

1 STATE OF CALIFORNIA
2 BUSINESS, CONSUMER SERVICES AND HOUSING AGENCY
3 DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION

4 To: Eco Renovation Group
5 4095 E. La Palma Avenue, Suite C
6 Anaheim, California 92807

7 DESIST AND REFRAIN ORDER
8 (For violations of Financial Code sections 22161, 22690)

9 The Commissioner of Financial Protection and Innovation (Commissioner) finds that:

10 1. Property Assessed Clean Energy (PACE) is a financing product where homeowners
11 finance certain clean energy projects to their property such as solar panels, water heaters and
12 windows. Homeowners enter into assessment contracts¹ with public agencies for voluntary
13 contractual assessments imposed on the real property. Payment for the PACE financing is added
14 onto the homeowner’s property tax as a special assessment, to be paid twice over a one year span,
15 and the financing entity obtains a lien on the property. If the homeowner does not pay the special
16 assessment, the financing entity can enforce the lien, including through foreclosure.

17 2. Pursuant to Financial Code sections 22100.5² and 22150, the Commissioner licenses
18 and regulates PACE program administrators in the State of California. A “program administrator”
19 means a person administrating a PACE program on behalf of, and with the written consent of a
20 public agency. (Section 22018.) A PACE solicitor is a person authorized by a program administrator
21 to solicit a property owner to enter into an assessment contract. (Section 22017.) A “PACE solicitor
22 agent” means an individual who is employed or retained by, and acts on behalf of, a PACE solicitor
23 to solicit a property owner to enter into an assessment contract. (Section 22017.) (A PACE solicitor
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25 _____
26 ¹ Finance Code section 22003.5 defines the “Assessment contract” to mean “an agreement entered into between all
27 property owners of record on real property and a public agency in which, for voluntary contractual assessments imposed
28 on the real property, the public agency provides a PACE assessment for the installation of one or more efficiency
improvements on the real property in accordance with a PACE program.

² All further statutory references will be to the California Financial Code, unless otherwise indicated.

1 agent acting on behalf of Eco Renovation Group will be referred to as “Eco Renovation solicitor
2 agent” or “solicitor agent for Eco Renovation”)

3 3. At all relevant times, Eco Renovation Group (Eco Renovation) is and was a
4 construction contractor licensed in California with the California Contractor’s State License Board,
5 license number 1048865 holding a B-1 (General Building Contractor with a business address of
6 4095 E. La Palma Avenue, Suite C, Anaheim, California, 92807. At all relevant times, Jeremy
7 Herget was the Responsible Managing Officer (RMO) of Eco Renovation.

8 Investigation of Assessment Contracts of PA

9 4. On May 30, 2019, Eco Renovation entered into contract with one such PACE
10 program administrator (PA) to act as a PACE solicitor and to perform work on behalf of that
11 particular PACE Administrator³. PA enrolled Eco Renovation as a solicitor on June 11, 2019 and
12 disenrolled it on August 25, 2020.

13 5. PA enrolled Jeremy Herget as a solicitor agent for Eco Renovation on June 11, 2019
14 and disenrolled him as a solicitor agent on August 25, 2020. PA enrolled Soulie Elkarake as a
15 solicitor agent for Eco Renovation on July 9, 2019 and disenrolled him as a solicitor agent on March
16 5, 2021. PA enrolled and disenrolled other Eco Renovation employees/agents as solicitor agents for
17 Eco Renovation on other dates.

18 6. In review of the PA’s complaint files, Department of Financial Protection and
19 Innovation (DFPI) learned that the PA received a complaint relating to contract entered on
20 November 29, 2019 between a homeowner and the PA where Eco Renovation served as the PACE
21 solicitor. The complaint involve conduct that occurred in Los Angeles County.

22 8. In the complaint examined, the homeowner alleges that he had never any contact with
23 Eco Renovation. The homeowner alleges that he had contact with another construction company by
24 the name of SunCosmic Builders, whose salesperson was Soulie Elkarake. Soulie Elkarake is listed
25 as a solicitor agent for both SunCosmic Builders and Eco Renovation. Jeremy Herget is listed as the
26 RMO or owner of both SunCosmic Builders and Eco Renovation. The homeowner denies that the
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28 ³ The Program Administrator (PA) is not a party to this order, and thus is not identified by name.

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13. Section 22161 provides in pertinent part:

(a) A person subject to this division shall not do any of the following:

- (2) Make a materially false or misleading statement or representation to a property owner about the terms or conditions of an assessment contract. . . .
- (7) Commit an act that constitutes fraud or dishonest dealings.

14. The Report Letter requested Eco Renovation and its solicitor agents cease violating section 22161, by not:

- a. Creating emails and/or telephone numbers on the assessment contract that are not the homeowners.
- b. Representing that they were the homeowners on “welcome calls” and/or “completion calls” with PACE administrators.
- c. Creating and submitting false documents to PACE administrators.

Eco Renovation’s Response To Report Letter

15. Eco Renovation did not respond to the Report Letter.

Eco Renovation Committed Fraud Through Its Solicitor Agent

16. The allegations contained in the homeowner complaint are serious and alarming. It appears that Eco Renovation through its employees/solicitor agents solicited PACE financing through identity fraud as telephone numbers and email addresses were used that were not the homeowner’s. Therefore, DFPI concludes Eco Renovation through its solicitor agents or employees fraudulently e-signed the homeowner’s PACE assessment contract.

17. Additionally, it appears that the voices on recorded “welcome calls” and or “completion calls” were not the homeowner’s. Therefore, DFPI concludes that Eco Renovation solicitors or employees fraudulently impersonated the homeowner on these calls.

18. Moreover, it appears that homeowner’s the payroll stub Eco Renovation submitted along with the financing package was fraudulent. The homeowner alleges that he never worked at the business noted on the payroll stub and his vocation is a different vocation that that is implied on by payroll stub (a landscaping company).

19. It is the opinion of the Commissioner that Eco Renovation fraudulent practices in soliciting PACE financing is injurious and unsafe to the public.

