that \$60,000  
20 was to be paid from seller funds to Lamplighting, LLC. While signed  
21 authorization exists in the escrow file to support this payment, the company  
22 invoice, which described the \$60,000 as an Assignment / Declaration Fee, was  
23 from an entity named Lamplight Marketing LLC. It should be noted that actual  
24 disbursement check was made payable to Lamplight Marketing, LLC, whose sole  
25 member / owner is April Lucero. April Lucero is also the mortgage loan officer at  
26 Sterling Home Mortgage, who signed the loan application (Form 1003) as the  
applicant's interviewer.
2. Correspondence from Sandy Mager, West USA Realty dated 1-17-06 to escrow  
officer Bartlemus states that "the buyer is borrowing well above the sales price to  
use cash for another venture". Ms. Mager quotes the actual contract sales price as  
\$287,000 rather than the \$347,000 appearing on the HUD-1, with the buyer taking  
\$60,000 as cash. The escrow file contains two purchase contracts, both signed by  
the seller on 01-06-06. One contract has a stated purchase price of \$280,000  
(counter offer of \$287,000) and the other contract lists a purchase price of  
\$347,000 (an increase of \$60,000).
3. Earnest Money check (#137) in the amount of \$1,000 was received on 1-9-06,  
held by Security Title, and then voided on 1-26-06. While a copy of the Earnest  
Money receipt was faxed to West USA Realty (listing agent) on 1-9-06, the check  
was never deposited. Escrow monies must be deposited immediately on receipt  
or as soon thereafter as is reasonably practicable. The voided earnest money  
receipt was subsequently replaced with a \$1,000 Official Check, which was  
received and disbursed on 1-31-06 (the same day). The disbursement should not  
have occurred until the next business day.

27 **9. Buyer: Christine Shiplett / Seller: D.L.A. Development, LLC—Escrow #47-04542-CB**

28 **Open Date: 12-15-06 Close Date: 02-26-07 HUD-1 Contract Sales Price: \$400,000.00**

1 **Escrow Officer:** Chris Bartlemus

2 **Loan Status:** Notice of Default filed 8/08/07 was scheduled for Trustee Deed Sale for 11/07/07.

- 3 1. Official Check funds are available the next business day after the date of deposit.  
4 The receipts and disbursement listing shows two official checks (\$9,670.00 and  
5 \$2,856.00) were received and disbursed on 02-26-07 (the same day). The  
6 disbursement should not have occurred until the next business day.

7 **10. Buyer: Kevin D. Williams / Seller: Glen and Collette Kelly—Escrow #47-03632-CB**

8 **Open Date:** 01-04-06 **Close Date:** 01-24-06 **HUD-1 Contract Sales Price:** \$261,000.00

9 **Escrow Officer:** Chris Bartlemus

10 **Loan Status:** Notice of Trustee Sale recorded 7/31/07; Scheduled for Trustee Sale for 11/07/07  
11 per Maricopa County Recorder.

- 12 1. The purchase contract (dated 12-31-05) states that "\$1,200.00 earnest money  
13 already deposited by buyer at Title to be applied to buyers closing costs...".  
14 Earnest Money check (#136) in the amount of \$1,200 was receipted on 1/9/06,  
15 held by Security Title, and then voided on 1/24/06 (COE). While a copy of the  
16 earnest money receipt was faxed to Mike Ryan (listing agent) on 1/9/06, it was  
17 never deposited. Closing funds of \$3,722.10 were received from the buyer on  
18 1/23/06. Quit Claim, D. Hunter to D.L.A. Dev. LLC. on 4-26-06.

19 **11. Buyer: Kevin D. Williams / Seller: MLS Property IV LLC—Escrow #47-03645-CB**

20 **Open Date:** 01-06-06 **Close Date:** 02-02-06 **HUD-1 Contract Sales Price:** \$355,000.00

21 **Escrow Officer:** Chris Bartlemus

22 **Cash-out:** \$28,000 Lamplight Marketing, LLC (Loan Officer – April Lucero)

23 **Loan Status:** Foreclosed; Trustee Deed Sale 5-29-07

- 24 1. The HUD-1 Escrow Settlement Statement indicated on line #1304 that \$28,000  
25 was to be paid from seller escrow funds to Lamplight Marketing, LLC. While  
26 signed authorization exists in the escrow file to support this third party payment,  
the accompanying invoice from Lamp Light Marketing LLC, describes the  
\$28,000.00 as an Assignment / Declaration Fee. It should be noted that  
Lamplight Marketing, LLC's sole member/owner is April Lucero. April Lucero is  
also identified in the file as the broker contact at Sterling Home Mortgage, the  
mortgage broker on this transaction.
2. Earnest Money check (#133) in the amount of \$1,500 was receipted on 1/9/06,  
held by Security Title, and then voided on 1/31/06. While a copy of the Earnest  
Money receipt was faxed to the seller on 1/10/06, it was never deposited. Escrow  
monies must be deposited immediately on receipt or as soon thereafter as is  
reasonably practicable (A.R.S. Section 6-834). It was replaced with a \$1,500.00  
official check, which was receipted on 1/31/06.



1                    **12. Buyer: Deborah Bredenburg / Seller: Brett Marino—Escrow #47-04540-CB**

2   **Open Date:** 12-15-06   **Close Date:** 01-04-07   **HUD-1 Contract Sales Price:** \$450,000.00

3   **Escrow Officer:** Chris Bartlemus

4   **Cash-Out:** \$56,000 to Lamp Light Marketing, LLC (April Lucero)

5   **Loan Status:** In Foreclosure; Notice of Trustee Sale recorded 10/23/07; Trustee Deed sale  
6   scheduled for 01/23/08.

- 7                    1. The HUD-1 Escrow Settlement Statement indicates on line #508 that the amount  
8                    due the seller was to be reduced by \$56,000 for a payoff to an unnamed party.  
9                    Although the payee was not disclosed on the HUD-1, escrow file documentation  
10                   revealed that, based upon written instruction from the seller, such amount was  
                    disbursed to Lamplight Marketing, LLC for renovation and remodeling. It is  
                    unclear whether the lender was aware of the actual payee and nature of this  
                    disbursement. It should be noted that Lamplight Marketing, LLC's sole  
                    member/owner is April Lucero.

11                   **13. Buyer: Darwin Hunter / Seller: Brandon Hansen—Escrow #47-03810-CB**

12   **Open Date:** 03-13-06   **Close Date:** N/A (Cancelled)   **HUD-1 Contract Sales Price:** \$500,000.00

13   **Escrow Officer:** Chris Bartlemus

- 14                   1. Although this escrow was cancelled, the pre-audit HUD-1 Escrow Settlement  
15                   Statement indicated on line #1306 that \$95,100 was to be paid from escrow funds  
16                   to Lamplighting, LLC. While signed authorization exists in the escrow file to  
17                   support this payment to Lamplighting, LLC, the seller's authorization lacked a  
18                   stated purpose or reason for issuance of the disbursement check. It should be  
                    noted that Lamplight Marketing, LLC's sole member/owner is April Lucero.  
                    April Lucero is also identified in the file as the lender contact at Sterling Home  
                    Mortgage. Direction to cancel this escrow came from April Lucero on or about 4-  
                    21-06.

19                   **14. Buyer: Jonathan Shachar / Seller: Maher Arekat—Escrow #47-04493-CB**

20   **Open Date:** 11-22-06   **Close Date:** 11-28-06   **HUD-1 Contract Sales Price:** \$545,000.00

21   **Escrow Officer:** Chris Bartlemus

22   **Cash-Out:** \$95,000 to Nogara Financial

- 23                   1. The HUD-1 Escrow Settlement Statement indicates on line #505 that the amount  
24                   due the seller was to be reduced by \$95,000 for a payoff of a Private Note to an  
25                   unnamed party. Although the payee was not disclosed on the HUD-1, escrow file  
26                   documentation revealed that, based upon written instruction from the seller, such  
                    amount was disbursed to Nogara Financial for renovation/consulting. It is unclear  
                    whether the lender was aware of the actual payee and true nature of this  
                    disbursement.

1  
2 **15. Buyer: Deborah Bredenburg / Seller: Bret Marino—Escrow #47-04469-CB**

3 **Open Date: 11-06-06 Close Date: 02-06-07 HUD-1 Contract Sales Price: \$570,000.00**

4 **Escrow Officer: Chris Bartlemus**

5 **Cash-Out: \$37,000 to Phoenix Development LLC**

6 **Loan Status: Foreclosed; Trustee Deed Sale held on 11/05/07**

- 7 1. The HUD-1 Escrow Settlement Statement indicated on line #1303 that \$37,000  
8 was to be paid from escrow funds to Phoenix Development. While signed  
9 authorization exists in the escrow file to support this third party payment, the  
10 seller's instruction lacked a stated purpose or reason for the disbursement.  
11 Escrow file documentation indicates that \$37,000 was wired to US Bank, for the  
12 benefit of Phoenix Development Company, L.L.C., on 2-6-07.

13 **16. Buyer: Stephanie McWilliams / Seller: Addison L. Lawrence—Escrow #47-03980-CB**

14 **Open Date: 11-06-06 Close Date: 02-06-07 HUD-1 Contract Sales Price: \$460,000.00**

15 **Escrow Officer: Chris Bartlemus**

16 **Cash-Out: \$60,000 to First American Title Agency; \$174,831.90 to Amber Ceccarelli**

17 **Loan Status: This is the first cash-out for this property. A second cash-out and property flip  
18 occurred on 02/15/07 for \$17,752.57 as shown in escrow file 47-04544-CB, referenced at  
19 paragraph 17 herein, which was prepared by the same escrow officer. In foreclosure; Trustee  
20 Deed Sale scheduled for 12/19/07**

- 21 1. The HUD-1 Escrow Settlement Statement indicated on line #1304 that \$60,000  
22 was to be paid from escrow funds to D.L.A. Development LLC. While signed  
23 authorization exists in the escrow file to support this third party payment, neither  
24 the seller's written instruction nor the vendor invoice contained a stated purpose  
25 or reason for the disbursement. File documentation indicates that \$60,000 was to  
26 be wired to Chase Bank, for the benefit of D.L.A. Development, LLC on 6-23-06;  
however, such wire was voided and the monies disbursed First American Title  
Agency instead. Due to the absence of written instruction/authorization or related  
correspondence in the escrow file, the circumstances surrounding the  
disbursement to First American Title Agency are unknown.
2. The HUD-1 Escrow Settlement Statement indicated on line #1301 that  
\$174,831.90 was to be paid from escrow funds to Amber Ceccarelli. There are no  
escrow instructions or other documentation authorizing such disbursement.  
Escrow officer Chris Bartlemus sent an unauthorized disbursement wire in the  
amount of \$174,831.90 to Chase Bank, for the benefit of Amber Ceccarelli, on 6-  
23-06.
3. The stated sales price on the Affidavit of Value is \$461,000, which differs from  
the \$460,000 sales price stated on the Purchase Contract and Final HUD-1.

1 **17. Buyer: Christine Shiplett / Seller: Stephanie McWilliams—Escrow #47-04544-CB**

2 **Open Date: 12-29-06 Close Date: 02-15-07 HUD-1 Contract Sales Price: \$500,000.00**

3 **Escrow Officer: Chris Bartlemus**

4 **Cash-out: \$17,752.57 to AMB Consulting**

5 **Loan Status: This is the second cash-out and a property flip for this property. See escrow**  
6 **47-03980-CB, referenced at paragraph 16 herein, which was prepared by the same escrow**  
7 **officer. In foreclosure; Trustee Deed Sale scheduled for 12/19/07**

- 8 1. The seller provided written instruction for the escrow agent to disburse seller  
9 proceeds via wire to Wells Fargo Bank, for the benefit of AMB Consulting. The  
10 reason for the payment to AMB Consulting is not documented in the file and is  
11 unknown (AMB Consulting is not a party to this transaction). The escrow file  
12 copy of the final HUD-1 indicated \$17,752.57 was due the seller. Although, file  
13 documentation supported such amount being disbursed via wire to AMB  
14 Consulting as instructed, a letter to the seller dated February 15, 2007 states that  
15 the escrow closed and \$17,752.57 was disbursed to Ms. Williams (the seller). It  
16 does not appear that the lender was aware of the disbursement to AMB  
17 Consulting.

18 It should be noted that the final HUD-1, which was printed during the  
19 examination, differed from the final HUD-1 contained in the escrow file. Instead  
20 of showing \$17,752.57 of seller proceeds, the system version (line #1304) listed a  
21 third party payment in the same amount to D.L.A. Development, a company that  
22 is wholly owned by Amanda Adorno, a loan officer at Sterling Home Mortgage, a  
23 licensed mortgage broker. It is unclear why the system version of the final HUD-  
24 1 contained a third party payment to D.L.A. Development, since the escrow file  
25 lacked any supporting documentation and a disbursement to D.L.A. Development  
26 never occurred.

- 27 2. Also unclear is why the pre-audit HUD-1 signed by both the buyer and seller on  
28 1-29-07 indicated on line #1304 that \$40,000 was to be paid to Specialty  
29 Construction. Again, the escrow file lacked any supporting documentation for  
30 such disbursement and a disbursement to this entity did not appear on the final  
31 HUD-1.

32 **18. Buyer: Stephanie McWilliams / Seller: PR 7753 Partners, LLC—Escrow #47-03961-CB**

33 **Open Date: 05-12-06 Close Date: 06-16-06 HUD-1 Contract Sales Price: \$690,000.00**

34 **Escrow Officer: Chris Bartlemus**

35 **Cash-Out: \$111,000 to D.L.A. Development, LLC**

36 **Loan Status: In Foreclosure; Trustee Deed Sale scheduled for 2/20/08; this is the second cash-**  
37 **out and flip for this property; see escrow 47-03543-CB, referenced at paragraph 19 herein.**

- 38 1. The Certified Final HUD-1 Escrow Settlement Statement provided to the lender is  
39 not the same as the Final HUD-1 produced during the examination. Escrow file  
40 documentation indicates that a certified copy of the Final HUD-1 was faxed to the

1 lender, WMC Mortgage Corp., on 6-16-06. However, the certified copy failed to  
2 show a \$111,000 third party disbursement, which was sent via wire to Chase  
3 Bank, for the benefit of D.L.A. Development, LLC, on the same day. It should be  
4 noted that the pre-audit HUD-1 dated June 5 (signed by the seller) and the final  
5 HUD-1 produced during the examination included the disbursement to D.L.A.  
6 Development on line #1307. The pre-audit HUD-1 dated 6-9, (signed by the  
7 buyer) did not show the disbursement.

- 8 2. The escrow file also contained conflicting disbursement documentation. While  
9 the escrow file contains written instruction from the seller to disburse \$110,000 to  
10 D.L.A. Development, the supporting invoice is on the letterhead of L.J.L.  
11 Development and is for a larger amount (\$111,000). Escrow Officer Chris  
12 Bartlemus disbursed the larger amount, which was \$1,000 more than specifically  
13 authorized by the seller.

14 **19. Buyer: Kevin D. Williams / Seller: Darin D. Ray—Escrow #47-03543-CB**

15 **Open Date: 01-09-06 Close Date: 01-27-06 HUD-1 Sales Contract Price: \$550,000.00.**

16 **Escrow Officer: Chris Bartlemus**

17 **Cash-Out: \$40,000 to Lamp Light Marketing, LLC (April Lucero, Owner of Lamp Light  
18 Marketing, LLC and Sterling Loan Officer)**

19 **Loan Status: Property was flipped again in 6/2006 to another accomplice, Stephanie**

20 **McWilliams, who was the seller in Escrow #47-04544-CB, referenced at paragraph 17 herein,  
21 for \$690,000 via Security Escrow 47-47-03961-CB; Scheduled to be sold on 2-20-08**

- 22 1. The HUD-1 Escrow Settlement Statement indicated on line #1304 that \$40,000.00  
23 was to be paid to Lamp Light Marketing, LLC. There are no escrow instructions,  
24 lender's instructions or other documentation authorizing the issuance of any  
25 escrow disbursement to Lamp Light Marketing, LLC, from loan and escrow  
26 proceeds.

In the package of documents faxed to the lender on 1-30-06 for final loan funding approval, the Certified Final HUD-1 faxed to the lender, Crevcor Mortgage, Inc., failed to show the provision for a \$40,000.00 disbursement to Lamp Light Marketing, LLC. Instead, line #1304 on that Certified HUD-1 shows a payment of \$60.00 to Title Accounting Services Corporation for a Release Tracking Fee. Certified copies of each of the HUD-1 settlement statements issued to the buyer and sellers show a provision for the \$40,000.00 disbursement to Lamp Light Marketing, LLC on line #1304. Both of those Certified HUD-1 settlement statements issued to the buyer and seller show the payment of \$60.00 to Accounting Services Corporation for a Release Tracking Fee on the next line, line #1305 of the escrow settlement statement.

Contrary to the provisions of the HUD-1 Escrow Settlement Statement provided to Crevcor Mortgage, Inc. for loan and funding approval, Escrow Officer Chris Bartlemus issued unauthorized disbursement check #47025558, dated 2-1-06 for \$40,000.00 to Lamp Light Marketing, LLC. Lamp Light Marketing, LLC is wholly owned by its only member April Lucero, the mortgage broker loan officer at Sterling Home Mortgage. April Lucero signed the Freddie Mac Form 1003 Loan Application as the loan applicant's interviewer. Neither April Lucero nor

1 Lamp Light Marketing, LLC, are parties to the escrow transaction. Neither were  
2 in any way authorized by the escrow parties or mortgage lender to receive any  
3 escrow or loan proceeds.

- 4 2. The Certified Final HUD-1 Escrow Settlement Statement provided to the lender  
5 was not the same as either of the Final HUD-1 Escrow Settlement Statements  
6 provided to the buyer and sellers. The escrow disbursements exhibited on the  
7 Certified Final HUD-1 escrow settlement statement issued to Crevcor Mortgage,  
8 Inc., the lender, are inconsistent with the Certified HUD-1 escrow settlement  
9 statements issued to the buyer and sellers
- 10 3. Inconsistencies regarding the selling price of the property were discovered during  
11 the review of the escrow file. The "Seller's Certification for Compliance with  
12 Real Estate Reporting Requirements - 1986 Tax Reform Act" form issued in lieu  
13 of IRS Form 1099'S, signed and certified by the sellers as a true and accurate  
14 account of the real estate transaction, stated the amount of the contract sales price  
15 was \$510,000.00. The Security Title Agency Inc., form "1099 Information for  
16 Escrow #47-03543-CB stated the Total Consideration was \$550,000.00. The total  
17 amount on the 1099's issued to the sellers was \$550,000.00. The Affidavit of  
18 Value notarized by Escrow Officer Chris Bartlemus on 1-27-06 stated the sale  
19 price of the property to be \$540,000.00 and indicated that the property was "to  
20 be rented to someone other than family member." The loan application Freddie Mac  
21 Form 1003 stated the property to be the buyer's/borrower's primary residence.  
22 The Purchase Contract effective 11-15-05 states the purchase price to be  
23 \$540,000.00 as compared to the HUD-1 Sale Price of \$550,000.00.
- 24 4. The Purchase Contract dated 11-15-05 states that the Buyer is Marc Winfrey.  
25 Kevin D. Williams is not mentioned in the purchase contract. The Crevcor  
26 Mortgage, Inc. Freddie Mac Form 1003 loan application forms dated 1-27-06, for  
the 80% LTV \$440,000.00 and 20% LTV \$110,000.00 mortgage loans, the two  
deeds of trust, the title policy issuing instructions, the title insurance policies, the  
Affidavit of Value and the mortgage documents all state the buyer/borrower to be  
Kevin D. Williams.  
On 2-13-2006, a Quit Claim Deed, dated 1-26-06, and notarized by Escrow  
Officer Chris Bartlemus on 2-10-06, was recorded at the Maricopa county  
Recorder's Office just eighteen (18) days after the close of escrow, deeding all of  
the buyer's, Kevin D. Williams, interests in the property to Lamp Light  
Marketing, LLC, the company 100% owned by April Lucero, the mortgage loan  
officer employed by Sterling Home Mortgage, the licensed mortgage broker.

19 **20. Buyer: Darwin Hunter /Seller: Ronald B. & Shannon M. Ducharme-Escrow #47-03778-CB**

20 **Open Date: 03-02-06 Close Date: 04-24-06 HUD-1 Contract Sales Price: \$350,000.00**

21 **Escrow Officer: Chris Bartlemus**

22 **Cash-Out: \$70,000 to Lamp Light Marketing, LLC (April Lucero, Owner of Lamp Light  
23 Marketing, LLC and Sterling Loan Officer)**

24 **Loan Status: Foreclosed; Trustee Deed Sale held on 10/01/07**

- 25 1. The original Purchase Price stated in the Purchase Contract dated 2-15-06 was  
26 \$350,000. The Purchase Contract was subsequently amended by undated  
Addendum #1 stating, "Seller will be paid \$280,000 gross, minus seller's  
traditional closing costs/commissions as related to payoff." Addendum #1 also  
stated, "Buyer reserves the right to borrow additional monies as related to this

1 transaction." The \$350,000 escrow proceeds disbursed represent 120% of the  
2 \$280,000 amended purchase price of the property to be paid to the seller. The  
3 First Deed of Trust dated 4-19-06 secures the \$280,000 loan #906040239 by  
4 Concord Mortgage Company to Darwin Hunter, the buyer.

- 5 2. Line #1303 of the HUD-1 escrow settlement statement provides for \$70,000 of  
6 the seller's proceeds to be paid to Lamp Light Marketing, LLC, a company that is  
7 wholly owned by April Lucero, the mortgage broker loan officer of Sterling  
8 Home Mortgage, a mortgage broker. Through this transaction, the Buyer  
9 obtained the additional \$70,000 paid to Lamp Light Marketing, LLC, from loan  
10 #906040240 advanced by Concord Mortgage Company and secured by a Second  
11 Deed of Trust dated 4-19-06.
- 12 3. Contrary to the provisions of the HUD-1 escrow settlement statement line #1303,  
13 and in the absence of adequate written escrow instructions, Escrow Officer Chris  
14 Bartlemus issued an unauthorized outgoing wire #00002473 in the amount of  
15 \$70,000 to Chase Bank for the benefit of D.L.A. Development LLC. D.L.A.  
16 Development, LLC is wholly owned by Amanda Adorno, its only member.  
17 Amanda Adorno is a mortgage loan officer of Sterling Home Mortgage, a  
18 licensed mortgage broker. Sterling Home Mortgage, the mortgage brokerage  
19 company, received mortgage related fees including \$500 loan origination fees,  
20 \$395 loan processing fees, and a \$700 yield spread premium paid by the mortgage  
21 lender, Concord Mortgage Company, paid outside the escrow closing.
- 22 4. The Affidavit of Value dated 4-20-06 states the value of the property to be  
23 \$350,000. Escrow Officer Chris Bartlemus notarized two conflicting signatures  
24 of Darwin Hunter on the Affidavit of Value on 4-20-06 indicating that he was  
25 both the Buyer/Agent and the Seller/Agent.
- 26 5. An Assignment of Deed of Trust dated 4-30-07, and recorded by the Maricopa  
County Recorder's Office, transferred all beneficial interest under the Deed of  
Trust dated April 19, 2006, from Mortgage Electronic Registration Systems, Inc.,  
as beneficiary to U.S. Bank National Association as Trustee for CSMC ARMT  
2006-3.
6. A Notice of Trustee Sale dated 4-30-07 was filed with the Maricopa County  
Recorder's Office by the Trustee/Successor Trustee on behalf of U.S. Bank  
National Association, the beneficiary of the two deeds of trust. The property is  
scheduled to be sold by public auction to the highest bidder on July 31, 2007, at  
the office of the Trustee/Successor Trustee.

18 **21. Buyer: Deborah Bredenburg / Seller: Scott & Jodie Wilson Escrow #47-04527-CB**

19 **Open Date: 11-16-06 Close Date: 11-30-06 HUD-1 Contract Sales Price: \$465,000.00**

20 **Escrow Officer: Chris Bartlemus**

21 **Cash-Out: \$31,033.62 to Lamp Light Marketing, LLC**

22 **Loan Status: Foreclosed; Trustee Deed sale held on 11/12/07**

- 23 1. The Addendum to Purchase Contract dated 10-3-06 changed the terms of the  
24 purchase agreement to read: "Property to be purchased at full market value  
25 \$465,000. Seller will be paid \$390,000 minus seller's payoffs and seller's closing  
26 cost. Seller will credit \$37,500 to Phoenix Development LLC and \$37,500 to QD  
Development LLC."  
An "Instructions to Escrow" document dated 11-18-06 instructs the escrow officer  
to disburse \$37,500 of the seller's proceeds to Phoenix Development Co. LLC and  
\$30,322.05 to QD Development LLC.

1 HUD-1 Continuation Page 3 of the HUD-1 Escrow Settlement Statement states  
2 the amount paid to QD Development LLC was to be \$31,033.62, contrary to the  
3 amended terms of the purchase contract and the instructions to the escrow officer.  
4 The HUD-1 Escrow Settlement Statement provisions failed to conform to the  
5 terms of the Addendum to Purchase Contract dated 10-3-06 or the "Instructions to  
6 Escrow" document dated 11-18-06.

- 7 2. On 11-30-06, Outgoing Wire #2998 in the amount of \$31,033.62 was sent to  
8 Chase Bank crediting Lamplight Marketing LLC's checking account  
9 #XXXXXX4971 as provided for by the HUD-1 Escrow Settlement Statement, but  
10 contrary to the Addendum to the Purchase Contract or the "Instructions to  
11 Escrow" document signed by the seller.
- 12 3. An undated and unsigned "verbal" instructions memo, present in the escrow file,  
13 instructed the escrow officer to wire the escrow proceeds to Chase Bank and to  
14 credit checking account # XXXXX4971 in the name of Lamplight Marketing  
15 LLC, to benefit QD Development LLC. QD Development LLC is wholly owned  
16 by Quintin Graves, the company's only Manager and Member.
- 17 4. Quintin Graves is also a mortgage broker loan officer of Achievers Mortgage Co.,  
18 the mortgage broker receiving loan origination and processing fees totaling  
19 \$1,400 through this escrow transaction. Quintin Graves is stated on the Form  
20 1003 Loan Application as the loan officer and interviewer that obtained the  
21 buyer/borrower's application credit and other information from the buyer and the  
22 person who completed the Freddie Mac Form 1003 Loan Application form, dated  
23 and signed by the buyer on 11-18-06.
- 24 5. Escrow Receipt #644222 dated 11-16-06, documented the \$2,000 Chase Bank  
25 N.A. official check earnest money deposit of the buyer, Deborah Bredenberg.  
26 The Receipts and Disbursements Ledger, created, maintained and under the sole  
control of Escrow Officer Chris Bartlemus, indicated the Receipt #644222,  
\$2,000 posting date of 11-28-06, twelve days after the true receipt of funds by the  
Company. That Escrow Receipt was also shown as posted to the Company's  
official escrow accounting receipts and disbursement system ledger on 11-28-06.  
In an interview with Ms. Clara Seager, Accounting Department Supervisor, Ms.  
Seager stated that the Receipts and Disbursements Ledger created and maintained  
solely by the branch is created using a separate program and is not linked in any  
way to the official escrow accounting systems of the Company. No explanation  
or reason for the twelve (12) day delay in the posting of the earnest money deposit  
to the Company's escrow accounting system was available, other than the  
possibility that an un-inventoried "courtesy" receipt was provided to the  
depositor and the check presented for deposit by the buyer was held in the escrow  
file or was otherwise withheld from being deposited into the escrow trust bank  
depository account until the official posting date. Courtesy receipts often used by  
branches, although numbered, are not inventoried, controlled or otherwise  
accounted for by the Company and do not receive any of the follow-up impressed  
by the Corporate accounting system. Corporate receipts used by the Company are  
inventoried and controlled through the accounting software systems.

**22. Buyer: Darwin Hunter / Seller: Bradford L. Drake—Escrow #47-03722-CB**

**Open Date: 01-31-06 Close Date: 04-10-06 HUD-1 Contract Sales Price: \$359,000.00**

**Escrow Officer: Chris Bartlemus**

**DT Recorded: 4-11-06. Quit Claim Deed Dated 4-11-06, Recorded 4-18-06: Hunter, a**

1 **Married Man (Buyer) to DLA Development, LLC.**

2 **Property Parcel No.: Lot 30, Olive Acres.**

3 **Cash-Out: \$50,900 to Lamp Light Marketing, LLC**

4 **Loan Status: Foreclosed; Trustee Deed Sale was on 9/14/2007**

5 1. The 90% LTV, \$323,910 adjustable rate mortgage loan was funded 4-10-06 by  
6 Decision One Mortgage, Co. LLC. On 4-11-06, the day after the close of escrow,  
7 Escrow Officer Chris Bartlemus dated and notarized a Quitclaim Deed for Darwin  
8 Hunter, the Buyer, quit-claiming Hunter's interest in the newly purchased and  
9 financed property to DLA Development, LLC. On 4-18-06, only eight days after  
10 the close of escrow, Escrow Officer Chris Bartlemus recorded the Quitclaim Deed  
11 for Darwin Hunter, the Buyer/Borrower. DLA Development, LLC is wholly  
12 owned by Amanda Adorno, a mortgage broker loan officer of Sterling Home  
13 Mortgage, LLC. Loan officer and interviewer April Lucero, also of Sterling  
14 Home Mortgage, LLC, assisted Hunter, the buyer, in completion of the Freddie  
15 Mac Form 1003 Loan Application forms and signed the loan application dated 4-  
16 2-06. April Lucero is also the sole owner and member of Lamp Light Marketing  
17 LLC, the loan officer's wholly owned company.

18 The Quitclaim Deed by the Buyer, transferring the property to DLA  
19 Development, LLC, also appears to constitute a breach of paragraph #11 of the  
20 Adjustable Rate Note #XXXXXXXXX54210 dated 4-6-06. Additionally, the Quit  
21 Claim Deed by the Buyer/Borrower, Hunter, dated 4-11-06 and recorded on 4-18-  
22 06, quit-claiming his interest in the newly purchased and financed property to  
23 DLA Development, LLC, appears to constitute a breach of Paragraph #18 of the  
24 Deed of Trust recorded 4-11-06, MERS MIN#XXXXXXXXXXXXXXXXX68759.

25 2. Conflicting escrow instructions to the escrow officer were exhibited in the escrow  
26 file, illustrated by: A separate document dated 2-21-06, and signed by the Seller,  
Drake, the Escrow Agent was instructed to, "Pay Lamp Light Marketing, LLC  
\$50,900.00."

The Escrow Agent subsequently received an incomplete invoice, dated 3-20-06,  
from D.L.A. Development LLC, for payment of an "Assignment/Declaration  
Fee" of \$50,900.00, to be paid from the escrow proceeds. The invoice was  
unsigned by any escrow party or by any representative of D.L.A. Development  
LLC or any other person or entity.

3 3. On 4-18-06, only eight days after the close of escrow, Darwin Hunter  
(Buyer/Borrower) recorded a Quit Claim Deed dated and notarized on 4-11-2006,  
one day after the Close of Escrow, by Escrow Officer Chris Bartlemus. By that  
Quit Claim Deed, the Buyer, Hunter, transferred his interest in his newly  
purchased and financed property to DLA Development, LLC, company wholly  
owned by the mortgage broker loan officer, Amanda Adorno.

4 4. An Affidavit of Property Value dated 3-23-06 was unsigned by the buyer and  
seller or their agents, but the form's blank signature lines were notarized by  
escrow employee Jesse T. Reynolds on 3-23-06.

5 5. Respondent improperly disbursed \$1,335,190.39 (One million, three hundred thirty five  
6 thousand, one hundred ninety dollars and thirty nine cents) contrary to the provisions of HUD-1  
7 escrow statements or written escrow instructions.



CONCLUSIONS OF LAW

1  
2           1. Pursuant to Title 6, Chapter 7, of the Arizona Revised Statutes, the Superintendent has  
3 the authority and duty to regulate all persons engaged in the escrow agent business and with the  
4 enforcement of statutes, rules, and regulations relating to escrow agents.

5           2. By the conduct set forth above, Mr. Bartlemus has violated statutes governing escrow  
6 agents as follows:

7           a. A.R.S. §§ 6-837(B) and 6-841(B) by failing to maintain adequate escrow file  
8 documentation; and

9           b. A.R.S. §§ 6-841, 6-834(A) and 6-841.01 by failing to properly account for escrow  
10 property by improper disbursement of escrow funds, specifically:

11           i. A.R.S. § 6-834(A) by failing to properly account for escrow property as  
12 required by the terms of the escrow;

13           ii. A.R.S. § 6-834(A) and A.R.S. § 6-841 by failure to disburse funds in  
14 accordance with the provisions of the HUD-1 escrow; and

15           iii. A.R.S. § 6-834(A) and A.R.S. § 6-841 by failing to follow written escrow  
16 instructions;

17           3. Mr. Bartlemus' conduct, as set forth above, constitutes acts, omissions, and practices  
18 which demonstrate personal dishonesty or unfitness to continue in office or to participate in the  
19 conduct of the affairs of any financial institution or enterprise and is grounds for removal and the  
20 prohibition of Mr. Bartlemus within the meaning of A.R.S. § 6-161(A)(1).

21           4. Mr. Bartlemus' violations of A.R.S. §§ 6-837(B) and 6-841(B) constitute grounds for the  
22 removal and prohibition of Mr. Bartlemus from participating in any manner in the conduct of the  
23 affairs of any financial institution or enterprise, pursuant to A.R.S. § 6-161(A)(6).

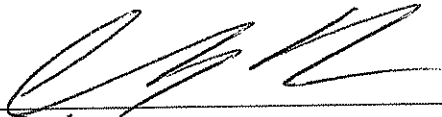
24           5. Mr. Bartlemus' violations of A.R.S. §§ 6-841, 6-834(A) and 6-841.01 constitute grounds  
25 for the removal and prohibition of Mr. Bartlemus from participating in any manner in the conduct of  
26 the affairs of any financial institution or enterprise, pursuant to A.R.S. § 6-161(A)(6).



1 state or subdivision thereof from instituting other proceedings as may be appropriate now or in the  
2 future.

3 6. Respondent waives all rights to seek judicial review or otherwise to challenge or contest  
4 the validity of this Consent Order.

5 DATED this 9<sup>th</sup> day of June, 2008.

6  
7 By   
8 Chris Bartlemus  
9 Respondent

10  
11  
12 ORIGINAL of the foregoing filed this 12<sup>th</sup>  
13 day of June, 2008, in the office of:

14 Felecia A. Rotellini  
15 Superintendent of Financial Institutions  
16 Arizona Department of Financial Institutions  
17 ATTN: Susan L. Longo  
18 2910 N. 44th Street, Suite 310  
19 Phoenix, AZ 85018

20 COPY mailed/delivered same date to:

21 Thomas Shedden  
22 Administrative Law Judge  
23 Office of Administrative Hearings  
24 1400 W. Washington, Suite 101  
25 Phoenix, AZ 85007

26 Craig A. Raby  
Assistant Attorney General  
Office of the Attorney General  
1275 W. Washington  
Phoenix, AZ 85007

Robert D. Charlton, Assistant Superintendent  
Arizona Department of Financial Institutions  
2910 N. 44th Street, Suite 310  
Phoenix, AZ 85018

1 COPY MAILED SAME DATE by Regular Mail  
and Certified Mail, Return Receipt Requested, and  
2 SERVED SAME DATE by Process Server, to:

3 Chris Bartlemus  
1814 East Patrick Lane  
4 Phoenix, AZ 85024  
Respondent

5 Jonathan J. Goebel, Esq.  
6 2141 E. Broadway Road, Suite 220  
Tempe, AZ 85282-1705  
7 Attorneys for Respondent

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213368, PHX-AGN-2008-0010

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ARIZONA DEPARTMENT OF FINANCIAL INSTITUTIONS

Felecia A. Rotellini  
Superintendent of Financial Institutions

Janet Napolitano  
Governor

CERTIFIED MAIL

June 12, 2008

Mr. Chris Bartlemus  
1814 East Patrick Lane  
Phoenix, AZ 85024

Reference: Docket # 08F-BD057-BNK / CHRIS BARTLEMUS

Dear Mr. Bartlemus:

Please find the enclosed executed **Consent Order**. This order is final. You may contact Craig Raby, Assistant Attorney General (602) 542-8889, with any questions.

Very truly yours,

A handwritten signature in black ink, appearing to read "Robert D. Charlton".

Robert D. Charlton  
Assistant Superintendent

RDC:sll

Enclosure

cc: Craig Raby, Assistant Attorney General