

1 ARIZONA DEPARTMENT OF FINANCIAL INSTITUTIONS

2 In the Matter of the Removal and the Prohibition of:

No. 10F-BD011-BNK

3 **CYNTHIA D. ANDREOZZI**  
4 109 Spur Drive  
5 Cottonwood, AZ 86326-4753

**SUPERINTENDENT'S FINAL  
DECISION AND ORDER**

6 Respondent.

7 The Superintendent of Financial Institutions (the "Superintendent") having reviewed the  
8 record in this matter, including the Administrative Law Judge Decision attached and incorporated  
9 herein by this reference, adopts the Administrative Law Judge's Findings of Fact, Conclusions of Law  
10 and Order.

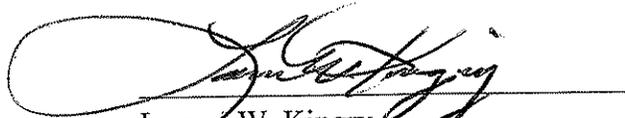
11 ORDER

12 **IT IS ORDERED that Respondent is removed and prohibited from further participation**  
13 **in any manner as a director, officer, employee, agent or other person in the conduct of the affairs**  
14 **of any financial institution or enterprise in the State of Arizona pursuant to A.R.S. §6-161.**

15 NOTICE

16 The parties are advised that this Order becomes effective immediately and the provisions of this  
17 Order shall remain effective and enforceable except to the extent that, and until such time as, any  
18 provision of this Order shall have been modified, terminated, suspended, or set aside by the  
19 Superintendent or a court of competent jurisdiction.

20  
21 DATED this 27th day of April, 2010.

22  
23   
24 Lauren W. Kingry  
25 Superintendent of Financial Institutions

26  
27 ...  
28 ...

1 ORIGINAL filed this 27<sup>th</sup> day of  
April, 2010, in the office of:

2 Lauren W. Kingry  
3 Superintendent of Financial Institutions  
4 Arizona Department of Financial Institutions  
5 ATTN: June Beckwith  
6 2910 North 44th Street, Suite 310  
7 Phoenix, Arizona 85018

8 COPY of the foregoing mailed/hand delivered  
9 This same date to:

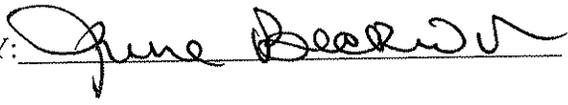
10 Lewis D. Kowal, Administrative Law Judge  
11 Office of Administrative Hearings  
12 1400 West Washington, Suite 101  
13 Phoenix, AZ 85007

14 Craig Raby, Assistant Attorney General  
15 Office of the Attorney General  
16 1275 West Washington  
17 Phoenix, AZ 85007

18 Robert D. Charlton, Assistant Superintendent  
19 Arizona Department of Financial Institutions  
20 2910 N. 44th Street, Suite 310  
21 Phoenix, AZ 85018

22 AND COPY MAILED SAME DATE by  
23 Certified Mail, Return Receipt Requested, to:

24 Cynthia D. Andreozzi  
25 109 Spur Drive  
26 Cottonwood, AZ 86326-4753

27 BY: 

RECEIVED

APR 21 2010

DEPT. OF FINANCIAL INSTITUTIONS

IN THE OFFICE OF ADMINISTRATIVE HEARINGS

In the Matter of the Removal and  
Prohibition of:

No. 10F-BD011-BNK

CYNTHIA D. ANDREOZZI  
109 Spur Drive  
Cottonwood, AZ 86326-4753

ADMINISTRATIVE  
LAW JUDGE DECISION

**HEARING:** April 2, 2010

**APPEARANCES:** Assistant Attorney General Craig Raby appeared on behalf of the Arizona Department of Financial Institutions; Cynthia D. Andreozzi did not appear at the hearing.

**ADMINISTRATIVE LAW JUDGE:** Lewis D. Kowal

**FINDINGS OF FACT**

1. At all times material to this matter, Cynthia Andreozzi ("Ms. Andreozzi") was employed by Yavapai Title Agency ("Yavapai") as an assistant to an escrow officer.
2. At all times material to this matter, Yavapai was licensed as an escrow agent by the Arizona Department of Financial Institutions ("Department").
3. As a result of an audit conducted by Yavapai on May 6, 2008, Yavapai discovered a defalcation involving one escrow file. The defalcation involved Ms. Andreozzi's diversion of escrow funds. It appeared that Ms. Andreozzi forged documentation for the release of funds to several entities for her personal benefit. Upon Yavapai's discovery of the defalcation, Yavapai terminated Ms. Andreozzi's employment with Yavapai.
4. Yavapai brought Ms. Andreozzi's defalcation to the attention the Department. Based on the information presented by Yavapai, the Department decided to institute the instant action against Ms. Andreozzi before the Office of Administrative Hearings, an independent state agency.

Office of Administrative Hearings  
1400 West Washington, Suite 101  
Phoenix, Arizona 85007  
(602) 542-9826

1 5. On December 18, 2008, the Information in *State of Arizona v. Cynthia Denise*  
2 *Andreozzi*, Yavapai County Superior Court No. CR82008-0760 ("Case No. CR82008-  
3 0760") was filed. The information charged Ms. Andreozzi with two counts of intent to  
4 defraud, having falsely made, completed or altered a written instrument, or knowingly  
5 possessing a forged instrument, or altered or presented to Yavapai a forged instrument  
6 or one which contained false information, a class 4 felony, and one count of having  
7 knowingly converted for an unauthorized term or use, services or property of Yavapai  
8 and C. B., a class 6 felony.

9 6. On January 27, 2009, a Plea Agreement was filed in Case No. CR82008-0760.  
10 In the Plea Agreement, Ms. Andreozzi plead guilty to Theft by Embezzlement (Count III  
11 of the Information).

12 7. A Judgment of Guilt and Sentence was entered in CR82008-0760 on February  
13 10, 2009, in which Ms. Andreozzi was found guilty of Theft, a class 6 designated felony,  
14 in violation of A.R.S. §§ 13-1802, 13-1801, 13-701, 13-702, and 13-801.

15 8. In Case No. CR82008-0760, Ms. Andreozzi was sentenced to three years of  
16 standard supervised probation and incarceration in the Yavapai County Jail for 90  
17 days, to commence on further order of the Court.

18 9. The Department presented into evidence information reported by Yavapai and  
19 court documents relating to the above-referenced criminal matter.

20 10. Robert Charlton ("Mr. Charlton"), Assistant Director of the Department, testified:

21 a. The Department proceeds against a person under A.R.S. § 6-161 when  
22 the public or the industry licensed by the Department are at risk.

23 b. The documents obtained from Yavapai and court documents relating to  
24 the defalcation found by Yavapai as well as the resulting criminal  
25 prosecution and conviction of Ms. Andreozzi were reviewed by the  
26 Department.

27 c. In this particular case, there is a risk that Ms. Andreozzi could be  
28 employed by companies licensed by the Department and Ms. Andreozzi  
29 could be placed in a position of trust that would afford her an opportunity  
30

1 to divert additional funds, which would negatively impact the licensed  
2 industry and the public.

- 3 d. The exposure to such harm and Ms. Andreozzi's personal dishonesty  
4 make it is necessary to ensure that Ms. Andreozzi is not able to be  
5 employed within the licensed industry.

6 11. The documentary evidence submitted by the Department corroborates the  
7 testimony of Mr. Charlton. Consequently, the Administrative Law Judge concludes that  
8 the testimony of Mr. Charlton, as set forth above, is found to be credible.

9 **CONCLUSIONS OF LAW**

10 1. Pursuant to A.R.S. Title 6, Chapter 7, the Superintendent of the Department is  
11 authorized and has the duty to regulate all persons engaged in the escrow agent  
12 business and is to enforce the statutes, rules and regulations applicable to escrow  
13 agents.

14 2. The weight of the evidence of record established that Ms. Andreozzi violated the  
15 provisions of A.R.S. § 6-834(A) by failing to maintain monies deposited in escrow to be  
16 delivered on the close of escrow or on any other contingency in a bank, savings and  
17 loan association doing business in the State of Arizona and by failing to keep escrow  
18 monies separate, distinct and apart from monies belonging to the escrow agent.

19 3. The weight of the evidence of record established that Ms. Andreozzi, as an  
20 employee of an escrow agent, violated the provisions of A.R.S. § 6-841.01(A) by  
21 breaching a fiduciary duty owed as a trustee to the owner of monies received or  
22 collected and held in escrow and by knowingly and negligently commingling trust  
23 monies with the escrow agent's monies or with monies held in any capacity.

24 4. The weight of the evidence of record established that Ms. Andreozzi's conduct,  
25 as set forth above, constitutes acts, omissions, and practices which demonstrate  
26 personal dishonesty and unfitness to continue in office or to participate in the conduct  
27 of the affairs of any financial institution or enterprise within the meaning of A.R.S. § 6-  
28 161(A)(1) .

29 5. Ms. Andreozzi's February 10, 2009 conviction of one count of Theft, a class 6  
30 designated felony, constitutes grounds for the removal and prohibition of Ms. Andreozzi

1 from participating in any manner in the conduct of the affairs of any financial institution  
2 or enterprise, pursuant to A.R.S. § 6-161(A)(4).

3 6. Ms. Andreozzi's violation of the above-mentioned statutes constitute grounds for  
4 the removal and prohibition of Ms. Andreozzi from participating in any manner in the  
5 conduct of the affairs of any financial institution or enterprise pursuant to A.R.S. § 6-  
6 161(A)(6).

7 7. The Superintendent of the Department has the authority to order the removal  
8 and prohibition of Ms. Andreozzi from further participation in any manner as a director,  
9 officer, employee, agent or other person in the conduct of the affairs of any financial  
10 institution or enterprise pursuant to A.R.S. § 6-161.

11 **ORDER**

12 On the effective date of the Order entered in this matter, Ms. Andreozzi shall be  
13 removed and prohibited from further participation in any manner as a director, officer,  
14 employee, agent or other person in the conduct of the affairs of any financial institution  
15 or enterprise pursuant to A.R.S. § 6-161.

16 Done this day, April 21, 2010.

17  
18  
19  
20 /s/ Lewis D. Kowal  
21 Administrative Law Judge  
22

23 Transmitted electronically to:

24 Thomas L. Wood,  
25 Arizona Department of Financial Institutions  
26  
27  
28  
29  
30