

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

4 To: Perez Electric  
5 646 Walnut Avenue  
6 Holtville, CA 92256

7 **DESIST AND REFRAIN ORDER**  
8 **(For violations of Financial Code sections 22161 and 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 contracts with public agencies for voluntary  
13 contractual assessments imposed on the real property.<sup>1</sup> 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 22100.5 and 22150, the Commissioner licenses  
18 and regulates PACE program administrators in the State of California.<sup>2</sup>

19 3. Under Financial Code section 22018, a “program administrator” means a person  
20 administering a PACE program on behalf of, and with the written consent of a public agency.

21 4. Under Financial Code section 22017, a PACE solicitor is a person authorized by a  
22 program administrator to solicit a property owner to enter into an assessment contract. A “PACE  
23 solicitor agent” means an individual who is employed or retained by, and acts on behalf of, a PACE  
24 solicitor to solicit a property owner to enter into an assessment contract.

25 \_\_\_\_\_  
26 <sup>1</sup> 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....”

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

1           5.       At all relevant times, Perez Electric is and was a construction contractor licensed in  
2 California with the California Contractors State License Board, license number 916585, holding a  
3 C10 (Electrical) classification with a business address of 646 Walnut Avenue, Holtville, California,  
4 92256.

5           6.       At all relevant times, Arturo Perez was the sole owner of Perez Electric.

6                           **Investigation of Assessment Contracts of Program Administrator**

7           7.       At all relevant times, Perez Electric contracted with a PACE program administrator,  
8 Renovate America, Inc. (hereafter, “Renovate” or the “Program Administrator”) to act as a PACE  
9 solicitor and to perform work on behalf of that particular administrator. Renovate enrolled Perez  
10 Electric as a solicitor on September 11, 2019 and disenrolled it at least by September 8, 2020.

11           8.       Through examination of the Program Administrator’s records, the Commissioner  
12 learned that Renovate received at least one complaint relating to a contract entered in San Diego  
13 County where Perez Electric served as the solicitor for the PACE assessment contract. The base  
14 amount for the PACE assessment was \$14,400 to pay for attic insulation, light controls, and an attic  
15 fan. The Completion Certificate, which verifies that the project is complete, satisfactory, and that  
16 the contractor can be paid, is signed by Arturo Perez and one of the homeowners on September 23,  
17 2019.

18           9.       The Commissioner’s investigation further disclosed that the homeowners deny that  
19 the email address and telephone number on the PACE financing contract belong to them. The  
20 homeowners deny signing any PACE financing contract solicited by Perez Electric or with any other  
21 solicitor or company. One of the homeowners denies that he signed the Completion Certificate  
22 although a signature purporting to be his appears on the Completion Certificate. The homeowners  
23 are aware that their home was encumbered with a lien because of the PACE financing contract. The  
24 homeowners deny that any work was done or any products installed.

25           10.      Based on the foregoing facts, it appears that Arturo Perez and/or others acting on  
26 behalf of Perez Electric created an email address and phone number in order to have the financing  
27 documents routed to them rather than the homeowners. The homeowners also deny that they signed  
28 or knowingly signed the financing documents that were returned to Renovate. Additionally, the

1 homeowners allege that the voices on the recorded “welcome call” and/or “completion call” with  
2 Renovate are not their voices.

3 **Commissioner Issues Report to Perez Electric**

4 11. On December 29, 2021, the Commissioner issued a letter to Perez Electric regarding  
5 the findings of the examination of the Program Administrator’s records (Report Letter). The  
6 Commissioner determined that with regard to the PACE assessment contracts entered into between  
7 the homeowner and the Program Administrator, it appeared that Perez Electric, through its  
8 employees or agents violated section 22161 by perpetrating identity fraud.

9 12. Section 22161, subdivisions (a)(2) and (a)(7), provides in pertinent part:

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

11 (2) Make a materially false or misleading statement or representation to a property  
12 owner about the terms or conditions of an assessment contract. . . .

13 ...

14 (7) Commit an act that constitutes fraud or dishonest dealings.

15 13. The Commissioner’s Report Letter demanded that Perez Electric and its solicitor  
16 agents cease violating section 22161 by not:

- 17 a. Misrepresenting that emails and/or telephone numbers on the assessment contract  
18 belonged to homeowners.
- 19 b. Falsely representing that they were the homeowners on “welcome calls” and/or  
20 “completion calls” with PACE program administrators.
- 21 c. Creating and submitting false documents to PACE program administrators.

22 **Perez Electric’s Response to the Commissioner’s Report**

23 14. Arturo Perez of Perez Electric timely responded to the Report Letter. Arturo Perez  
24 maintained that he did not work on, was not paid for any work, and was not involved in any alleged  
25 fraudulent activity for the project identified. However, Perez Electric’s own bank records confirm  
26 that Renovate did pay Perez Electric for the job identified as the monthly bank statements show the  
27 electronic funds transfer from Renovate for the job. Further, the bank records show that Arturo  
28 Perez was the person who opened the account, maintained the account, and was the sole individual

1 who wrote checks from that account. Despite Arturo Perez’s denials, the bank records confirm that  
2 Perez Electric was paid for the work on the identified project.

3 **Perez Electric Committed Fraud**

4 15. The findings of the Commissioner’s investigation are serious and alarming. The  
5 Commissioner concludes that Perez Electric, through its employees/solicitor agents, solicited PACE  
6 financing by means of fraud using a telephone number and email address that did not belong to the  
7 homeowners and fraudulently signed a PACE assessment contract.

8 16. Additionally, the Commissioner concludes that Perez Electric, through its solicitors or  
9 employees, fraudulently impersonated one of the homeowners on recorded “welcome calls” and/or  
10 “completion calls.”

11 17. The Commissioner is of the opinion that Perez Electric’s fraudulent practices in  
12 soliciting PACE financing are injurious and unsafe to the public.

13 18. On March 9, 2022, the Commissioner issued a demand to Perez Electric to  
14 discontinue violating section 22161 and to discontinue engaging in the business of soliciting  
15 property owners to enter into assessment contracts related to all program administrators.

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**Order to Desist and Refrain**

Based on the foregoing, the Commissioner is of the opinion that Perez Electric has violated Financial Code section 22161 by making fraudulent statements and/or making material misrepresentations about the PACE program. Pursuant to Financial Code section 22690, subdivision (c)(2)(B), Perez Electric is ordered to desist and refrain from the engaging in the business of a PACE Solicitor.

Pursuant to Financial Code section 22690, subdivision (c)(2)(B)(i), this Order is effective immediately as it addresses unsafe or injurious behavior by Perez Electric.

This Order is necessary, in the public interest, for the protection of consumers and consistent with the purposes, policies, and provisions of the California Financing Law.

Dated: March 25, 2022  
San Francisco, CA

CLOTHILDE V. HEWLETT  
Commissioner of Financial Protection and Innovation

By \_\_\_\_\_  
Mary Ann Smith  
Deputy Commissioner  
Enforcement Division