

# Monthly Bulletin

California Department of Business Oversight



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**Volume 4, Number 3**

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## FinCEN Advisory on Email Compromise Fraud Schemes

The Financial Crimes Enforcement Network (FinCEN) recently issued an [Advisory to Financial Institutions on E-Mail Compromise Fraud Schemes](#).

The FinCEN advisory informs U.S. financial institutions of email fraud campaigns which have proliferated to become a significant threat to the financial system.

Business E-mail Compromise (BEC) and E-mail Account Compromise (EAC) schemes are among the growing cyber-enabled crime affecting financial institutions. The FBI estimates that since 2013 there have been approximately 22,000 reported cases of Email-Compromise fraud involving \$3.1 billion.

FinCEN's Strategic Policy office worked with law enforcement agencies and intelligence resources to draft this document and develop the Advisory's red flags. The Advisory is designed to raise awareness and encourage financial institutions to take appropriate measures to identify, prevent, and report this type of fraud.

If you have any questions or comments about this Advisory, please contact the FinCEN Resource Center at (800) 767-2825 (Option 9) or at [FRC@fincen.gov](mailto:FRC@fincen.gov).

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## DBO Announces Financial Services Roundtable Meetings

Commissioner of Business Oversight Jan Lynn Owen invites licensed finance lenders, payday lenders and escrow companies to attend an industry roundtable discussion at the DBO offices in

Sacramento. The meetings are intended to promote a discussion of issues of mutual interest to DBO and its licensees.

The meeting dates are:

- Nov. 8 for California Deferred Deposit Transaction Law (CDDTL) licensees
- Nov. 29 for California Finance Lenders Law (CFL) licensees
- Dec. 6 for California Escrow Law licensees

To suggest agenda items for a meeting, contact Chuck Lilly, Deputy Commissioner for Financial Services, at (213) 576-7554 or [Charles.Lilly@dbo.ca.gov](mailto:Charles.Lilly@dbo.ca.gov).

If you plan to attend, please RSVP directly to Martha Martin at (213) 576-7662 or [Martha.Martin@dbo.ca.gov](mailto:Martha.Martin@dbo.ca.gov).



## Certificate of Licensure for Money Transmitters

Some money transmitter licensees have reported difficulty maintaining or obtaining bank accounts. To help remedy this situation, the DBO has developed a Certificate of Licensure that money transmitters can

use to show bankers and others that they are licensed and regulated under the Money Transmitter Act ([Division 1.2](#) of the California Financial Code).

To obtain a Certificate of Licensure, please email the DBO Licensing Section at [licensing@dbo.ca.gov](mailto:licensing@dbo.ca.gov).

For more information, contact Patrick Carroll at (415) 263-8559.



## Local Agency Security Assessment Reminder

A reminder that depository institutions must pay their Local Agency Security assessment no later than Oct. 31. Invoices were mailed to depository institutions on Sept. 30.

Pursuant to Government Code section [53667](#), the Commissioner annually assesses all depository institutions in California in which local public agencies deposit securities. The assessments fund the DBO's administration of the laws relating to local agency securities.

The base rate for the assessment was set at 0.0027% of average local agency deposits for fiscal year 2015-16, an increase from the 0.0021% base rate in the prior fiscal year.

Questions regarding the assessment should be directed to Patrick Carroll at 415-263-8559 or [patrick.carroll@dbo.ca.gov](mailto:patrick.carroll@dbo.ca.gov).



## Bank Change Affects Electronic Funds Transfers

The California State Controller's Office (SCO) has issued advice to financial institutions regarding unclaimed property.

California Code of Civil Procedure section [1532](#) requires any payment of unclaimed cash in the amount of \$20,000 or more to be made by EFT.

Holders must make EFT cash remittances to Union Bank, N.A. (effective July 1, 2016). Notify your bank of the Controller's new account information in order to avoid returned payments and possible penalties.

Read more about this change [here](#) or contact the SCO EFT Help Desk at [UPDSCOEF@SCO.CA.GOV](mailto:UPDSCOEF@SCO.CA.GOV) or at (916) 464-6220.



## October is National Cyber Security Awareness Month

To recognize the importance of cyber security awareness, October has been designated as [National Cyber Security Awareness Month](#) (NCSAM). Now in its 13th year, NCSAM is a collaborative effort between the U.S. Department of Homeland Security (DHS) and its public and private partners, including the [National Cyber Security Alliance](#) (NCSA), to raise awareness about the importance of cyber security and individual cyber hygiene.

NCSA is promoting online safety through their **STOP. THINK. CONNECT.** campaign and other cyber security tips at [StaySafeOnline.org](#). The Federal Financial Institutions Examination Council (FFIEC) is also recognizing NCSAM with webinars and other events. FFIEC actions addressing cyber security are available at <http://www.ffiec.gov/cybersecurity.htm>.



## DBO Banking Division – Congratulations Graduates

Congratulations to Devin Bragg, Financial Institutions Manager (Sacramento), and Marvin Caballero, Senior Financial Institutions Examiner (Los Angeles).

On Sept. 2, Devin Bragg graduated from the [Pacific Coast Banking School](#) (PCBS) at the University of Washington. Devin's academic performance earned him recognition for outstanding achievement. In addition, he was named to the Honor Roll, which consists of the top ten percent of his class.

Marvin Caballero graduated from the [Graduate School of Banking](#) at the University of Colorado in Boulder (GSBC) on July 28, 2016. The 25-month program prepares the next generation of community bank leaders. Marvin attended GSBC with a three-year scholarship awarded by the CSBS Education Foundation to a select pool of 150 entries.

Devin and Marvin showed exceptional commitment in balancing the work needed to complete the three-year program with their duties here at the

DBO. Their commitment and hard work will no doubt allow them to contribute even more to the success of the DBO's mission.

## Senior Financial & Health Safety Fair



DBO Commissioner Jan Lynn Owen was a featured speaker at the annual Senior Financial and Health Safety Fair sponsored by McGeorge School of Law, Elder & Health Law Clinic in Sacramento on Oct. 1.



The Fair included presentations on financial abuse and powers of attorney. It also included "Senior Legal Check-ups" provided by McGeorge students, alumni and faculty.



## Fifth Year of Drought Declared in California

Although California lifted mandatory statewide water restrictions earlier this year, 60 percent of the state is still in a severe or extreme drought. The recently concluded water year, which is used to measure precipitation totals, was officially classified as dry across the state even though parts of Northern California experienced average to slightly above-average precipitation in the past year, according to the California Department of Water Resources.



The water year begins Oct. 1 and ends Sept. 30, because part of the precipitation accumulating as snow in late fall and winter does not melt until the following spring or summer. The end of the recent water year marks the fifth consecutive drought year for the state. For more information on the drought and conservation programs, go to [www.drought.ca.gov/](http://www.drought.ca.gov/).

## **Commercial Bank Activity**

### **New Bank**

Endeavor Bank  
401 West A Street, San Diego  
Filed: 8/12/16  
Correspondent: Maryam Hamzeh  
Carpenter & Company  
5 Park Plaza, Suite 950, Irvine, CA 92614  
Filed: 8/12/16

### **Merger**

California Republic Bank, Irvine, to merge with and into Mechanics Bank, Walnut Creek  
Approved: 9/13/16

### **Conversion to State-Chartered Bank**

Luther Burbank Savings, to convert to state-chartered bank under the same name  
Effectuated: 9/9/16

### **Acquisition of Control**

The Wasserman MVB Trust of 2016, Earle Sawyer Wasserman as trustee on behalf of The Wasserman MVB Trust of 2016 and in his individual capacity, and Louise Linda Wasserman as trustee on behalf of The Wasserman MVB Trust of 2016, to acquire control of Mission Valley Bank  
Approved: 9/13/16

## **Industrial Bank Activity**

### **Acquisition of Control**

Richard J. Green to acquire control of Rancho Santa Fe Thrift and Loan Association  
Approved: 9/29/16

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## **Premium Finance Company Activity**

### **New Premium Finance Company**

Capital Premium Funding of California, Inc.  
818 West 7<sup>th</sup> Street, Los Angeles  
Filed: 9/14/16

Partners Premium Finance Corporation  
5908 Bounty Street, San Diego  
Opened: 9/1/16

Premier Financing, Inc.  
600 West Broadway, San Diego  
Filed: 8/30/16

Reliance Premium Finance, Inc.  
2550 North Hollywood Way, Burbank  
Filed: 9/21/16

### **Voluntary Surrender of License**

Premium Financing Services, Inc.  
Effected: 9/20/16

RSA Premium Finance Company  
Effected: 8/10/16

## **Credit Union Activity**

### **Merger**

So-Val Tel Federal Credit Union, Fresno to merge with and into Educational Employees Credit Union, Fresno  
Filed: 8/26/16

## **Foreign (Other Nation) Bank Activity**

### **New Office**

BNP Paribas  
300 South Grand Avenue, Los Angeles (Representative Office)  
Approved: 9/21/16

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**Foreign (Other State) Bank Activity****New Facility**

Customers Bank  
420 27<sup>th</sup> Street, Manhattan Beach (Facility – Insured Bank)  
No Objection: 9/7/16

Southwestern National Bank  
One Park Plaza, Irvine  
No Objection: 7/5/16  
Opened: 8/1/16

**Money Transmitter Activity****New Money Transmitter**

Rakuten Card USA, Inc.  
Approved: 9/23/16

**Acquisition of Control**

TKC Holdings, Inc., to acquire control of Keefe Commissary Network, LLC  
Approved: 9/23/16

TKC Holdings, Inc. to acquire control of Swanson Services Corporation  
Filed: 8/4/16  
Approved: 9/23/16

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**JAN LYNN OWEN**

Commissioner of Business Oversight

