



STATE OF CALIFORNIA

Department of Financial Protection and Innovation

GOVERNOR **Gavin Newsom** • COMMISSIONER **Manuel P. Alvarez**

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Department of Financial Protection and Innovation Secures Reimbursements for Victims of Eco Tech PACE Fraud

SAN FRANCISCO – The Department of Financial Protection and Innovation (DFPI) has helped 22 California homeowners receive financial reimbursements and remove property tax liens after Encino-based Eco Tech, a solicitor for the Property Assessed Clean Energy (PACE), signed customers up for the program without their knowledge.

The liens, averaging between \$20,000 and \$30,000, increased individual's property tax bills by as much as \$3,000. The DFPI fought to ensure homeowners received reimbursement checks from the PACE administrator who had used Eco Tech as one of its solicitors. Investigators worked with the same administrator to track down complaints, championing a partnership that allowed the department to quickly shut down harmful consumer operations.

The DFPI today issued an [order](#) to bar Nobertas Sinica, sole owner of Eco Tech, from taking part in the PACE program. The order bars Sinica from independently soliciting homeowners or working with PACE administrators. The department issued a desist and refrain order against Eco Tech, which had solicited homeowners throughout Southern California, in May prohibiting the company from participating in the PACE program.

"This order should make clear that we will not allow bad actors to hide behind their companies and will take action to shut down individuals who prey on vulnerable members of our community," said DFPI Commissioner Manuel P. Alvarez.

While Sinica was not directly implicated in the scheme, other Eco Tech solicitor agents misrepresented the PACE program by telling prospective customers the energy efficient products being installed in their homes were part of a "free government program."

In reality, Eco Tech charged three-to-five-times the usual industry rate for tankless water heaters and other products. In one instance, a homeowner was charged a staggering \$36,000 for two water heaters that they were told they needed for a 1200-sq-foot home. Eco Tech agents also used high-pressure sales tactics to prey on mostly elderly homeowners or those where English was not their primary language.

In some instances, Eco Tech solicitor agents went so far as to steal the identities of potential customers and enter into PACE financing contracts without the permission of the homeowners, who were then unwittingly stuck with the property tax assessments and even faced foreclosure on the liens.

“The dangerous pattern and practice by Eco Tech employees to willfully misrepresent the program is fraudulent, illegal, and intolerable,” added Commissioner Alvarez.

DFPI licenses and regulates PACE program administrators but not solicitors, who enter into an assessment contract with prospective homeowners. Administrators must report complaints and suspected illegal behavior against solicitors to the department for investigation.

PACE is a financing product that allows homeowners to finance certain clean energy product and services such as solar panels, water heaters and windows. The financing is provided by public agencies who add the financed amount as a special assessment to the homeowner’s property tax secured by a lien on the property. If the homeowner does not pay the special assessment, the financing entity can enforce the lien, including through foreclosure.

DFPI continues to investigate fraudulent practices in the PACE financing area. If you have PACE financing for your home improvement project and believe that you have been a victim of fraudulent or misleading practices, please contact the Department of Financial Protection and Innovation at (866) 275-2677 or email at Ask.DFPI@dfpi.ca.gov. More information regarding PACE financing can be found at <https://dfpi.ca.gov/pace/>.

In addition to regulating PACE administrators, the DFPI licenses and regulates financial services, including state-chartered banks and credit unions, student loan servicers, commodities and investment advisers, money transmitters, securities issuers and broker-dealers, non-bank installment lenders, payday lenders, mortgage lenders and servicers, escrow companies, and franchisors.

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