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

11 In the Matter of:) ESCROW LICENSE NO.: 963-0348
12)
13 THE COMMISSIONER OF BUSINESS) ORDER TO DISCONTINUE ESCROW
OVERSIGHT,) ACTIVITIES UNDER FINANCIAL CODE
14) SECTION 17415
15 Complainant,)
16 v.)
17)
18 HACIENDA ESCROW CORPORATION,)
19 Respondent.)
20)

21 TO: HACIENDA ESCROW CORPORATION
22 1131 West 6th Street, Suite 270
23 Ontario, California 91762

24 THE COMMISSIONER OF BUSINESS OVERSIGHT (Commissioner) FINDS THAT:

25 A. Hacienda Escrow Corporation (Hacienda) is an independent escrow agent licensed by
26 the Commissioner under the California Escrow Law (Escrow Law) (Fin. Code, § 17000 et seq.), since
27 March 17, 1969.

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1 B. Ronald Bryan Forno (Forno) is Hacienda’s owner, president, director, escrow officer,
2 and escrow manager employed by the company.

3 C. Angelica M. Forno, aka Angelica Marcela Torres Ulloa, Angelica Marcella Torres,
4 and Angie Forno (Angie Forno), is Forno’s wife.

5 D. The Commissioner began a special regulatory examination of Hacienda’s business on
6 or about July 10, 2019. The examination disclosed a number of material deficiencies in the operation
7 of Hacienda’s business, including the following:

8 1. The Commissioner obtained copies of signature cards on file with Hacienda’s
9 bank on January 24, 2020. The signature cards the Commissioner obtained were signed by Forno in
10 his capacity as Hacienda’s owner and dated February 26, 2019 and June 27, 2019. The signature
11 cards disclose Forno designated his wife, Angie Forno, as the authorized signer on Hacienda’s trust,
12 general, and money market accounts. The signature cards Forno signed further identify Angie Forno
13 as Hacienda’s escrow officer and operations manager.

14 2. The Commissioner’s examiner obtained Angie Forno’s business card from
15 Hacienda’s licensed location. The business card the examiner obtained identifies Angie Forno as
16 Hacienda’s owner.

17 3. Based on the findings above, the Commissioner has concluded Hacienda holds
18 Angie Forno out to members of the public as an owner and employee of the business and has granted
19 Angie Forno access to its trust and general accounts.

20 4. But a review of the Department’s and the Escrow Agent’s Fidelity
21 Corporation’s (EAFC)¹ records fails to disclose any Statement of Identity and Questionnaire (SIQ),
22 employment application, or fingerprint submissions for Angie Forno. And the records on file with the
23 Department identify only Forno as an owner of Hacienda.

24 5. Prior to any change in ownership of the escrow agent, or an individual
25 undertaking employment with the escrow agent, or the escrow agent granting an individual access to
26 company trust funds or other moneys, the applicant must fulfill the Escrow Law’s bonding

27 _____
28 ¹ The EAFC is the statutory non-profit mutual benefit corporation and statutory fidelity indemnitor for each
licensed member escrow agent.

1 requirements, complete a SIQ or employment application, and authorize a criminal background
2 check. The escrow agent is responsible for submitting the applicant's SIQ or employment application
3 and fingerprints to the Department and the EAFC. Once the escrow agent submits the applicant's SIQ
4 or employment application and fingerprints, the applicant must undergo a criminal background check
5 and receive the Department's and EAFC's clearance to act as the escrow agent's owner, employee, or
6 have access to trust monies in the possession of the escrow agent. (See Fin. Code, §§ 17203.1, 17209,
7 17209.1, 17212.1, 17414.1, 17419, and Cal. Code of Regs., tit. 10, § 1726.)

8 E. The Commissioner has concluded Hacienda, through its owner, Forno, permitted
9 Angie Forno to act as Hacienda's owner, escrow officer, and operations manager and granted Angie
10 Forno access to Hacienda's trust and general accounts prior to Angie Forno fulfilling the bonding
11 requirements of the Escrow Law and the submission of her SIQ or application and fingerprints to the
12 Department and EAFC for a criminal background check, in violation of Financial Code sections
13 17203.1, subdivision (a); 17209, subdivisions (g) and (h)(1); 17212.1; 17414.1, subdivisions (c) and
14 (d); 17419; and California Code of Regulations, title 10, section 1726. By placing Angie Forno in a
15 position of employment, ownership, and control of the licensee and its moneys, without first
16 requiring Angie Forno to undergo the necessary background checks and bonding requirements,
17 Hacienda has placed members of the public and its escrow customers at risk.

18 Hacienda is conducting its escrow business in such an unsafe or injurious manner as to render
19 further operations hazardous to the public or to customers.

20 NOW, BASED UPON THE FORGOING, AND GOOD CAUSE APPEARING
21 THEREFORE, it is hereby ORDERED, under the provisions of Financial Code section 17415, that
22 Hacienda immediately discontinue acceptance of any new escrow business, and of any money,
23 documents or other property in connection therewith.

24 This order is to remain in full force and effect until further order of the Commissioner.

25 Financial Code section 17415 provides:

26 (a) If the commissioner, as a result of any examination or from any
27 report made to him or her, shall find that any person subject to this
28 division is in an insolvent condition, is conducting escrow business in
such an unsafe or injurious manner as to render further operations

1 hazardous to the public or to customers, has failed to comply with the
 2 provisions of Section 17212.1 or 17414.1, has permitted its tangible net
 3 worth to be lower than the minimum required by law, has failed to
 4 maintain its liquid assets in excess of current liabilities as set forth in
 5 Section 17210, or has failed to comply with the bonding requirements
 6 of Chapter 2 (commencing with Section 17200) of this division, the
 7 commissioner may, by an order addressed to and served by registered
 8 or certified mail or by personal service on such person and on any other
 9 person having in his or her possession or control any escrowed funds,
 10 trust funds or other property deposited in escrow with said person,
 11 direct discontinuance of the disbursement of trust funds by the parties
 12 or any of them, the receipt of trust funds, the delivery or recording of
 13 documents received in escrow, or other business operations. No person
 14 having in his or her possession any of these funds or documents shall
 15 be liable for failure to comply with the order unless he or she has
 16 received written notice of the order. Subject to subdivision (b), the
 17 order shall remain in effect until set aside by the commissioner in
 18 whole or in part, the person is the subject of an order for relief in
 19 bankruptcy, or pursuant to Chapter 6 (commencing with Section
 20 17621) of this division the commissioner has assumed possession of the
 21 escrow agent.

22 (b) Within 15 days from the date of an order pursuant to subdivision
 23 (a), the person may request a hearing under the Administrative
 24 Procedure Act, Chapter 5 (commencing with Section 11500) of
 25 Division 3 of Title 2 of the Government Code. Upon receipt of a
 26 request, the matter shall be set for hearing to commence within 30 days
 27 after such receipt unless the person subject to this division consents to a
 28 later date. If no hearing is requested within 15 days after the mailing or
 service of such notice and none is ordered by the commissioner, the
 failure to request a hearing shall constitute a waiver of the right to a
 hearing. Neither the request for a hearing nor the hearing itself shall
 stay the order issued by the commissioner under subdivision (a).

DATED: February 18, 2020

Los Angeles, California

MANUEL P. ALVAREZ

Commissioner of Business Oversight

By _____

MARY ANN SMITH

Deputy Commissioner

Enforcement Division