

STATE OF ARIZONA  
Department of Insurance and Financial Institutions  
**FILED** <sup>November 26</sup> \_\_\_\_\_, 2024 by MK

**ARIZONA DEPARTMENT**

**OF INSURANCE AND FINANCIAL INSTITUTIONS**

In the Matter of the Escrow Agent Activity of:

**BENNINGTON INSURANCE SERVICES  
LLC DBA BENNINGTON TITLE AND  
ESCROW AGENCY ARIZONA**

**License number: 1024237**

2550 W Union Hills Drive, Suite 350-8691  
Phoenix, AZ 85027

Respondent.

**No. 24A-043-FIN**

**ORDER TO CEASE AND DESIST**

The Arizona Department of Insurance and Financial Institutions (“Department”) has received evidence that Bennington Insurance Services LLC dba Bennington Title and Escrow Agency Arizona (“Respondent”) violated laws relating to the conduct of a licensed escrow agent. Accordingly, the Director of the Department makes the following Findings of Fact and Conclusions of Law and enters the following Order pursuant to Arizona Revised Statutes (“A.R.S.”) § 6-137.

**This Order is effective at the time of service and remains effective and enforceable unless it is stayed, modified, terminated, or set aside.** A.R.S. § 6-137(C).

Under A.R.S. Titles 6 and 41 and Arizona Administrative Code (“A.A.C.”) Title 20, Chapter 4, Respondent is notified that it is entitled to a hearing to contest the allegations set forth in this Order. *See* A.R.S. § 6-137(D). A request for hearing shall be filed with the Department within thirty (30) days after receiving and shall identify with specificity the reason(s) why an administrative hearing is being sought in accordance with A.R.S. § 41-1092.03(B).

If Respondent requests a hearing, the purpose of the hearing shall be to determine if grounds exist for the issuance of this Order under A.R.S. § 6-137, directing Respondent to cease

1 and desist from any unlawful conduct. The administrative hearing will be held at the Office of  
2 Administrative Hearings in accordance with A.R.S. §§ 41-1092 through 41-1092.12.

3 Respondent also has the right to request an Informal Settlement Conference (“ISC”)  
4 pursuant to A.R.S. § 41-1092.06. If an ISC is requested, a person with the authority to act on  
5 behalf of the Department will be present. By participating in the ISC, Respondent waives its right  
6 to object to the participation of this Department representative in the final administrative decision  
7 of this matter. Further, any statements, written or oral, made by Respondent or its representatives  
8 at an ISC, including a written document created or expressed solely for the purpose of settlement  
9 negotiations, are inadmissible in any subsequent administrative hearing.

#### 10 FINDINGS OF FACT

11 1. Respondent was at all material times licensed with the Department as an escrow  
12 agent, license number 1024237.

13 2. Fausto Ordonez Jr. (“Ordonez”) is the Managing Director of Respondent.

14 3. On or about August 14, 2023, the Department commenced an examination of  
15 Respondent. A review of Respondent’s records revealed the following:

16 a) In October 2023, Respondent disbursed funds from its escrow account in violation of  
17 escrow instructions by issuing duplicate escrow fee payments. The escrow fee  
18 overcharges totaled \$8,021.96. Respondent charged the escrow fees by initiating a  
19 bank transfer and then issuing a check from the escrow account for the same or similar  
20 fee amounts as follows:

- 21 • On August 18, 2023, Respondent initiated a bank transfer for the amount of  
22 \$3,220.56 to its operating account ending in XXXX9497, and then on August  
23 21, 2023, Respondent issued a check for the same amount to Bennington Title  
24 & Escrow Agency.
- 25 • On October 10, 2023, Respondent initiated a bank transfer for the amount of  
26 \$2,548.20 to its operating account XXXX9497, and on October 13, 2023,

1 Respondent issued a check for the same amount to Bennington Title & Escrow  
2 Agency.

- 3 • On the same date, October 10, 2023, Respondent initiated a second bank  
4 transfer for the amount of \$2,253.20 to its operating account ending in  
5 XXXX9497, and on October 17, 2023, Respondent issued a check for the  
6 amount of \$2,548.20 to Bennington Title & Escrow Agency.

7 b) In June and July 2023, Respondent disbursed funds totaling \$8,746.48 from an escrow  
8 file closed in February 2022. Respondent made an unrealized deposit on September 8,  
9 2023, to offset the escrow file negative balance but this deposit remained as outstanding  
10 on Respondent's trust account reconciliation dated April 30, 2024.

11 c) In January 2024, Respondent disbursed funds totaling \$4,378.20 from an escrow file  
12 canceled in November 2022 to Ordonez's personal residence property management  
13 company MYND. Respondent disbursed these funds by issuing two (2) checks and  
14 then deleted the records of the checks to 'balance' the escrow file account to zero.

15 d) Respondent's trust account reconciliation report dated April 30, 2024, reflected six (6)  
16 withdrawals unrelated to escrow file transactions totaling \$32,521.96 affecting a trust  
17 account balance negatively.

18 e) Respondent unlawfully distributed escrow funds totaling \$53,668.60. Respondent  
19 partially reimbursed the escrow account through various deposits. The balance of  
20 \$26,798.15 remains outstanding as of September 30, 2024.

### 21 CONCLUSIONS OF LAW

22 4. Under A.R.S. § 6-801 *et seq.*, the Director has the authority and the duty to regulate  
23 all persons engaged in the escrow agent business and to enforce the statutes, rules, and regulations  
24 relating to escrow agents.

25 5. Respondent's conduct as alleged above constitutes: (i) a failure to conduct escrow  
26 agent business in accordance with Arizona law, (ii) a failure to maintain a financial condition that

1 would allow Respondent to continue its business with safety to its consumers and the public, (iii) a  
2 failure to maintain the financial resources and exhibit competence to adequately serve the public,  
3 (iv) failure to prevent commingling clients' monies with its own and (v) a failure to comply with  
4 the escrow instructions. Respondent's conduct violated the following statutes governing escrow  
5 agents:

6 A. A.R.S. § 6-834 (A) states:

7 Unless all of the parties to the escrow otherwise instruct the escrow  
8 agent in writing, the escrow agent shall deposit and maintain all monies  
9 deposited in escrow to be delivered on the close of the escrow or on any  
10 other contingency in a bank, savings bank or savings and loan  
11 association doing business in this state and the escrow agent shall keep  
12 all of the escrow monies separate, distinct and apart from monies  
13 belonging to the escrow agent. Notwithstanding the parties' instructions  
14 to the escrow agent, the escrow agent shall not deposit the escrow  
15 monies in an institution outside the United States. When deposited, the  
16 monies shall be designated as "escrow accounts" or given some other  
17 appropriate designation indicating that the monies are not the monies of  
18 the escrow agent. These monies shall be deposited immediately on  
19 receipt or as soon thereafter as is reasonably practicable.

20 B. A.R.S. § 6-841.01 states:

21 A. An escrow agent is the trustee of all monies received or collected and  
22 held in escrow. An agent shall not knowingly or negligently commingle  
23 trust monies with the escrow agent's own monies or with monies held in  
24 any other capacity. Every escrow agent and every officer, director and  
25 employee of an escrow agent who has actual knowledge of fraud or  
26 dishonesty in the application of escrow monies, owes a fiduciary duty as  
trustee to the owner of the monies held in escrow.

27 C. A.R.S. § 6-817(A)(2)(3)(10), and (11) state:

28 The deputy director may upon investigation refuse to license any  
29 applicant, or may suspend or revoke any license pursuant to title 41,  
30 chapter 6, article 10 by entering an order to that effect, together with  
31 findings in respect to the order and by notifying the applicant or escrow  
32 agent either personally or by certified mail, return receipt requested sent  
33 to the agent's stated address, upon the determination by the deputy  
34 director that the applicant or escrow agent:

35 2. Has not conducted the applicant's or agent's business in accordance  
36 with law or has violated this chapter or the rules relating to this  
chapter.

1 3. Is in such a financial condition that the applicant or agent cannot  
2 continue in business with safety to the applicant's or agent's  
customers or the public.

3 10. Does not have the financial resources, experience or competence  
4 to adequately serve the public or to warrant the belief that the  
business will be operated lawfully, honestly, fairly and efficiently  
pursuant to this chapter.

5 11. Has disbursed monies in violation of escrow instructions.

6 6. The violations set forth above constitute grounds for the issuance of this Order,  
7 under A.R.S. § 6-137, directing Respondent to cease and desist from the prohibited acts, practices,  
8 or transactions and to take appropriate affirmative actions to correct the conditions resulting from  
9 those prohibited acts, practices, or transactions, within the time prescribed by the Director.

10 **ORDER**

11 1. **Respondent shall immediately cease and desist from accepting monies for**  
12 **deposit into an escrow account.**

13 2. **Respondent shall immediately cease and desist from accepting new escrow**  
14 **business in Arizona.**

15 3. Respondent shall within fifteen (15) days of the service of this Order provide to the  
16 Department a detailed inventory of all assets owned by Respondent and all assets in Respondent's  
17 control and/or possession, including, but not limited to, all bank trust and operating accounts.

18 4. Respondent shall provide to the Department a weekly report containing bank  
19 accounts' transfers, copies of disbursements and supporting records, copies of deposits and  
20 withdrawals along with the records supporting withdrawals made by Respondent to its trust  
21 account(s) and operating account(s), weekly reconciliation including the escrow trial balance  
22 report for the trust account, and copies of bank accounts statements (if bank accounts statements  
23 are not available, copies of bank activity print outs containing the ending balance from the  
24 previous week's print out), a list of pending escrows including consumers' names, escrow file  
25 number, current status, amount of escrow monies held and the potential closing date. Respondent  
26 shall provide to the Department its first weekly report seven (7) days from the service of this

1 Order, and each following report seven (7) days from the date the previous report was submitted to  
2 the Department.

3 5. Respondent shall within fifteen (15) days of the service of this Order, provide to the  
4 Department for review a draft notice to be sent to the parties involved in active escrow transactions  
5 notifying them of the opportunity to transfer escrow accounts and any monies currently held by  
6 Respondent to a licensed Arizona escrow agent.

7 6. Respondent shall within thirty (30) days of the Department's approval of the notice,  
8 send the notice to all Respondent's current consumers.

9 7. Respondent shall within seven (7) days of transferring escrow files provide notice  
10 to the Department with the name of the consumer, date of transfer, amount of monies transferred,  
11 escrow file number, copy of the escrow file receipts and disbursements ledger, and the name of the  
12 escrow agent the file was transferred to.

13 8. Respondent shall reimburse the **\$26,798.15** outstanding balance of unlawfully  
14 distributed escrow funds to its escrow account within thirty (30) days of the service of this Order.  
15 Further, Respondent shall provide to the Department a proof of reimbursement(s) three (3) days  
16 after each reimbursement was made.

17 9. Nothing in this Order shall limit Respondent's ability and duty to facilitate the  
18 lawful distribution of monies currently held in escrow.

19 10. The provisions of this Cease and Desist Order shall be binding upon Respondent, its  
20 employees, agents, representatives, and all other persons participating in the business affairs of  
21 Respondent, as to escrow agent activities in Arizona.

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11. **This Cease and Desist Order shall become effective upon service** and shall remain effective and enforceable until such time as, and except to the extent that, it shall be stayed, modified, terminated, or set aside by a court of competent jurisdiction or by the Director.

DATED and EFFECTIVE this 26th day of November, 2024.

*Barbara D. Richardson*

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Barbara D. Richardson, Director  
Arizona Department of Insurance and Financial Institutions

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**ORIGINAL** of the foregoing filed  
this 26<sup>th</sup> day of November, 2024, in the office of:

Barbara D. Richardson, Director  
Attn: Ana Starcevic, Project Specialist  
Arizona Department of Insurance and Financial Institutions  
100 North 15<sup>th</sup> Avenue, Suite 261  
Phoenix, AZ 85007  
[Ana.Starcevic@difi.az.gov](mailto:Ana.Starcevic@difi.az.gov)

**COPY** of the foregoing mailed/delivered same date to:

Deian Ousounov, Chief Financial Deputy Director  
Alena Caravetta, Regulatory Legal Affairs Officer  
Tammy Seto, Assistant Director  
Tawnya Webel, Supervisor Examiner  
Tyffani Lowery, Financial Institutions Examiner  
Michele Castaneda, Licensing Supervisor  
Arizona Department of Insurance and Financial Institutions  
100 North 15<sup>th</sup> Avenue, Suite 261  
Phoenix, AZ 85007

Bennington Insurance Services LLC dba  
Bennington Title and Escrow Agency Arizona  
Attn: Fausto Trey Ordonez, Jr Managing Director  
[trey@benningtonins.com](mailto:trey@benningtonins.com)  
[katyo2018@hotmail.com](mailto:katyo2018@hotmail.com)  
[theordonezfamily@outlook.com](mailto:theordonezfamily@outlook.com)  
Respondent

**COPY** of the foregoing mailed by U.S. First Class and  
Certified Mail, Return Receipt Requested,  
this 26<sup>th</sup> day of November, 2024, to:

Bennington Insurance Services LLC dba  
Bennington Title and Escrow Agency Arizona  
Attn: Fausto Trey Ordonez, Jr., Managing Director  
Kathy Ordonez, Shareholder  
2550 W Union Hills Drive, Suite 350-8691  
Phoenix, AZ 85027  
Respondent

9489 0090 0027 6599 2842 30

*Mayra Karim*