



Monthly Bulletin

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Governor Brown Issues Executive Order to Redouble State Drought Actions

On April 25, 2014, Governor Edmund G. Brown Jr. issued an executive order to strengthen the state's ability to manage water and habitat effectively in drought conditions and called on all Californians to redouble their efforts to conserve water.

"The driest months are still to come in California and extreme drought conditions will get worse," said Governor Brown. "This order cuts red tape to help get water to farmers more quickly, ensure communities have safe drinking water, protect vulnerable species and prepare for an extreme fire season. I call on every city, every community, every Californian to conserve water in every way possible."

To respond to the increased threat of wildfire season, the order streamlines contracting rules for the Governor's Office of Emergency Services and CALFIRE for equipment purchases and enables landowners to quickly clear brush and dead, dying or diseased trees that increase fire danger.

The order also calls on Californians and California businesses to take specific actions to avoid wasting water, including limiting lawn watering and car washing; recommends that schools, parks and golf courses limit the use of potable water for irrigation; and asks that hotels and restaurants give customers options to conserve water by only serving water upon request and other measures. The order also prevents homeowner associations from fining residents that limit their lawn watering and take other conservation measures.

The order provides a limited waiver of the California Environmental Quality Act for several actions that will limit harm from the drought. This waiver will enable these urgently needed actions to take place quickly and will remain in place through the end of 2014.

Governor Brown has called on all Californians to reduce their water use by 20 percent – visit www.SaveOurH2O.org to find out how everyone can do their part, and visit www.Drought.CA.Gov to learn more about how California is dealing with the effects of the drought.

1515 K Street, Suite 200
Sacramento, CA 95814-4052
(916) 445-7205

One Sansome Street, Suite 600
San Francisco, CA 94104-4428
(415) 972-8565

320 West 4th Street, Suite 750
Los Angeles, CA 90013-2344
(213) 576-7500

1350 Front Street, Room 2034
San Diego, CA 92101-3697
(619) 525-4233

45 Fremont Street, Suite 1700
San Francisco, CA 94105
(415) 263-8500

300 S. Spring Street, Suite 15513
Los Angeles, CA 90013
(213) 897-2085

7575 Metropolitan Drive, Suite 108
San Diego, CA 92108
(619) 682-7227

Material Security Vulnerability in OpenSSL

On April 7, 2014, security researchers reported a material security vulnerability in the heartbeat function of the Open Secure Socket Layer (“OpenSSL”) cryptographic library, which has been referred to in the media as “Heartbleed”. OpenSSL is a popular open-source code library that is used to encrypt Internet-facing services such as web pages, email servers, virtual private networks (VPNs), instant messaging and other applications.

This flaw allows attackers to access a computer system’s private cryptographic keys and enables them to decrypt, spoof or perform man-in-the-middle attacks on network communications.

A patched version of OpenSSL, version 1.0.1g has been released. Financial institutions should ensure that they and their third-party vendors are aware of this issue and have taken necessary measures to protect against it. Vulnerable systems should be identified and upgraded. Risk mitigation steps should be monitored and tested.

Reminder –Licensees on Responding to DBO Emails

This is a friendly reminder to all Licensees that important information will be communicated to you via your designated e-mail. Licensees were asked to establish an e-mail account (designated e-mail) for communications with the Department. In November 2013, Commissioner Owen issued the Order on Electronic Communications directing licensees to designate a single standard email address for Department communications. The Order requires that the email account be monitored daily by members of the licensee executive staff to ensure prompt attention is paid to electronic communications from the Commissioner and the DBO.

The DBO sends vital and time sensitive information that may require timely response, such as consumer complaint, bulletins, and surveys. Licensees are expected to respond to information requests in the format and within the timeframe specified in the email.

Changes for Former DOC Licensees in DBO Consumer Complaint Process

In March 2014, the DBO's Consumer Services Office implemented changes to its consumer complaint process that will change the way some licensees are used to handling consumer complaint correspondence. These changes will result in more efficient communications regarding consumer complaints filed with the DBO and improved service to consumers. Licensees need to be prepared to respond to consumer complaints in accordance with the following process changes:

- Licensees will receive consumer complaint information and directions on how to respond via email. Emails will be directed to the licensees’ “designated” email that has previously been provided by each licensee for communication with DBO.
- Licensees are expected to respond to consumer complaints within the timeframe specified.
- Responses must be on company letterhead (as an attachment).
- Responses must be e-mailed to the DBO and to the consumer (for Division of Corporation’s licensees).

Additional information regarding the online registration of a designated email address can be found on the [DBO website](#).

Note: Mortgage Loan Originators licensed by the DBO will have the email they register with NMLS automatically designated for communications with the Department.

State Controller's Office

2014 Spring Quarterly Newsletter

The Department of Business Oversight (DBO) is recirculating the following message, which was received from the State Controller's Office (SCO), as it is of interest to all holders of unclaimed property:

Dear Holders,

We invite you to read the 2014 Spring Newsletter regarding the California Unclaimed Property Program. The newsletter includes articles on the following topics:

- Submitting the Holder Remit Report
- Performing Due Diligence for the 2014 Report Year
- Holder Warning: Ensure You are Communicating with the Correct Property Owner
- Introducing the Unclaimed Property Events Webpage
- Questions Regarding Securities
- Sending Funds Electronically with the Holder Remit Report

The newsletter can be found at http://www.sco.ca.gov/Files-UPD/upd_2014_spring_newsletter.pdf. If you have any questions, please contact the Unclaimed Property Reporting Unit at (916) 464-6284 or ucpreporting@sco.ca.gov. You may also contact the Holder Outreach and Compliance Unit at (916) 464-6088 or updholderoutreach@sco.ca.gov.

Thank you,

Holder Outreach and Compliance Unit

Commercial Bank Activity

Merger

American Security Bank, Newport Beach, to merge with and into Citizens Business Bank, Ontario
Approved: 4/21/14

CapitalSource Bank, Los Angeles, to merge with and into Pacific Western Bank, Los Angeles
Effected: 4/7/14

Merger (Continued)

Community Bank of San Joaquin, Stockton, to merge with and into Bay Commercial Bank, Walnut Creek

Approved: 4/22/14

Effected: 4/25/14

Mission Oaks National Bank, Temecula, to merge with and into AltaPacific Bank, Santa Rosa

Approved: 4/22/14

Conversion to State Charter

One PacificCoast Bank, FSB, to convert to a state-chartered bank under the name One PacificCoast Bank

Filed: 4/15/14

Purchase of Partial Business Unit

Cathay Bank, Los Angeles, to acquire the San Francisco branch of Gateway Bank, Oakland

Filed: 4/2/14

Approved: 4/4/14

Credit Union Activity

Merger

Golden West Cities Federal Credit Union, Garden Grove, to merge with and into Credit Union of Southern California, Brea

Approved: 4/1/14

Effected: 4/1/14

South Western Federal Credit Union, La Habra, to merge with and into Credit Union of Southern California, Brea

Filed: 3/10/14

Change of Name

Southern California Postal Credit Union, to change its name to PostCity Financial Credit Union

Approved: 4/1/14

Premium Finance Company Activity

New Premium Finance Company

Delta Premium Financing, Inc.
660 Newport Center Drive, Newport Beach, Orange County
Opened: 4/15/14

Foreign (Other Nation) Bank Activity

New Office Application

Bank Hapoalim B.M.
City of Beverly Hills, Los Angeles County (Representative Office)
Filed: 4/25/14

Natixis
City and County of Los Angeles (Representative Office)
Approved: 4/14/14

Money Transmitter Activity

New Transmitter

Blackhawk Network California, Inc.
Filed: 10/17/13
Approved: 2/28/14
License Issued: 4/23/14

PayNearMe MT, Inc.
License issued: 4/7/14

ZenPay, Inc.
Filed: 4/2/14

Erratum

The March 2014 Monthly Bulletin incorrectly reported that LBC Express USA Inc. applied to acquire control of LBC Mundial Corporation on March 4, 2014. The item should read:

LBC Express Inc. a Philippine based company applied to to acquire control of LBC Holdings USA Corporation
Filed: 3/4/14

JAN LYNN OWEN
Commissioner of Business Oversight

Bulletin for Month ended April 2014, issued pursuant to Financial Code section 376



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