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8 BEFORE THE DEPARTMENT OF BUSINESS OVERSIGHT
9 OF THE STATE OF CALIFORNIA

11	In the Matter of)	FILE NO. 1326279
12	THE CALIFORNIA COMMISSIONER OF)	ORDER REVOKING THE INVESTMENT ADVISER CERTIFICATE OF ESP FINANCIAL SERVICES, LLC, AND BARRING ROD SCOTT HORMELL FROM ANY POSITION OF EMPLOYMENT, MANAGEMENT OR CONTROL OF ANY INVESTMENT ADVISER, BROKER-DEALER OR COMMODITY ADVISER
13	BUSINESS OVERSIGHT,)	
14	Complainant,)	
15	v.)	
16	ESP FINANCIAL SERVICES, LLC, and ROD)	
17	SCOTT HORMELL,)	
18	Respondents.)	
19)	
19)	
19)	

20 TO: ESP Financial Services, LLC
925 Broadbeck Dr., Suite 220
21 Thousand Oaks, CA 91320

22 Rod Scott Hormell
3911 Calle Loma Vista
23 Newbury Park, CA 91320

24 1. On January 28, 2014, the Department of Business Oversight for the State of California
25 (“Department”) brought an action to revoke the investment adviser certificate of ESP Financial
26 Services, LLC (“ESP”), and to bar Rod Scott Hormell (“Hormell”) from any position of employment,
27 management or control of any investment adviser, broker-dealer or commodity adviser, pursuant to
28 California Corporations Code sections 25232 and 25232.1.

1 2. ESP is a suspended California limited liability corporation doing business at 925
2 Broadbeck Dr., Suite 220, Thousand Oaks, California 91320. Since January 2009, ESP has been
3 certified with the Department as an Investment Adviser.

4 3. Hormell is the owner and control person of ESP. Hormell is also a registered
5 investment adviser representative in California. From October 28, 2008, to June 1, 2013, Hormell
6 was Chief Compliance Officer of ESP. Hormell's last known address is 3911 Calle Loma Vista,
7 Newbury Park, California 91320.

8 4. On or about February 21, 2013, a criminal complaint was filed against Hormell in the
9 Superior Court of the State of California, Ventura County (People of the State of California vs. Rod
10 Hormell, Case No. 2013005499). The criminal complaint alleged that Hormell committed theft and
11 embezzlement of bank checks in an amount greater than \$65,000 from an elderly person.

12 5. On May 22, 2013, Hormell pleaded guilty to one count of theft from an elder, in
13 violation of Penal Code 368(d), and admitted the special allegation of Penal Code 12022.6(a)(1) as to
14 that count of theft from an elder. Subsequently, Hormell was sentenced on December 17, 2013. In
15 connection with sentencing, Hormell's probation officer submitted a report detailing the facts of
16 Hormell's crime. In or around 2007, Hormell took on a 90-year old widow as a client. Hormell's
17 new client had recently been a victim of financial scams and displayed early signs of dementia. The
18 family of the new client believed that Hormell would help protect the new client from scams in the
19 future and would help manage the new client's limited finances. Hormell agreed to act as the new
20 client's investment adviser and to manage the new client's financial affairs for \$500 a month. Acting
21 as the new client's investment adviser over the next four years, Hormell transferred over \$100,000
22 from the new client's investment accounts to bank accounts that Hormell controlled. Hormell then
23 spent the new client's money for his own personal use. Hormell made frequent ATM withdrawals
24 and used the new client's money to pay for his own hobbies and for purchases at Best Buy, Macy's
25 and Nordstrom, amongst other stores. Hormell's theft and misuse was only discovered after the new
26 client's family suspected that Hormell was taking advantage of the new client. After the new client's
27 family commenced an investigation, Hormell admitted to law enforcement that he had taken the new
28 client's money.

1 6. On January 30, 2014, the Department personally served Hormell individually and on
2 behalf of ESP with the following documents: Notice of Intention to Issue Orders Revoking the
3 Investment Adviser Certificate of ESP Financial Services, LLC, and Barring Rod Scott Hormell from
4 Any Position of Employment, Management or Control of Any Investment Adviser, Broker-Dealer or
5 Commodity Adviser; Statement to Respondents; Accusation to Revoke the Investment Adviser
6 Certificate of ESP Financial Services, LLC, and to Bar Rod Scott Hormell from Any Position of
7 Employment, Management or Control of Any Investment Adviser, Broker-Dealer or Commodity
8 Adviser; Notice of Defense; and Government Code sections 11507.5, 11507.6 and 11507.7
9 (collectively, the “Revocation and Bar Pleadings”). The Revocation and Bar Pleadings gave notice
10 of the intention of the Commissioner of the Department to enter an order and of the reasons therefor.

11 7. Neither ESP nor Hormell requested a hearing on this matter within 30 days after the
12 service of the Revocation and Bar Pleadings as required by California Corporations Code section
13 25233. The time period to request a hearing has expired.

14 Based upon the foregoing, the Commissioner of the Department finds it is in the public
15 interest to revoke the investment adviser certificate of ESP Financial Services, LLC, and to bar Rod
16 Scott Hormell from any position of employment, management or control of any investment adviser,
17 broker-dealer or commodity adviser.

18 GOOD CAUSE APPEARING THEREFORE, IT IS ORDERED that the investment adviser
19 certificate of ESP Financial Services, LLC, is hereby revoked pursuant to California Corporations
20 Code section 25232.1 for acts committed as specified in Corporations Code section 25232,
21 subdivision (b), which includes an officer’s conviction of any felony involving theft. This order is
22 effective immediately.

23 GOOD CAUSE APPEARING THEREFORE, IT IS ORDERED that Rod Scott Hormell is
24 barred in the State of California from any position of employment, management or control of any
25 investment adviser, broker-dealer or commodity adviser pursuant to California Corporations Code
26 section 25232.1 for acts committed as specified in Corporations Code section 25232, subdivision (b),
27 which includes the conviction of any felony involving theft. This order is effective immediately.
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Dated: April 23, 2014
Sacramento, California

JAN LYNN OWEN
Commissioner of Business Oversight

By _____
MARY ANN SMITH
Deputy Commissioner
Enforcement Division