

Monthly Bulletin

California Department of Business Oversight



Volume 3, Number 4

November 2015

IN MEMORIAM

BRUCE PRENTICE:

Oct. 1, 1965 - Oct. 30, 2015

The DBO family has lost friend and colleague Bruce Prentice, who died Oct. 30 from complications following surgery. Bruce was a Senior Financial Institution Examiner for the Money Transmitter Division in the Los Angeles office. He joined the DBO in March of 2009 and received the Commissioner's Award for excellence on the job in 2013.

Bruce was born on Oct. 1, 1965, in Baltimore, Maryland. He graduated from Poway High School in San Diego and earned a bachelor's degree in business and economics from UC Riverside. He enjoyed reading, golfing and attending Jimmy Buffett concerts. Bruce is survived by his wife, Patricia; sons Ryan and Thomas; mother, Helen; sister, Karen; twin sister Katherine; and niece, Cristy.



Lisa Crowe Appointed Chief Deputy Commissioner for DBO

Lisa Crowe took over as the DBO's new chief deputy commissioner on Nov. 2. The Governor appointed her to the post on Oct. 19. Lisa replaces David O'Toole, who left the DBO earlier this year to take a position at the Department of Housing and Community Development.

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Lisa served as chief of the Payroll and Personnel Services Division at the California State Controller's Office from 2010 until she joined the DBO team. From 2007-2010, she worked in several positions at the California Franchise Tax Board (FTB), eventually rising to head the FTB's Administrative Services Division. Lisa is a certified public accountant and earned a master's degree in taxation from California State University, Hayward.



Mona Elsheikh Appointed CDDTL Special Administrator

Mona Elsheikh has been promoted to DBO special administrator for the California Deferred Deposit Transaction Law (CDDTL). Previously, Mona was the Supervising Examiner over the Escrow Law regulatory examination program. In her new job, she will be responsible for both the CDDTL licensing and examination programs. Questions regarding the CDDTL program can be directed to Mona at (213) 576-7517, or mona.elsheikh@dbo.ca.gov.



CRMLA Company and Branch License Renewal Requirements

All entities that wish to renew their licenses under the California Residential Mortgage Lending Act must submit a renewal request through the Nationwide Mortgage Licensing System and Registry (NMLS) no later than Dec. 31.

The NMLS Streamlined Renewal Process allows licensees to conveniently manage the renewal of their company, branch, and sponsored mortgage loan originator licenses through their firm's NMLS account.

Licensees should review the license items set on NMLS records and complete all requirements as soon as possible. Renewal requires payment of the NMLS renewal fee of \$100 for companies and \$20 for branches. There are no renewal fees paid to the DBO through NMLS. The DBO's annual assessments are invoiced separately. Renewal questions to DBO should be directed to CRMLA.Inquiries@dbo.ca.gov.



Mortgage Loan Originator License Renewals

Licensed mortgage loan originators (MLOs) must request renewal of their licenses no later than Dec. 31. New DBO regulations for MLOs took effect Aug. 19. A copy of the approved regulations can be found [here](#).

All MLOs must complete eight hours of NMLS-approved continuing education for 2015 in order to request reinstatement for 2016, unless pre-licensure education was completed in 2015. The MLO annual renewal fee is \$300, payable to the DBO through the NMLS. The NMLS annual renewal fee is \$30, payable to NMLS.

Additional resources to assist in the license renewal process are available on the [NMLS Resource Center](#). Status of renewal requests may be checked by reviewing the Composite View tab in the NMLS system or at <http://www.nmlsconsumeraccess.org/>. Additionally, renewal questions to DBO should be directed to NMLS_Inquiries@dbo.ca.gov.



SEC Adopts New Crowdfunding Regulations

The U.S. Securities and Exchange Commission (SEC) on Oct. 30 adopted final [rules](#) to permit business owners to offer and sell securities through crowdfunding transactions that raise a maximum aggregate amount of \$1 million in a 12-month period. Title III of the JOBS Act, enacted on April 5, 2012, created for qualified crowdfunding offerings an exemption from the federal requirement that securities be registered.

The new rules require companies to disclose financial statements and describe how they plan to use the proceeds. However, some first-time issuers and those seeking less than \$500,000 are exempt from having to provide audited financial statements.

The offerings can be made only through brokerage firms or Internet funding portals that must be registered with the SEC. Internet portals also will be required to implement security measures to protect against fraud.

The rules will not generally apply to popular existing sites such as *Kickstarter* and *Indiegogo*, where people contribute money to projects without the expectation of earning a profit or getting repaid.

Crowdfunding is intended to expand opportunities to raise equity capital beyond investors with traditional accredited investor status (income and net worth minimums). Individual investors will be barred from investing more than \$100,000 in crowdfunding over a 12-month period, and there are further limits imposed on investors with less income.

The SEC is seeking public comment on the proposed rules for a 60-day period following their publication in the Federal Register. Rules (and related forms) will become effective 180 days following publication in the Federal Register.



FFIEC Alerts Financial Institutions to Cyberattacks Involving Extortion

The Federal Financial Institutions Examination Council (FFIEC) on Nov. 2 issued a [statement](#) alerting financial institutions to the increasing frequency and severity of cyberattacks involving extortion.

The FFIEC [statement](#) describes steps financial institutions should take to respond to these attacks and mitigate the risks they pose. The FFIEC recommendations include:

- Conduct ongoing information security risk assessments.
- Securely configure systems and services.
- Protect against unauthorized access.
- Perform security monitoring, prevention and risk mitigation.

- Update information security awareness and training programs, as necessary, to cover cyberattacks involving extortion.
- Periodically review, update and test incident response and business continuity plans.
- Participate in industry information-sharing forums.

Financial institutions also are encouraged to notify law enforcement and their regulators of a cyberattack involving extortion.

More information about financial institution cybersecurity, including information about mitigating the effects of destructive malware and other threats, is available from the FFIEC at www.ffiec.gov/cybersecurity.htm.



Californians Meet Water Conservation Mandate for Fourth Consecutive Month

California's urban water users reduced their consumption by more than 26 percent during September, compared to the same month in 2013. The savings exceeded the Governor's 25 percent conservation mandate for a fourth straight month. Nearly all urban water suppliers in the state have complied with the conservation standards.

For June through September, the cumulative statewide savings rate was 28.1 percent, equal to 777,739 acre-feet or 253.4 billion gallons. This is 65 percent of the overall goal of saving 1.2 million acre-feet by February 2016.



With the end of summer, when water use is highest, it will be more difficult for urban water suppliers that are behind to make up ground on their cumulative savings totals. For more information, go to www.ca.gov/drought/.

Commercial Bank Activity

Merger

Mother Lode Bank, Sonora, to merge with and into Oak Valley Community Bank, Oakdale
Filed: 9/21/15
Approved: 10/19/15

Pan Pacific Bank, Fremont, to merge with and into California Bank of Commerce, Lafayette
Filed: 10/01/15

Square 1 Bank, Durham, North Carolina, to merge with and into Pacific Western Bank, Los Angeles, California
Effectuated: 10/7/15

United International Bank, Flushing, New York, to merge with and into Preferred Bank, Los Angeles, California
Approved: 10/22/15

Acquisition of Control

Allan W. Arendsee, to acquire control of Seacoast Commerce Bank
Filed: 10/13/15

Community 1st Bancorp, to acquire control of Community 1st Bank
Filed: 10/20/15

Golden State Bancorp, to acquire control of Golden State Bank
Approved: 10/7/15

Pacific Commerce Bancorp to acquire control of Pacific Commerce Bank
Approved: 10/8/15

Private Bancorp of America, Inc., to acquire control of San Diego Private Bank
Approved: 10/19/15

Premium Finance Company Activity

New Premium Finance Company

ETI of California
660 Newport Center Drive, Newport Beach, Orange County
Approved: 10/19/15

Northern Investors Company
20011 Ballinger Way NE, Shoreline, King County, Washington
Opened: 10/1/15

Pacific Crest Financing, Inc.
600 West Broadway, San Diego, San Diego County
Filed: 9/24/15

Trust Company Activity

Sale of Partial Business Unit

Capital Guardian Trust Company, to sell its Capital Group Private Client Services Division to Capital Bank and Trust Company
Approved: 10/5/15

Foreign (Other Nation) Bank Activity

Sale of Partial Business Unit

Chong Hing Bank, Limited, to sell a partial business unit to Shanghai Commercial Bank, Ltd.
Effected: 5/20/15

Foreign (Other State) Bank Activity

New Office Application

Dunham Trust Company
10251 Vista Sorrento Parkway, San Diego, San Diego County (Facility – Uninsured Trust Company)
Abandoned: 3/31/15

New Office Application (cont.)

Reliance Trust Company of Delaware
444 South Flower Street, Los Angeles, Los Angeles County (Facility – Uninsured
Trust Company)
Opened: 5/12/14

Money Transmitter Activity**New Transmitter**

JHA Money Center, Inc.
Approved: 10/19/15

WorldRemit Corp.
Approved: 10/4/15

Acquisition of Control

PayPal, Inc. to acquire control of Xoom Corporation
Approved: 10/4/15

Change of Name

Banif Acores, Inc., to change its name to Banif, Inc.
Effected: 10/27/15

JAN LYNN OWEN

Commissioner of Business Oversight

