

# Monthly Bulletin

California Department of Business Oversight



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**Volume 5, Number 8**

**March 2018**

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## **Frank Bushnell Appointed Northern California Regional Deputy in DBO Banking Division**

Frank Bushnell has been named the Northern California regional deputy commissioner for the Department of Business Oversight's Banking program. In his new role, Frank is responsible for the overall administration and supervision of banking program licensees and examination staff in the San Francisco and Sacramento offices.

Frank joined the DBO in 1993 as a financial institutions examiner in Sacramento and was promoted to senior financial institutions examiner in 2000. In 2006, he was promoted to assistant deputy commissioner. He graduated from Fresno State University with a Bachelor of Science degree in finance and graduated with honors from the Graduate School of Banking at Colorado.



## **Student Loan Servicing License Required Starting July 1**

Businesses servicing student loans in California must obtain a license from the Department of Business Oversight by July 1, 2018.

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(916) 445-7205

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

320 West 4<sup>th</sup> 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

Department of Business Oversight Consumer Services Office – 1(866) 275-2677

California's Student Loan Servicing Act requires most entities that service student loans in California, directly or indirectly, to be licensed. ([Financial Code section 28100, et seq.](#))

Please allow for sufficient lead time for the license application to be processed and approved by the deadline. To apply, first review California's state-specific requirements and California's student loan servicing statute on the DBO's [student loan servicing page](#).

All applications must be submitted to the DBO through the [Nationwide Multistate Licensing and Registry \(NMLS\) website](#). For information about NMLS, follow the steps on the NMLS website's [Getting Started/Company](#) page. Questions relating to the NMLS should be directed to the NMLS Call Center at (855) 665-7123.

For additional assistance, please contact Assistant Deputy Commissioner Melinda Lee at 916-838-8992, or email questions to [StudentLoanServicing@dbo.ca.gov](mailto:StudentLoanServicing@dbo.ca.gov).



## CFL Annual Reports Due March 15

Annual reports for licensees engaged in business under the California Financing Law (formerly the California Finance Lenders Law) for calendar year 2017 must be submitted to the DBO no later than March 15.

Filling out and submitting the report is a web-based process that must be completed on the DBO's website via the [self-service portal](#).

Missing the March 15 filing deadline may result in penalty assessments. Failure to file an annual report constitutes grounds for license revocation. Licensees with questions should email [CFL.Inquiries@dbo.ca.gov](mailto:CFL.Inquiries@dbo.ca.gov) or call (213) 576-7690.



## 2017 CDDTL Annual Report and Industry Survey Due March 15

All California Deferred Deposit Transaction Law (CDDTL) licensees must submit to the DBO no later than March 15 a complete Annual Report and Industry Survey for calendar year 2017.

The Annual Report and Industry Survey must be completed online through the [self-service portal](#) on the DBO website. To prepare and submit the Annual Report and Industry Survey, all CDDTL licensees are required to have a registered DBO portal account.

The Annual Report and Industry Survey are required by California Financial Code sections [23026](#) and [23015](#). If you have questions about the Annual Report and Industry Survey, or need clarification on the instructions, please email [RespondToCDDTL@dbo.ca.gov](mailto:RespondToCDDTL@dbo.ca.gov).



## Equifax To Notify 2.4 Million More Consumers Affected By Hack

The credit-reporting firm Equifax announced on March 1 it will notify an additional 2.4 million U.S. consumers that they were affected by a massive data breach last year.

According to the company, the 2.4 million were among the 145.5 million people whose identities were stolen last year, but could not be identified at the time. Equifax on Sept. 7 reported a data security breach that stretched from mid-May through July 29, 2017.

Equifax initially was unable to confirm the identities of the 2.4 million customers because only partial driver's license information was taken. Equifax will notify

the additional consumers and offer free credit-monitoring and identity-protection services.

Equifax set up a [website](#) for consumers to check if their information was exposed. The Consumer Financial Protection Bureau (CFPB) has an [information page](#) about the Equifax breach and protective steps consumers can take.

The Federal Trade Commission also has a page listing [data breach resources](#) for consumers and businesses.



## Consolidation of DBO Offices in San Francisco Nearly Complete

As of Friday, March 16, the DBO office at 45 Fremont Street, San Francisco, will be consolidated into the DBO office at One Sansome Street, San Francisco.

Telephone numbers for affected DBO staff will remain unchanged.



## DBO Enters Consent Order with Woodbridge Group

The DBO on Feb. 21 announced a [consent order](#) with the Woodbridge Group of Companies. The order details a securities fraud scheme run out of Sherman Oaks.

Masterminded by Robert H. Shapiro through multiple companies he controlled, the group has been operating since 2012 and allegedly defrauded more than 1,000 Californians who each invested between \$50,000 and \$250,000. The DBO's consent order bars Shapiro and his companies from issuing securities in the state, and prohibits them from further violating California's anti-fraud statute.



## FFIEC Releases HMDA Guide

For the first time since 2013, the Federal Financial Institutions Examination Council (FFIEC) released an updated guide for reporting mandated by the [Home Mortgage Disclosure Act](#). The "[Guide to HMDA Reporting: Getting It Right!](#)" is applicable to data collected in 2018 and due for reporting March 1, 2019.

The new edition of the Guide reflects substantial changes to Regulation C made by the CFPB in October 2015, as well as technical corrections and clarifying amendments the CFPB made in August 2017.

The 2018 Guide focuses on providing summaries of which institutions must report; transactions and data points that must be reported; and the deadlines for recording, reporting and disclosing data.

More information on filing can be found on the [CFPB website](#).

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## **Commercial Bank Activity**

### **New Bank**

Infinity Bank

6 Hutton Centre Drive, Santa Ana

657-223-1000 (main number)

Officers: Bale Balakrishnan, Chief Executive Officer & President

Victor Guerrero, Executive Vice President, Chief Operating Officer & Chief Financial Officer

Kenneth Coolidge, Executive Vice President & Chief Credit Officer

Capitalization: \$33 million

Website: <http://www.goinfinitybank.com>

Opened: 2/1/18

**Merger**

Albina Community Bank, Portland, Oregon, to merge with and into Beneficial State Bank, Oakland, California

Effectuated: 2/1/18

First National Bank of Northern California, South San Francisco, to merge with and into Tri Counties Bank, Chico

Approved: 2/7/18

Premier Business Bank, Los Angeles, to merge with and into First Foundation Bank, Irvine

Filed: 1/29/18

Tri-Valley Bank, San Ramon, to merge with and into Heritage Bank of Commerce, San Jose

Filed: 2/5/18

**Conversion to State Charter**

South County Bank, N.A., to convert to state-chartered bank under the name Cal West Bank

Filed: 12/11/17

Approved: 2/27/18

**Acquisition of Control**

Nano Financial Holdings, Inc., Allegiant United Holdings, LLC, et. al. to acquire control of Commerce Bank of Temecula Valley

Filed: 2/13/18

**Sale of Partial Business Unit**

East West Bank to sell the banking business of its Desert Community Bank division to Flagstar Bank, FSB

Approved: 1/4/18

**Premium Finance Company Activity****New Premium Finance Company**

Pro Capital Finance, Inc.

660 Newport Center Drive, Newport Beach

Opened: 2/14/18

## **Foreign (Other State) Bank Application**

### **New Facility**

State Street Global Advisors Trust Company  
Stuart Tower, One Market Street, City and County of San Francisco (Facility –  
Uninsured Trust Company)  
Approved: 2/20/18

### **Facility Relocation**

Dorsey & Whitney Trust Company, LLC  
From 305 Lytton Avenue, Palo Alto, to 600 Anton Boulevard, Costa Mesa, (Facility  
– Uninsured Trust Company)  
Effectuated: 2/8/18

## **Money Transmitter Activity**

### **New Money Transmitter**

Alipay US, Inc.  
Approved: 2/5/18

Intercamp Express, Inc.  
Opened: 2/9/18

Prabu Group, Inc. dba Prabu Money Transfer  
Approved: 2/5/18

Tinplate Payments, Inc.  
Approved: 2/5/18

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**Erratum:**

The February 2018 issue of the DBO Monthly Bulletin erroneously reported that the application for Community Business Bank, West Sacramento, to merge with and into Suncrest Bank, Visalia, was filed on January 5, 2018. The application was filed on January 15, 2018.

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**JAN LYNN OWEN**

Commissioner of Business Oversight



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