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

11 In the Matter of:)	ESCROW LICENSE NO.: 963-2749
)	
12 THE COMMISSIONER OF BUSINESS)	STATEMENT OF FACTS IN SUPPORT OF
13 OVERSIGHT,)	ORDER TO DISCONTINUE VIOLATIONS
)	PURSUANT TO FINANCIAL CODE
14 Complainant,)	SECTION 17602 AND NOTICE OF INTENT
15 v.)	TO MAKE ORDER FINAL
)	
16 CASA BELLA ESCROW SERVICES INC.,)	
)	
17 Respondent.)	
)	

18
19 The Commissioner of Business Oversight (Commissioner) is informed and believes, and
20 based upon such information and belief, alleges and charges as follows:

21 **I.**
Jurisdiction and Venue

- 23 1. The Commissioner brings this action under the provisions of Financial Code section
24 17602 and the rules and regulations promulgated under the California Escrow Law (Fin. Code, §
25 17000 et seq.) (Escrow Law).
- 26 2. The Commissioner is authorized to administer and enforce the Escrow Law and the
27 rules issued under title 10 of the California Code of Regulations (CCR) that regulate the business
28 and activities of escrow agents.

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II.
Statement of Facts

3. Casa Bella Escrow Services Inc. (Casa Bella) is an escrow agent licensed by the Commissioner under the Escrow Law since April 1, 2014. Casa Bella has its principal place of business located at 27349 Jefferson Avenue, Suite 209, Temecula, California 92590.

4. At all relevant times, Robert Hellman (Hellman) is the owner and President of Casa Bella.

5. On or around September 5, 2019, the Commissioner, by and through staff, commenced a regulatory examination of Casa Bella. The Corporations Examiner (examiner) reviewed the August 31, 2019 financial statements for Casa Bella. The August 31, 2019 financial statements showed a liquid asset deficiency of \$7,224.75 and a tangible net worth deficiency of \$4,874.46 in violation of Financial Code section 17210.

6. On or around April 3, 2020, the Commissioner issued a letter to Casa Bella stating that the failure to cure the liquid asset and tangible net worth deficiencies within 30 days could result in the suspension of its escrow agent license.

7. On or around April 28, 2020, Casa Bella requested from the Commissioner an extension of time to comply with Financial Code section 17210. Casa Bella stated the company was “working on infusing funds into the business” and requested additional time to complete its audit to “determine the amount needed to bring Casa Bella into compliance.”

8. On or around May 12, 2020, the Commissioner issued a second letter to Casa Bella addressing the liquid asset and tangible net worth deficiencies. The Commissioner instructed Casa Bella to submit a detailed plan with supporting evidence to show that Casa Bella will be able to cure its liquid asset and tangible net worth deficiencies by May 25, 2020.

9. On or around May 26, 2020, Casa Bella provided the Commissioner its Corporate Resolution to allow its President, Hellman, to sell his 9 shares in Casa Bella for \$35,000.00 on June 1, 2020. Hellman stated the proceeds from the sale of his shares would “be submitted as capital contribution. There will be more than the minimum requirement needed to meet our asset requirement. We have also started the process for Patrick Felde to complete our audit and you should

1 receive prior to the extended due date. Prior to that we will send you over the bank statement
2 showing the capital contribution and enough funds to comply with asset requirements. This should
3 all be done by June 1st, 2020.”

4 10. On or around May 26, 2020, the Commissioner sent Hellman an email requesting that
5 Casa Bella have its certified public accountant (CPA) submit its June 2020 unaudited financial
6 statements, general bank statement, and reconciliation by July 15, 2020. Hellman emailed the
7 Commissioner indicating that Casa Bella’s CPA would submit the requested items.

8 11. On or around July 14, 2020, Patrick Felde, Casa Bella’s CPA, submitted the annual
9 audited report for the year ended January 31, 2020 to ESCAnnualReportFiling@dbo.ca.gov for the
10 Commissioner’s review.

11 12. On or around July 16, 2020, the Commissioner sent Hellman an email requesting the
12 status of the June 2020 financial statements for Casa Bella.

13 13. On or around July 17, 2020, Hellman sent the Commissioner copies of Casa Bella’s
14 bank statement from Commerce West Bank that showed a wire transfer of \$40,000 was deposited on
15 or around June 22, 2020.

16 14. On or around July 17, 2020, the Commissioner sent Hellman an email notifying him
17 that according to Casa Bella’s annual audited report for the year ended January 31, 2020, a deposit
18 of \$40,000 to Casa Bella’s bank account alone would not cure the liquid asset deficiency of \$53,475
19 and the tangible net worth deficiency of \$56,212. The Commissioner asked Hellman when Casa
20 Bella would deposit additional funds to cure these deficiencies.

21 15. On or around July 17, 2020, Hellman informed the Commissioner that he would
22 liquidate stock and “put the additional amount into the company for a total of \$90,000. That should
23 give us a huge cushion.” Hellman emailed the Commissioner that an additional \$50,000 would be
24 deposited into Casa Bella’s bank account within a week.

25 16. On or around July 23, 2020, Hellman deposited \$50,172 into Casa Bella’s bank
26 account to cure the liquid asset and tangible net worth deficiencies cited in licensee’s January 31,
27 2020 year-ended annual audit report.

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III.
Applicable Statutes

17. Paragraphs 1-16 are hereby realleged and incorporated herein by reference as if set forth in their entirety.

18. Financial Code section 17210 provides in pertinent parts:

(b) An escrow agent licensed prior to January 1, 1986, shall maintain at all times a tangible net worth according to the following schedule:

...

(9) Fifty thousand dollars (\$50,000) as of July 1, 1993, and thereafter, including liquid assets of at least twenty-five thousand dollars (\$25,000) in excess of current liabilities.

19. Financial Code section 17602 provides:

If it appears to the commissioner that any licensed escrow agent has violated its articles of incorporation, or any law or rule binding upon it, the commissioner shall, by written order addressed to the agent direct the discontinuance of such violation. The order shall be effective immediately, but shall not become final except in accordance with the provisions of Section 17604.

20. Financial Code section 17604 provides:

No order issued pursuant to Sections 17602 or 17603 may become final except after notice to any licensed escrow agent affected thereby of the intention of the commissioner to make such order final and of the reasons therefor and that upon receipt of a request the matter will be set down for hearing to commence within 15 business days after such receipt unless the licensed agent affected consents to a later date. If no hearing is requested within 30 days after the mailing of such notice and none is ordered by the commissioner, the order may become final without hearing and the licensed escrow agent shall immediately discontinue the practices named in the order. If a hearing is requested or ordered, it shall be held in accordance with the provisions of 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 of the powers granted thereunder. If upon the hearing, it appears to the commissioner that the licensed agent is conducting business in an unsafe and injurious manner or is violating its articles of incorporation or any law of this state, or any rule binding upon it, the commissioner shall make the order of discontinuance final and the licensed escrow agent shall immediately discontinue the practices named in the order.

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IV.
Conclusion

By reason of the foregoing, Casa Escrow Services Inc. has violated Financial Code section 17210, subdivision (b)(9), for failing to maintain at all times, a tangible net worth of at least \$50,000 including liquid assets of at least \$25,000 in excess of current liabilities.

WHEREFORE, good cause showing, the Commissioner of Business Oversight is issuing an Order to Discontinue Violations and notifying Casa Bella Escrow Services Inc. of his intention to make the Order final.

Dated: August 3, 2020
San Diego, California

MANUEL P. ALVAREZ
Commissioner of Business Oversight

By _____
Vanessa T. Lu
Counsel
Enforcement Division