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

12 In the Matter of:) ESCROW LICENSE NO.: 963-0348
13)
14 THE COMMISSIONER OF FINANCIAL) ACCUSATION
PROTECTION AND INNOVATION,)
15)
Complainant,)
16)
v.)
17)
18 RONALD BRYAN FORNO,)
Respondent.)
19)
20)

21 Manuel P. Alvarez, the Commissioner of Financial Protection and Innovation
22 (Commissioner), is informed and believes, and based upon such information and belief, alleges and
23 charges Respondent Ronald Bryan Forno (Forno) as follows.

24 **I.**

25 **Introduction**

26 1. The Commissioner finds that Forno violated an order of the Commissioner and
27 Financial Code section 17423, subdivision (a)(1) on February 11, 2021, when Forno made an official
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1 submission to the Commissioner on behalf of Hacienda Escrow Corporation (Hacienda) as its
2 “president.” The official submission further identified Forno as Hacienda’s “secretary,” “treasurer,”
3 and “director.” On May 15, 2020, Forno stipulated to the entry of an order barring him from any
4 position of management of an escrow agent for a period of six years. The Order remains in effect.
5 Forno is barred from holding any management position with any escrow agent, including Hacienda,
6 and Forno has violated the Order.

7 **II.**
8 **Jurisdiction**

9 2. The Commissioner has jurisdiction over the licensing and regulation of persons and
10 entities engaged in the business of receiving escrows for deposit or delivery under the Escrow Law
11 (Fin. Code, § 17000 et seq.) (Escrow Law). The Commissioner is authorized to administer and
12 enforce the Escrow Law and the rules and regulations promulgated in title 10 of the California Code
13 of Regulations (CCR).

14 3. The Commissioner brings this action under Financial Code section 17423, subdivision
15 (a)(1) to bar Forno from any position of employment, management, or control of any escrow agent.

16 **III.**
17 **Statement of Facts**

18 4. Hacienda, a California corporation, holds escrow agent’s license number 963-0348.
19 Hacienda has its principal place of business located at 1131 West 6th Street, Suite 270, Ontario,
20 California.

21 5. According to the October 12, 2020 statement of information filed with the California
22 secretary of state, Angie Forno is Hacienda’s CEO, secretary, CFO, director, and registered agent.
23 Angie Forno is Forno’s spouse.

24 6. On August 1, 2019, the Commissioner issued an adopted decision in the matter of the
25 *Commissioner v. Hacienda Escrow Corporation, et al.*, case number 2019010464 (the Adopted
26 Decision). The Adopted Decision became effective on August 31.

27 7. Under the Adopted Decision, the court concluded that Forno had recklessly disbursed
28 \$10,000.00 in trust funds within the meaning of the Escrow Law and that the Commissioner had

1 cause to revoke Hacienda’s escrow agent’s license and to bar Forno. (See Adopted Decision at p. 8, ¶
2 7. (c).) But under Government Code section 11519, subdivision (b), the court stayed the execution of
3 the revocation and bar, and placed Hacienda and Forno on probation for a period of 18 months.
4 (Adopted Decision at p. 10, ¶¶ 9 and 10.)

5 8. Under the Adopted Decision, the court decreed that should Forno violate the terms of
6 its decision “or otherwise violate[] the Financial Code or its regulations, the Commissioner, after
7 notice to respondents and an opportunity to be heard, [could], in [his] discretion, vacate and set aside
8 the stay order and impose the revocation of Hacienda’s escrow license and[] the bar issued to
9 Forno.” (Adopted Decision at p. 11, ¶ 5.)

10 9. On February 19, 2020, the Commissioner personally served Forno with a first
11 amended accusation. Under the first amended accusation, the Commissioner sought to vacate and set
12 aside the stay order and impose the bar, when Forno violated provisions of the Escrow Law by
13 accepting new escrow business while prohibited from doing so under an order to discontinue escrow
14 activities.

15 10. On May 15, 2020, in order to resolve the Commissioner’s findings concerning Forno’s
16 violations of the Escrow Law set forth in the first amended accusation, Forno stipulated to the entry
17 of an order that suspended him from any position of employment with any escrow agent for a period
18 of six months and that barred him from any position of management or control of any escrow agent
19 for a period of six years.

20 11. The Order was adopted on May 15 and remains in effect. Forno is currently barred
21 from holding any position of management of any escrow agent under Financial Code section 17423,
22 subdivision (a)(1).

23 12. On February 11, 2021, the Commissioner received Hacienda’s 2020 Escrow Liability
24 Report. The report includes Hacienda’s summary of personnel. The report lists Forno as Hacienda’s
25 “president,” “secretary,” “treasurer,” and “director.” On February 11 at 2:21 p.m., Forno executed
26 Hacienda’s report “under penalty of perjury” as Hacienda’s “president.”

27 13. Forno violated the Order and Financial Code section 17423, subdivision (a)(1), when
28 Forno made an official submission to the Commissioner that identified Forno as Hacienda’s

1 president, secretary, treasurer, and director. And all of the positions that Forno identified in his
2 official submission filed with the Commissioner are considered management positions. Forno is
3 currently barred from holding any position of management with any escrow agent. Forno's bar from
4 management applies to Hacienda, an escrow agent licensed by the Commissioner under the Escrow
5 Law. Forno violated the Order.

6 **IV.**

7 **Applicable Statutes**

8 14. Financial Code section 17423 provides:

9 (a) The commissioner may, after appropriate notice and opportunity for
10 hearing, by order, censure or suspend for a period not exceeding 12
11 months, or bar from any position of employment, management, or
12 control any escrow agent, or any other person, if the commissioner
13 finds either of the following:

14 (1) That the censure, suspension, or bar is in the public interest and that
15 the person has committed or caused a violation of this division or rule
16 or order of the commissioner, which violation was either known or
17 should have been known by the person committing or causing it or has
18 caused material damage to the escrow agent or to the public.

19 (2) That the person has been convicted of or pleaded nolo contendere to
20 any crime, or has been held liable in any civil action by final judgment,
21 or any administrative judgment by any public agency, if that crime or
22 civil or administrative judgment involved any offense specified in
23 subdivision (b) of Section 17414.1, or any other offense reasonably
24 related to the qualifications, functions, or duties of a person engaged in
25 the business in accordance with the provisions of this division.

26 (b) Within 15 days from the date of a notice of intention to issue an
27 order pursuant to subdivision (a), the person may request a hearing
28 under the Administrative Procedure Act (Chapter 5 (commencing with
Section 11500) of Division 3 of Title 2 of the Government Code).
Upon receipt of a request, the matter shall be set for hearing to
commence within 30 days after such receipt unless the person subject
to this division consents to a 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.

1 (c) Upon receipt of a notice of intention to issue an order pursuant to
2 this section, the person who is the subject of the proposed order is
3 immediately prohibited from engaging in any escrow processing
4 activities, including disbursing any trust funds in the escrow agent's
5 possession, custody or control, and the financial institution holding
6 trust fluids shall be so notified by service of the notice, accusation and
7 other administrative pleadings. The prohibition against disbursement of
8 trust funds may be set aside, in whole or in part, by the commissioner
9 for good cause.

10 (d) Fidelity Corporation shall disclose to all licensees the identity of
11 persons who have been censured, suspended, or barred from any
12 position of employment, management, or control.

13 (e) Persons suspended or barred under this section are prohibited from
14 participating in any business activity of a licensed escrow agent and
15 from engaging in any business activity on the premises where a
16 licensed escrow agent is conducting escrow business. This subdivision
17 shall not be construed to prohibit suspended or barred persons from
18 having their personal escrow transactions processed by a licensed
19 escrow agent.

20 (f) This section shall apply to any violation, conviction, plea, or
21 judgment occurring at any time prior to and after the enactment of this
22 section.

23 (g) The provisions of Section 17414.1 exempting convictions for which
24 a person has obtained a certificate of rehabilitation from the prohibition
25 against serving as an officer, director, stockholder, trustee, agent, or
26 employee of an escrow agent, or in any position involving any duties
27 with an escrow agent, shall not apply to permit the reinstatement of any
28 person barred by the commissioner pursuant to this section, nor to
prohibit the commissioner from bringing any action pursuant to this
section.

(h) If any provision of this section or the application thereof to any
person or circumstances is held invalid, that invalidity shall not affect
other provisions or applications of this section which can be given
effect without the invalid provision or application, and to this end the
provisions of this section are severable.

V.

Prayer

The Commissioner finds that, by reason of the foregoing, Forno violated the Order and

1 Financial Code section 17423, subdivision (a)(1) when Forno made an official submission to the
2 Commissioner as Hacienda’s president, which identified Forno as Hacienda’s president, secretary,
3 treasurer, and director. Grounds exist to permanently bar Forno from any position of employment,
4 management, or control of any escrow agent under Financial Code 17423, subdivision (a)(1).

5 WHEREFORE, IT IS PRAYED that under Financial Code section 17423, subdivision (a)(1),
6 Forno be barred from any position of employment, management, or control of any escrow agent.

7 Dated: April 21, 2021
8 Los Angeles, California

MANUEL P. ALVAREZ
Commissioner of Financial Protection & Innovation

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10 By _____
11 Blaine A. Noblett
12 Senior Counsel
13 Enforcement Division
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