

MARY ANN SMITH
Deputy Commissioner
SEAN ROONEY
Assistant Chief Counsel
MARLOU de LUNA (State Bar No. 162259)
Senior Counsel
Department of Financial Protection and Innovation
320 W. 4th Street, Suite 750
Los Angeles, CA 90013-2344
(213) 503-3360

Attorneys for Complainant

BEFORE THE DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION
OF THE STATE OF CALIFORNIA

In the Matter of:	)	ESCROW LICENSE NO.: 96DBO-72261
THE COMMISSIONER OF FINANCIAL	)	
PROTECTION AND INNOVATION,	)	
	)	
Complainant,	)	ACCUSATION TO REVOKE ESCROW
v.	)	AGENT'S LICENSE
	)	
GOLDEN SUNSET ESCROWS, INC,	)	
	)	
Respondent.	)	

Khalil Mohseni, Acting Commissioner of the Department of Financial Protection and Innovation, brings this action in the public interest and alleges and charges as follows:

I. Introduction

1. The Commissioner of Financial Protection and Innovation (Commissioner or Complainant), as head of the Department of Financial Protection and Innovation (Department) brings this action pursuant to Financial Code section 17608.

2. The Commissioner is authorized to administer and enforce the provisions of the California Escrow Law (Escrow Law) (Fin. Code, § 17000 et seq.).¹

3. Golden Sunset Escrows, Inc. (GSE), a California corporation, at all relevant times herein, is an escrow agent licensed by the Commissioner under the Escrow Law, with its principal place of business located at 1755 South Grand Avenue, Glendora, California 91740. Respondent was issued its escrow agent license by the Commissioner on January 18, 2018. On October 6, 2025, GSE submitted a Change of Address form indicating a new business address that corresponds to a lockbox location.

4. Roger Felix (Felix), at all relevant times herein, is GSE's president.

5. Jason Hellawell (Hellawell), at all relevant times herein, is GSE's Chief Financial Officer, Vice President, Secretary and Treasurer.

6. The Commissioner seeks to revoke the escrow agent license issued to GSE based upon its violations of the Escrow Law, including: (a) failure to maintain at all times the required liquid assets and tangible net worth, (b) failure to timely file the required annual audit reports for fiscal years ending 2021 through 2024, and (c) failure to notify the Department of criminal charges filed against one of its officers, in violation of title 10, section 1717.1 of the California Code of Regulations.

II. Factual Background

7. On November 20, 2020, the Department and GSE entered into a settlement agreement (2020 Agreement). The 2020 Agreement included an Order to Discontinue provision pursuant to Section 17603, directing GSE to cease violations of Section 17210 for failing to maintain the required liquid assets and tangible net worth, and violations of Section 17406 for failing to timely file an annual audit report containing audited financial statements.

8. Under Section II, Terms and Conditions, paragraph 3 of the 2020 Agreement, GSE was required to submit quarterly financial statements, prepared by its certified public accountant, to the Commissioner. These statements were intended to demonstrate ongoing compliance with the

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

liquid asset and tangible net worth requirements of Section 17210. The quarterly financial statements were due within 20 days after the end of each quarter for a period of two years (eight quarters). The first quarterly submission was due February 20, 2021, covering the quarter consisting of November 2020, December 2020, and January 2021. The final quarterly submission was due November 20, 2022, covering the quarter consisting of August, September, and October 2022. However, as discussed further below, GSE failed to meet the required liquid and/or tangible net worth requirements as of April 30, 2022, July 31, 2022, and October 31, 2022. These failures constitute violations of the Order to Discontinue and a material breach of the 2020 Agreement.

9. In light of GSE's violations of the 2020 Agreement and continued noncompliance with statutory financial requirements, the Department initiated a special examination on January 27, 2023. The findings of that examination are set forth below. In addition, as further described herein, GSE has failed to timely file the required annual audit reports in violation of Section 17406.

10. On or about August 5, 2025, after being extradited from California to Florida, Hellawell was booked into the Volusia County Jail in Florida. According to publicly available records, Hellawell has been charged with multiple felony offenses, including organized scheme to defraud, unlicensed money services, money laundering, and grand theft.

III. Violations of the Escrow Law

A. Failure to Maintain at All Times the Required Liquid Assets and Tangible Net Worth

11. Pursuant to Section 17210, all licensees under the Escrow Law are required to maintain at all times a tangible net worth of \$50,000.00, including liquid assets of at least \$25,000.00 in excess of current liabilities.

12. Under the 2020 Agreement, GSE was required to submit quarterly financial statements to demonstrate ongoing compliance with the liquid asset and tangible net worth requirements of Section 17210. However, a review of GSE's balance sheets and profit and loss statements reveals that the company failed to meet these requirements in April, July and October 2022.

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13. **April 30, 2022 – Balance Sheet & Profit and Loss.** GSE's April 30, 2022, balance sheet and profit and loss statement reflected a tangible net worth deficiency of \$31,954.58, calculated as follows:

Gross Tangible Assets	\$ 206,944.42
Total Liabilities	<u>\$ 188,899.00</u>
Tangible Net Worth	\$ 18,045.42
Required	<u>\$ 50,000.00</u>
Deficiency	\$ (31,954.58)

14. **July 31, 2022 – Balance Sheet & Profit and Loss.** GSE's July 31, 2022 financial statements reflected a tangible net worth deficiency of \$57,881.64 based on the following calculations:

Gross Tangible Assets	\$ 178,517.36
Total Liabilities	<u>\$ 186,399.00</u>
Tangible Net Worth	\$ (7,881.64)
Required	<u>\$ 50,000.00</u>
Deficiency	\$ (57,881.64)

15. **October 31, 2022 – Balance Sheet & Profit and Loss.** A review of GSE's financial statements for the period ending October 31, 2022, showed both a liquid asset deficiency of \$68,718.29 and a tangible net worth deficiency of \$200,554.97, as detailed below:

Liquid Assets	\$(13,718.29)	Gross Tangible Assets	\$35,944.03
Current Liabilities	<u>\$30,000.00</u>	Total Liabilities	<u>\$186,499.00</u>
Net Liquid Assets	\$(43,718.29)	Tangible Net Worth	\$(150,554.97)
Requirement	<u>\$25,000.00</u>	Requirement	<u>\$50,000.00</u>
Deficiency	\$(68,718.29)	Deficiency	\$(200,554.97)

16. In addition to the above, GSE failed to meet the tangible net worth requirements in January 2023, February 2023, July 2023, August 2023, and January 2024. GSE also failed to meet the liquid asset requirement in February 2023, as outlined below:

a. **January 31, 2023 – Balance Sheet & Profit and Loss.** On February 27, 2023, GSE submitted its financial statements for the period ending January 31, 2023, which reflected a tangible net-worth deficiency of \$71,445.49.

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Liquid Assets	\$104,234.27	Gross Tangible Assets	\$144,282.59
Current Liabilities	<u>\$800.00</u>	Total Liabilities	<u>\$165,728.08</u>
Net Liquid Assets	\$103,434.27	Tangible Net Worth	\$(21,445.49)
Requirement	<u>\$25,000.00</u>	Requirement	<u>\$50,000.00</u>
Deficiency	\$78,434.27	Deficiency	\$(71,445.49)

b. **February 28, 2023 – Balance Sheet & Profit and Loss.** On March 15, 2023, GSE submitted their financial statements for the period ending February 28, 2023. GSE showed a liquid asset deficiency of \$115,703.36 and a tangible net-worth deficiency of \$263,471.12.

Liquid Assets	\$96.64	Gross Tangible Assets	\$42,256.96
Current Liabilities	<u>\$98,000.00</u>	Total Liabilities	<u>\$255,728.08</u>
Net Liquid Assets	\$(90,703.36)	Tangible Net Worth	\$(213,471.12)
Requirement	<u>\$25,000.00</u>	Requirement	<u>\$50,000.00</u>
Deficiency	\$(115,703.36)	Deficiency	\$(263,471.12)

c. **July 31, 2023 – Balance Sheet & Profit and Loss.** On August 28, 2023, GSE submitted its financial statements for the period ending July 31, 2023, which reflected a tangible net worth deficiency of \$104,020.71.

Liquid Assets	\$68,471.05	Gross Tangible Assets	\$110,631.37
Current Liabilities	<u>\$800.00</u>	Total Liabilities	<u>\$164,652.08</u>
Net Liquid Assets	\$67,671.05	Tangible Net Worth	\$(54,020.71)
Requirement	<u>\$25,000.00</u>	Requirement	<u>\$50,000.00</u>
Deficiency	\$42,671.05	Deficiency	\$(104,020.71)

d. **August 31, 2023 – Balance Sheet & Profit and Loss.** On September 19, 2023, GSE submitted its financial statements for the period ending August 31, 2023. The statements showed a tangible net worth deficiency of \$101,032.22 based on the following calculations:

Liquid Assets	\$71,359.54	Gross Tangible Assets	\$112,819.86
Current Liabilities	<u>\$800.00</u>	Total Liabilities	<u>\$163,852.08</u>
Net Liquid Assets	\$70,559.54	Tangible Net Worth	\$(51,032.22)
Requirement	<u>\$25,000.00</u>	Requirement	<u>\$50,000.00</u>
Deficiency	\$45,559.54	Deficiency	\$(101,032.22)

e. **January 31, 2024 – Balance Sheet & Profit and Loss.** On March 13, 2024, GSE submitted its financial statements for the period ending January 31, 2024. The records reflected a tangible net worth deficiency of \$19,879.09.

Liquid Assets	\$169,234.77	Gross Tangible Assets	\$190,772.09
Current Liabilities	<u>\$800.00</u>	Total Liabilities	<u>\$160,652.08</u>
Net Liquid Assets	\$168,434.77	Tangible Net Worth	\$30,120.01
Requirement	<u>\$25,000.00</u>	Requirement	<u>\$50,000.00</u>
Deficiency	\$143,434.77	Deficiency	<u>\$(19,879.99)</u>

B. Failure to Timely File the Required Audit Reports for Fiscal Year Ending 2021, 2022, 2023, and 2024

17. Pursuant to Section 17406, all licensees under the Escrow Law are required to file an annual audit report, which includes audited financial statements, within 105 days following the end of their fiscal year. GSE's fiscal year ends on June 30. As detailed below, GSE failed to meet the applicable filing deadlines for multiple years:

- a. The 2021 audit report was filed 15 days past the extended deadline.
- b. The 2022 audit report was filed 54 days after the expiration date of a 10-day demand.
- c. The 2023 audit report was filed 367 days past the due date.
- d. The 2024 audit report was filed 73 days after the required deadline.

18. Financial Code section 17408(b) authorizes the Commissioner to impose penalties on a licensee for failing to timely file the required annual audit report. As noted in paragraph 16 above and detailed further below, GSE has failed to meet the applicable filing deadlines for multiple years.

June 2021 Audit Report

19. GSE was required to file its audit report for the fiscal year ending June 30, 2021 (2021 Audit Report) on or before October 13, 2021.

20. On May 19, 2021, the Commissioner sent a bulletin via GovDelivery to GSE's designated email address, reminding the company that its 2021 Audit Report was due by October 13, 2021. The GovDelivery confirmation indicated the bulletin was delivered. The bulletin advised that failure to file the report timely would subject GSE to penalties under Section 17408 and possible license suspension or revocation under section 17602.5.

21. On October 4, 2021, the Commissioner received a letter from Hellawell requesting an extension to file the 2021 Audit Report. The Department granted GSE a one-month extension, setting a new deadline of November 15, 2021.

22. GSE filed its 2021 Audit Report on December 1, 2021 – 15 days past the extended deadline.

23. Pursuant to Section 17408, GSE incurred penalties totaling \$5,500.00. These were calculated from the extended due date to the actual filing date.

Date	Number of Days	Penalty per Day	Penalty Amount
11/16/2021 – 11/20/2021	5	\$100.00	\$500.00
11/21/2021 – 11/30/2021	10	\$500.00	\$5,000.00

June 2022 Audit Report

24. On May 19, 2022, the Commissioner sent a bulletin via GovDelivery to GSE's designated email address, reminding the company that its June 30, 2022, audit report (2022 Audit Report) was due by October 13, 2022. The bulletin warned that failure to file on time would result in penalties under section 17408 and possible license suspension or revocation under section 17602.5.

25. On October 18, 2022, having not received the 2022 Audit Report, the Commissioner issued a written demand to Felix via Outlook with delivery tracking. The tracking confirmed the demand was received the same day. The letter required GSE to submit the report within 10 days and warned of potential penalties and license suspension or revocation for noncompliance.

26. GSE submitted its June 2022 Audit on December 22, 2022 – 54 days after the expiration date of the 10-day demand period.

27. Under Section 17408, GSE incurred penalties totaling \$25,000.00. These were calculated from the expiration date of the 10-day demand.

Date	Number of Days	Penalty per Day	Penalty Amount
10/29/2022 – 11/2/2022	5	\$100.00	\$500.00
11/3/2022 – 12/21/2022	49	\$500.00	\$24,500.00

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June 2023 Audit Report

28. On May 12, 2023, the Commissioner sent a bulletin via GovDelivery to GSE's designated email address, reminding the company that its June 30, 2023, audit report was due on October 13, 2023. The bulletin reiterated the potential consequences of late filing under sections 17408 and 17602.5.

29. Between December 18, 2023, and September 5, 2024, the Commissioner's staff followed up with GSE's Certified Public Accountant (CPA) and Hellawell on multiple occasions regarding the overdue report.

30. GSE submitted its 2023 Audit Report on October 15, 2024 – 367 days after the October 13, 2023, deadline.

31. Pursuant to Section 17408, GSE incurred penalties totaling \$181,500.00, calculated from the original due date.

Date	Number of Days	Penalty per Day	Penalty Amount
10/14/2023 – 10/18/2023	5	\$100.00	\$500.00
10/19/2023 – 10/14/2024	362	\$500.00	\$181,000.00

June 2024 Audit Report

32. On May 22, 2024, the Commissioner issued a bulletin via GovDelivery to GSE's designated email address, advising that the June 30, 2024, audit report was due by October 14, 2024. The bulletin again cited sections 17408 and 17602.5 regarding penalties and license consequences for late filing.

33. On November 21, 2024, after the report had not been received, the Commissioner issued a written demand to Felix via Outlook. Delivery tracking confirmed receipt the same day. The letter directed GSE to file the 2024 Audit Report within 10 days and warned of applicable penalties and possible license action.

34. Between December 10, 2024, and February 11, 2025, the Commissioner followed up multiple times with Lilly Martinez (Martinez), GSE's Escrow Manager, regarding the overdue report. In an email dated January 7, 2025, an examiner informed Martinez that the Department had only

received a balance sheet and profit and loss statement from GSE’s CPA – an incomplete submission. Martinez was referred to the full reporting requirements under California Code of Regulations section 1741.5. The requirements were reiterated in the January 7 communication, and the prior demand letter sent on November 11, 2024, was re-sent as an attachment.

35. GSE filed its 2024 Audit Report on February 13, 2025 – 73 days after the deadline.

36. Pursuant to Section 17408, GSE incurred penalties totaling \$34,500.00, calculated from the expiration of the 10-day demand period sent on November 21, 2024.

Date	Number of Days	Penalty per Day	Penalty Amount
12/2/2024 – 12/6/2024	5	\$100.00	\$500.00
12/7/2024 – 2/12/2025	68	\$500.00	\$34,000.00

37. On April 15, 2025, the Department issued a letter to GSE requesting a report by May 15, 2025, demonstrating corrective actions taken to address the liquid asset and tangible net worth deficiencies identified in its June 30, 2024, annual audit report. The letter advised GSE that failure to submit the required response could result in penalties pursuant to Section 17408, and potential license suspension or revocation under Section 17602.5.

38. On April 24, 2025, GSE submitted unaudited financial statements for the period of October 2024 through March 2025. A review of these financial statements revealed that GSE continued to be out of compliance with the liquid asset and tangible net worth requirements in its financial statements for October 2024, November 2024, and February 2025:

a. **October 31, 2024 – Liquid Asset and Tangible Net Worth Deficiencies**

Liquid Assets	\$152,940.73	Gross Tangible Assets	\$174,763.05
Current Liabilities	<u>\$249,400.00</u>	Total Liabilities	<u>\$416,165.72</u>
Net Liquid Assets	\$(96,459.27)	Tangible Net Worth	\$(241,402.67)
Requirement	<u>\$25,000.00</u>	Requirement	<u>\$50,000.00</u>
Deficiency	\$(121,459.27)	Deficiency	\$(291,402.67)

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b. **November 30, 2024 – Liquid Asset and Tangible Net Worth Deficiencies**

Liquid Assets	\$188,000.84	Gross Tangible Assets	\$209,823.16
Current Liabilities	<u>\$249,400.00</u>	Total Liabilities	<u>\$415,954.62</u>
Net Liquid Assets	\$(61,399.16)	Tangible Net Worth	\$(206,131.46)
Requirement	<u>\$25,000.00</u>	Requirement	<u>\$50,000.00</u>
Deficiency	\$(86,399.16)	Deficiency	\$(256,131.46)

c. **February 28, 2025 – Tangible Net Worth Deficiency**

Gross Tangible Assets	\$ 228,414.95
Total Liabilities	<u>\$ 190,674.52</u>
Tangible Net Worth	\$ 37,740.43
Required	<u>\$ 50,000.00</u>
Deficiency	\$ (12,259.57)

C. **Failure to Report Criminal Charges to the Department Filed Against Hellowell**

39. California Code of Regulations, title 10, section 1717.1, requires an escrow agent to immediately notify the Department of the filing of any criminal action involving moral turpitude against any of its officers or directors.

40. Hellowell, at all relevant times herein, has been a 40% shareholder of GSE since 2017 and, according to the company's liability reports, Hellowell serves as Vice President, Secretary, Treasurer, director, and escrow officer of the company.

41. On or about August 5, 2025, after being extradited from California to Florida, Hellowell was booked into the Volusia County Jail in Florida. He has been charged with multiple felony offenses, including organized scheme to defraud, unlicensed money services, money laundering, and grand theft.

42. To date, GSE has failed to notify the Department of the criminal charges filed against its officer, as required by title 10, section 1717.1 of the California Code of Regulations. GSE's failure to provide immediate notice constitutes a violation of the Escrow Law and grounds for revocation of its escrow agent license pursuant to Section 17608.

IV. Applicable Law

43. Financial Code section 17210, subdivision (a), provides as follows:

(a) An escrow agent licensed on or after January 1, 1986, shall maintain at all times a tangible net worth of fifty thousand dollars (\$50,000), including liquid assets of at least twenty-five thousand dollars (\$25,000) in excess of current liabilities.

44. Financial Code section 17406 provides in pertinent part as follows:

(a) Each licensee shall submit to the commissioner, at the licensee's own expense, an audit report containing audited financial statements covering the calendar year or, if the licensee has an established fiscal year, then for that fiscal year, within 105 days after the close of the calendar or fiscal year, as applicable. At that time, each licensee shall also file additional relevant information as the commissioner may require.

...

(d) The reports and financial statements referred to in subdivisions (a) and (b) shall include at least a balance sheet and a statement of income for the year ended on the balance sheet date together with other relevant information as the commissioner may require. The reports and financial statements referred to in subdivisions (a), (b), and (c) shall be prepared in accordance with generally accepted accounting principles, and shall be accompanied by a report, certificate, or opinion of, an independent certified public accountant or independent public accountant. The audits shall be conducted in accordance with generally accepted auditing standards and the rules of the commissioner.

(e) A licensee shall make other special reports to the commissioner as the commissioner may from time to time require.

(f) For good cause and upon written request, the commissioner may extend the time for compliance with subdivisions (a) and (b).

(g) A licensee shall, when requested by the commissioner, submit its unaudited financial statements, prepared in accordance with generally accepted accounting principles and consisting of at least a balance sheet and statement of income and expense as of the date and for the period specified by the commissioner. The commissioner may require the submission of these reports on a monthly or other periodic basis.

...

(i) The commissioner may reject any financial statement, report, certificate, or opinion by notifying the licensee or other person required to make the filing of its rejection and the cause of the rejection. Within 30 days after the receipt of the notice, the licensee or other person shall

correct the deficiency and the failure so to do shall be deemed a violation of this division. The commissioner shall retain a copy of all rejected filings.

(j) The commissioner may make rules specifying the form and content of the reports and financial statements referred to in this section, and may require that those reports and financial statements be verified by the licensee in the manner as he or she may prescribe.

(k) Upon completion of the reports and financial statements referred to in subdivisions (a), (b), and (c), the independent accountant shall submit to the commissioner complete copies of the reports and financial statements at the same time that copies of the reports and financial statements are submitted to the licensee.

45. Financial Code section 17408, subdivisions (b)-(e), provides as follows:

(b) The commissioner may impose, by order, a penalty on any person who fails, within the time specified in any written demand of the commissioner, (1) to make and file with the commissioner any report required by law or requested by the commissioner, or (2) to furnish any material information required by the commissioner to be included in the report. The amount of the penalty may not exceed one hundred dollars (\$100) for each day for the first five days the report or information is overdue, and thereafter may not exceed five hundred dollars (\$500) for each day the report or information is overdue.

(c) If, after an order has been made under subdivision (b), a request for hearing is filed in writing within 30 days of the date of service of the order by the person to whom the order was directed, a hearing shall be held in accordance with the Administrative Procedure Act, Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code, and the commissioner shall have all the powers granted under that chapter.

(d) If the person fails to file a written request for a hearing within 30 days of the date of service of the order, the order imposing the penalty shall be deemed a final order of the commissioner, and the penalty shall be paid within five business days.

(e) If a hearing is requested, the penalty shall be paid within five business days after the effective date of any decision in the case ordering payment to be made.

46. Financial Code section 17602.5 provides as follows:

If any licensed escrow agent fails to make any reports required by law or by the commissioner within ten (10) days from the day designated for the making of the reports, or within any extension of time granted by the commissioner, or fails to include therein any matter required by

law or by the commissioner, such failure shall constitute grounds for the suspension or revocation of the license held by such escrow agent.

47. Financial Code section 17608 provides in pertinent part as follows:

The commissioner may, after notice and a reasonable opportunity to be heard, suspend or revoke any license if he finds that:

(a) The licensee has failed to maintain in effect a bond required under the provisions of this division.

(b) The licensee has violated any provision of this division or any rule made by the commissioner under and within the authority of this division.

48. California Code of Regulations, title 10, section 1717.1, provides:

An escrow agent shall notify the Commissioner in writing immediately after ... the filing of a criminal action involving moral turpitude against the escrow agent, or any of its officers, or directors, or the person meeting the requirements of Section 17200.8 of the Escrow Law.

V. Prayer for Order Imposing Penalties

Pursuant to Financial Code Section 17408

49. The Commissioner finds that, by reason of the foregoing, Golden Sunset Escrows, Inc. has failed to file its annual audit report timely for its fiscal years ending 2021, 2022, 2023, and 2024, as was required under Section 17406, which is ground for the imposition of penalties under Section 17408.

NOW THEREFORE the Commissioner having found that Golden Sunset Escrows, Inc. failed to timely file its annual audit report for its fiscal years ending 2021, 2022, 2023, and 2024, as required by Section 17406, it is hereby ordered, pursuant to Section 17408, that Golden Sunset Escrows, Inc. pay the Commissioner the sum of \$246,500.00.

VI. Prayer for Revoking Golden Sunset Escrows, Inc.'s

Escrow Agent's License Pursuant to Financial Code Section 17608

50. The Commissioner finds that, based on the foregoing, Golden Sunset Escrows, Inc. has violated Financial Code sections 17210 and 17406, and California Code of Regulations, title 10, section 1717.1. Each of these violations constitutes independent grounds for the revocation of its escrow agent license pursuant to Section 17608 of the Escrow Law. In addition, Golden Sunset

Escrows, Inc. has violated the Order to Discontinue made final in the 2020 Agreement.

WHEREFORE, pursuant to Section 17608 of the Escrow Law, the Commissioner prays that the escrow agent license of Golden Sunset Escrows, Inc. be revoked. Golden Sunset Escrows must transfer any open escrow files to a licensed to a licensed escrow agent within 10 days.

Dated: October __, 2025
Los Angeles, California

KHALIL MOHSENI
Commissioner of Financial Protection and Innovation

By _____
MARLOU de LUNA
Senior Counsel
Enforcement Division