

1 MARY ANN SMITH
Deputy Commissioner
2 SEAN ROONEY
Assistant Chief Counsel
3 UCHE L. ENENWALI (State Bar No. 235832)
Senior Counsel
4 Department of Business Oversight
5 320 West 4th Street, Suite 750
6 Los Angeles, California 90013-2344
7 Telephone: (213) 576-7586
Facsimile: (213) 576-7181

8 Attorneys for Complainant

9 BEFORE THE DEPARTMENT OF BUSINESS OVERSIGHT
10 OF THE STATE OF CALIFORNIA

11 In the Matter of:)
12 THE COMMISSIONER OF BUSINESS) CFL LICENSE NO. 60DBO-44859
13 OVERSIGHT,) ORDER REVOKING FINANCE LENDERS
14 Complainant,) LICENSE
15 v.)
16 CAPITAL GROUP FINANCIAL, INC.)
17 Respondent.)
18)
19)

20 The Commissioner of Business Oversight (Commissioner) finds that:

- 21 1. Capital Group Financial, Inc. (CGF) is licensed by the Commissioner as a finance
22 lender pursuant to the California Finance Lenders Law (CFLL) (Fin. Code §22000 et seq.). CGF has
23 its principal place of business located at 895 Dove Street, Suite 300, Newport Beach, California
24 92612.
- 25 2. Pursuant to Financial Code section 22104, all lenders and/or brokers licensed under
26 the CFLL are required to maintain a net worth of \$25,000.00.
- 27 3. Pursuant to Financial Code section 22159, all licensees under the CFLL are required
28 to file with the Commissioner an Annual Report that details its CFLL activities and also includes a

1 financial statement for the calendar year ended December 31. On or about May 9, 2016, CGF filed
2 its Annual Report for the calendar year 2015 with the Commissioner. The 2015 Annual Report
3 revealed that CGF had a net worth deficiency of \$25,000.00.

4 4. On or about August 9, 2016, the Commissioner made written demand on CGF to
5 submit a balance sheet for the period ended June 30, 2016 showing compliance with the net worth
6 requirements of Financial Code section 22104 on or before August 26, 2016. CGF did not submit a
7 balance sheet for the period ended June 30, 2016 as demanded.

8 5. On or about September 29, 2016, further written demand was sent to CGF to submit a
9 balance sheet for the period ended September 30, 2016 showing compliance with the net worth
10 requirements of Financial Code section 22104 on or before October 7, 2016 or the Commissioner
11 would commence revocation proceedings. CGF has yet to submit a balance sheet or any other
12 financial statement that evidences compliance with the net worth requirements of Financial Code
13 section 22104.

14 6. Financial Code section 22714 (a) provides in pertinent part:

15 (a) The commissioner shall suspend or revoke any license, upon notice
16 and reasonable opportunity to be heard, if the commissioner finds any of
17 the following:

18 (1) The licensee has failed to comply with any demand, ruling, or
19 requirement of the commissioner made pursuant to and within the
20 authority of this division.

21 (2) The licensee has violated any provision of this division or any rule or
22 regulation made by the commissioner under and within the authority of
23 this division.

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25 7. By reason of the foregoing, CGF violated Financial Code section 22159 by having a
26 net worth deficiency of \$25,000.00, and/or failing to comply with the Commissioner's demand that
27 it submit a balance sheet or any other financial statement that evidences compliance with the net
28 worth requirements of Financial Code section 22104.

8. On October 18, 2016, the Commissioner initiated an administrative action to revoke
CGF's CFL license by issuing the following against CGF: Notice of Intention to Issue Order

1 Revoking California Finance Lenders Law License; Accusation in Support of Notice of Intent to
2 Issue an Order Revoking California Finance Lenders Law License; Statement to Respondent, Notice
3 of Defense and Government Code sections 11507.5, 11507.6 and 11507.7 relating to discovery
4 (collectively, Pleadings).

5 9. On October 19, 2016, the Commissioner’s agent attempted to personally serve the
6 Pleadings on CGF’s president, Aria Maleki (Maleki), at CGF’s principal place of business located at
7 895 Dove Street, Suite 300, Newport Beach, California 92612. The receptionist at that address
8 informed the Commissioner’s agent that no representative of CGF had been seen at that address for
9 at least three years.

10 10. On November 16, 2016, the Commissioner’s agent served the Pleadings, by personal
11 delivery, on CGF’s agent for service of process, Steven Picket, president, Incorp Services Inc., at
12 5716 Corsa Avenue., Suite 110, Westlake Village California 91362.

13 Pursuant to Government Code section 11505(c), CGF had 15 days from the date of service to
14 request a hearing. To date, the Department has received no request for a hearing from CGF.

15 NOW GOOD CAUSE APPEARING THEREFORE, it is hereby ordered pursuant to
16 Financial Code section 22714 that the finance lender license issued by the Commissioner to Capital
17 Group Financial, Inc. is hereby revoked. This order is effective as of the date hereof.

18 Dated: January 17, 2017
19 Los Angeles, California

JAN LYNN OWEN
Commissioner of Business Oversight

21 By _____
22 MARYANN SMITH
23 Deputy Commissioner
24 Enforcement Division
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