

1 MARY ANN SMITH
Deputy Commissioner
2 SEAN ROONEY
Assistant Chief Counsel
3 BLAINE A. NOBLETT (State Bar No. 235612)
Senior Counsel
4 FRANCIS N. SCOLLAN (State Bar No. 186262)
Senior Counsel
5 Department of Financial Protection & Innovation
6 320 W. 4th Street, Suite 750
7 Los Angeles, California 90013-2344
8 Telephone: (213) 503-3747
9 Facsimile: (213) 576-7181
Email: blaine.noblett@dfpi.ca.gov

10 Attorneys for Complainant

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

13 In the Matter of:	)	OAH CASE NO.: 2021050192
)	
14 THE COMMISSIONER OF FINANCIAL	)	ESCROW LICENSE NO.: 963-0348
15 PROTECTION AND INNOVATION,)	
	)	SETTLEMENT AGREEMENT
16 Complainant,)	
	)	Hearing Dates: October 11-14, 2021
17 v.	)	Hearing Time: 9:00 a.m.
	)	Location: 320 West 4th Street, Suite 630
18 RONALD BRYAN FORNO,	)	Los Angeles, CA 90013-2344
	)	Call-In No.: (916) 245-8850
19 Respondent.	)	Conf. ID: 438 659 791 #
	)	Judge: Eric C. Sawyer
)	
)	
)	
)	

25 This Settlement Agreement (Settlement Agreement) is entered into between the
26 Commissioner of Financial Protection and Innovation (Commissioner) and Ronald Bryan Forno
27 (Forno) (collectively, the parties) and is made with respect to the following facts.
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I.

Recitals

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

B. Hacienda Escrow Corporation (Hacienda), a California corporation, is an escrow agent licensed by the Commissioner under license number 963-0348, since March 17, 1969. Hacienda has its principal place of business located at 1131 West 6th Street, Suite 270, Ontario, California.

C. Forno was Hacienda’s sole owner, president, director, escrow manager, and an escrow officer employed by the company.

D. On May 15, 2020, Forno stipulated to an order barring him from any position of management or control of any escrow agent, including Hacienda, for a period of six years from May 15, pursuant to Financial Code section 17423, subdivision (a)(1) (the Order). Under the May 15 stipulation, Forno further agreed to transfer his ownership interest in Hacienda to another, pending the Commissioner’s approval of Hacienda’s change of ownership application.

E. On February 11, 2021, under penalty of perjury, Forno submitted to the Commissioner Hacienda’s 2020 escrow liability report as Hacienda’s “president.” The report identified Forno as Hacienda’s “secretary,” “treasurer,” and “director.” Forno was barred from holding any position of management or control of any escrow agent at the time Forno submitted Hacienda’s 2020 escrow liability report.

F. The Commissioner contends that Forno’s submission of Hacienda’s 2020 escrow liability report, which identified Forno as Hacienda’s “president,” “secretary,” “treasurer,” and “director,” violated the Order.

G. On April 21, 2021, the Commissioner issued his accusation to Forno seeking to permanently bar Forno from any position of employment, management, or control of any escrow

1 agent based upon Forno’s violation of the Order and Financial Code section 17423, subdivision
2 (a)(1).

3 H. The Commissioner personally served Forno with his accusation at Hacienda’s
4 principal place of business on April 26, 2021.

5 I. Forno timely filed his notice of defense under section 11506 of the Government Code
6 for the purpose of requesting an administrative hearing on the allegations set forth in the accusation.
7 The administrative hearing is currently set to begin trial before the Office of Administrative Hearings
8 (OAH) on October 11 through 14, 2021, OAH Case number 2021050192.

9 J. Forno contends that Hacienda was advised by its bookkeeper to submit the annual
10 report on behalf of Hacienda listing Forno as the company’s “president,” “secretary,” “treasurer,” and
11 “director,” since Forno had held such positions with the company in 2020.

12 K. The Commissioner finds that entering into this Settlement Agreement is in the public
13 interest and consistent with the purposes and fairly intended by the policies and provisions of the
14 Escrow Law.

15 NOW, THEREFORE, in consideration of the foregoing and the terms and conditions set
16 forth herein, the parties agree as follows.

17 **II.**

18 **Terms and Conditions**

19 1. Purpose. The parties intend to resolve this matter for the purpose of judicial economy
20 and expediency and without the uncertainty and expense of a hearing or other litigation.

21 2. Acknowledgment. Forno acknowledges that the Commissioner issued to him an
22 accusation, where the Commissioner determined that Forno had violated the Order and Financial
23 Code section 17423, subdivision (a)(1) as described above in the Recitals. Forno admits service of the
24 accusation filed in this matter.

25 3. Forno Suspension Order. From the effective date of this Settlement Agreement,
26 Forno agrees to the Commissioner’s issuance of an order suspending Forno from any position of
27 employment with any escrow agent for a period of 90 days (Suspension Order). A copy of the
28 Suspension Order is attached and incorporated herein as Exhibit A.

1 4. Waiver of Hearing Rights. Forno agrees that this Settlement Agreement shall have
2 the effect of withdrawing his request for an administrative hearing on the matter described herein
3 and the Suspension Order issued under this Settlement Agreement. Forno acknowledges his right to
4 an administrative hearing under the Escrow Law in connection with the accusation and the
5 Suspension Order, and hereby waives his rights to a hearing and to any reconsideration, appeal, or
6 other rights which may be afforded him under the Escrow Law, the Administrative Procedure Act
7 (APA) (Gov. Code, § 11340 et seq.), the Code of Civil Procedure (CCP) (Code Civ. Proc., § 1 et
8 seq.), or any other provision of law in connection with this matter.

9 5. Investigative Costs. Forno shall pay to the Commissioner investigative costs of
10 \$5,000.00 (Costs). Costs shall be due prior to or concurrent with the execution of the Settlement
11 Agreement and should be made payable to the Commissioner in the form of a cashier's check or
12 Automated Clearing House deposit and transmitted to the attention of Accounting – Enforcement
13 Division, Department of Financial Protection & Innovation, 2101 Arena Boulevard, Sacramento,
14 California 95834. Notice of such payment shall be sent to the attention of Blaine A. Noblett, Senior
15 Counsel, at blaine.noblett@dfpi.ca.gov. Should Forno fail to execute the Settlement Agreement by
16 September 24, but execute the agreement after September 24, the Costs shall increase to \$10,000.00
17 and shall be due prior to or concurrent with the execution of the Settlement Agreement.

18 6. Transfer of Hacienda's License. The Commissioner acknowledges that he is ready to
19 approve the pending change of ownership application submitted by Hacienda on or about October
20 14, 2020 and that he will approve the application concurrently with the execution of this Settlement
21 Agreement.

22 7. Full and Final Resolution. The parties hereby acknowledge and agree that this
23 Settlement Agreement is intended to constitute a full, final, and complete resolution of the
24 accusation and that no further proceedings or actions will be brought by the Commissioner in
25 connection with the accusation, either under the Escrow Law or any other provision of law,
26 excepting any proceeding to enforce compliance with the terms of this Settlement Agreement.

27 8. Information Willfully Withheld. This Settlement Agreement may be revoked, and
28 the Commissioner may pursue any and all remedies available under law against Forno if the

1 Commissioner discovers that Forno knowingly or willfully withheld or misrepresented information
2 used for and relied upon in this Settlement Agreement.

3 9. Future Actions by Commissioner. If Forno fails to comply with the terms of this
4 Settlement Agreement, the Commissioner may institute proceedings for any and all violations
5 otherwise resolved under this Settlement Agreement. The Commissioner reserves the right to bring
6 any future actions against Forno, or any of his partners, owners, employers, employees, or
7 successors for any and all unknown violations of the Escrow Law.

8 10. Assisting Other Agencies. Nothing in this Settlement Agreement limits the
9 Commissioner's ability to assist any other government agency (city, county, state, or federal) with
10 any prosecution, administrative, civil, or criminal action brought by that agency against Forno or
11 any other person based on any of the activities alleged in this matter or otherwise.

12 11. No Presumption Against Drafter. Each party acknowledges that they have had the
13 opportunity to draft, review, and edit the language of this Settlement Agreement. Accordingly, the
14 parties intend no presumption for or against the drafting party will apply in construing any part of
15 this Settlement Agreement. The parties waive the benefit of Civil Code section 1654 and any
16 successor or amended statute, providing that in cases of uncertainty, language of a contract should
17 be interpreted most strongly against the party that caused the uncertainty to exist.

18 12. Independent Legal Advice. Each of the parties represents, warrants, and agrees that
19 they have received independent advice from their attorney(s) or representative(s) with respect to the
20 advisability of executing this Settlement Agreement.

21 13. Headings and Governing Law. The headings to the paragraphs of this Settlement
22 Agreement are inserted for convenience only and will not be deemed a part hereof or affect the
23 construction or interpretation of the provisions hereof.

24 14. Binding. This Settlement Agreement is binding on all heirs, assigns, or successors in
25 interest.

26 15. Reliance. Each of the parties represents, warrants, and agrees that in executing this
27 Settlement Agreement, he or she has relied solely on the statements set forth herein and the advice
28 of their own legal counsel. Each of the parties further represents, warrants, and agrees that in

1 executing this Settlement Agreement they have placed no reliance on any statement, representation,
2 or promise of any other party, or any other person or entity not expressly set forth herein, or upon
3 the failure of any party or any other person or entity to make any statement, representation, or
4 disclosure of anything whatsoever. The parties have included this clause: (1) to preclude any claim
5 that any party was in any way fraudulently induced to execute this Settlement Agreement; and (2) to
6 preclude the introduction of parol evidence to vary, interpret, supplement, or contradict the terms of
7 this Settlement Agreement.

8 16. Waiver, Amendments, and Modifications. No waiver, amendment, or modification of
9 this Settlement Agreement will be valid or binding unless it is in writing and signed by each of the
10 parties. The waiver of any provision of this Settlement Agreement will not be deemed a waiver of
11 any other provision. No waiver by either party of any breach of, or of compliance with, any condition
12 or provision of this Settlement Agreement by the other party will be considered a waiver of any other
13 condition or provision or of the same condition or provision at another time.

14 17. Full Integration. This Settlement Agreement is the final written expression and the
15 complete and exclusive statement of all the agreements, conditions, promises, representations, and
16 covenants between the parties with respect to the subject matter hereof, and supersedes all prior or
17 contemporaneous agreements, negotiations, representations, understandings, and discussions between
18 and among the parties, their respective representatives, and any other person or entity, with respect to
19 the subject matter covered hereby.

20 18. Governing Law. This Settlement Agreement will be governed by and construed in
21 accordance with California law. Each of the parties hereto consents to the jurisdiction of such court
22 and thereby irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient
23 forum to the maintenance of such action or proceeding in such court.

24 19. Counterparts. This Settlement Agreement may be executed in one or more separate
25 counterparts, each of which when so executed, shall be deemed an original. Such counterparts shall
26 together constitute a single document.

27 20. Effect Upon Future Proceedings. If Forno applies for any license, permit or
28 qualification under the Commissioner’s current jurisdiction, or is the subject of any future action by

1 the Commissioner to enforce this Settlement Agreement, then the subject matter hereof shall be
2 admitted for the purpose of such application(s) or enforcement proceeding(s).

3 21. Voluntary Agreement. Forno hereby enters into this Settlement Agreement voluntarily
4 and without coercion and acknowledges that no promises, threats, or assurances have been made by
5 the Commissioner or any officer, or agent thereof, about this Settlement Agreement. The parties each
6 represent and acknowledge that he or she is executing this Settlement Agreement completely
7 voluntarily and without any duress or undue influence of anything from any source.

8 22. Effective Date. This Settlement Agreement shall become final and effective on once
9 signed by all parties and delivered by the Commissioner's agent via e-mail to Forno's counsel at
10 krocha@pnbd.com.

11 23. Notice. Any notices required under this Settlement Agreement shall be provided to
12 each party at the following addresses:

13 If to Forno to: Karel Rocha, Esq.
14 Prenovost, Normandin, Dawe & Rocha, A.P.C.
15 2122 N. Broadway, Suite 200
Santa Ana, California 92706

16 If to the Commissioner to: Blaine A. Noblett, Senior Counsel
17 Department of Financial Protection & Innovation
18 320 West 4th Street, Suite 750
Los Angeles, California 90013-2344

19 24. Signatures. A scanned or electronic signature shall be deemed the same as an original
20 signature.

21 25. Public Record. Forno hereby acknowledges that this Settlement Agreement is and will
22 be a matter of public record.

23 26. Authority to Execute. Each signatory hereto covenants that he or she possesses all
24 necessary capacity and authority to sign and enter into this Settlement Agreement.

25 [Signatures to follow.]
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IN WITNESS WHEREOF, the parties hereto have approved and executed this Settlement Agreement on the dates set forth opposite their respective signatures.

CHRISTOPHER S. SHULTZ
Acting Commissioner of Financial Protection and Innovation

Dated: September 23, 2021

By _____
MARY ANN SMITH
Deputy Commissioner
Enforcement Division

RONALD BRYAN FORNO

Dated: September 23, 2021

By _____
RONALD BRYAN FORNO, Respondent

Approved as to Form

By September 23, 2021
Karel Rocha, Esq.
Prenovost, Normandin, Dawe & Rocha, A.P.C.
Attorneys on behalf of
Ronald Bryan Forno