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11 BEFORE THE DEPARTMENT OF BUSINESS OVERSIGHT
12 OF THE STATE OF CALIFORNIA
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14	In the Matter of:)	CFL LICENSE NO.: 60DBO-45127
15	THE COMMISSIONER OF BUSINESS)	
16	OVERSIGHT,)	CITATION PURSUANT TO FINANCIAL
17	Complainant,)	CODE SECTION 22707.5
18	v.)	
19	CEMBRUS, INC.,)	
20	Respondent.)	
21)	

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23 Jan Lynn Owen, the Commissioner of Business Oversight (Commissioner), finds the
24 following:

25 I.
26 **FACTUAL BACKGROUND**

27 1. Cembrus, Inc. is a California corporation with a principal place of business at
28 20341 SW Birch Street, Suite 310, Newport Beach, California 92660.

1 2. Cembrus, Inc. is licensed as a finance lender and broker under the California
2 Finance Lenders Law (CFL) with license number 60DBO-45127 (Cembrus).

3 3. In accordance with Financial Code section 22159, CFL licensees must file an
4 annual report with the Commissioner by March 15th of each year (Annual Report).

5 4. On March 6, 2017, the Commissioner notified CFL licensees of the March 15th
6 deadline to file their annual reports by sending notice to the email address each CFL licensee
7 established pursuant to the Commissioner’s Order on Electronic Communications, dated
8 November 22, 2013.

9 5. As of March 22, 2017, Cembrus had not filed its Annual Report with the
10 Commissioner. As a result, the Commissioner issued a notice letter to Cembrus on March 22,
11 2017, advising Cembrus that it should file its annual report by April 11, 2017 or else its license
12 would be summarily revoked pursuant to Financial Code section 22715 (Notice Letter).

13 6. As of April 11, 2017, the Commissioner had not yet received Cembrus’s Annual
14 Report. As a result, on April 19, 2017, the Commissioner issued an order pursuant to Financial
15 Code section 22715 immediately revoking the CFL license of Cembrus (Revocation Order).

16 7. Cembrus had failed to check, on a daily basis, the email address it established
17 pursuant to the Commissioner’s Order on Electronic Communications, dated November 22,
18 2013, as prescribed by the order.

19 8. Upon receiving the Revocation Order, Cembrus promptly notified the
20 Commissioner and requested a hearing on the Revocation Order. Subsequently, Cembrus took
21 steps to correct the deficiency.

22 9. In connection with these proceedings, Cembrus represented to the Commissioner
23 that it had not conducted activity under its license following issuance of the Revocation Order.

24 10. In reliance upon these facts, on June 21, 2017, the Commissioner issued an order
25 rescinding the earlier Revocation Order.

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II.
CITATION

Financial Code section 22707.5, subdivision (a), provides in relevant part:

(a) If, upon inspection, examination, or investigation, the commissioner has cause to believe that a licensee or other person is violating any provision of this division or any rule or order thereunder, the commissioner or his or her designee, may issue a citation to the licensee or person in writing, describing with particularity the basis of the citation . . . In addition, each citation may assess an administrative fine not to exceed two thousand five hundred dollars (\$2,500)

Based on the foregoing, Cembrus failed to file an annual report with the Commissioner by March 15, 2017 in violation of Financial Code section 22159. The Commissioner hereby assesses Cembrus an administrative fine of \$500.00 pursuant to Financial Code section 22707.5, subdivision (a). Cembrus is hereby ordered to pay the Commissioner an administrative fine of \$500.00 for the above citation within 30 days from the date of this citation.

Based on the foregoing, Cembrus failed to maintain its books, accounts and records in accordance with good business practice in violation of section 1426 of Title 10 of the California Code of Regulations. The Commissioner hereby assesses Cembrus an administrative fine of \$500.00 pursuant to Financial Code section 22707.5, subdivision (a). Cembrus is hereby ordered to pay the Commissioner an administrative fine of \$500.00 for the above citation within 30 days from the date of this citation.

Cembrus shall pay these fines with a cashier’s check made payable to the Department of Business Oversight for the amount of \$1,000.00 and shall submit that check to the following address within thirty (30) days from the date of this citation: ATTN: Accounting – Litigation, Department of Business Oversight, 1515 K Street, Suite 200, Sacramento, California 95814. Notice of the payment shall be sent to: Adam Wright, Senior Counsel, Department of Business Oversight, 320 W. 4th Street, Suite 750, Los Angeles, California 90013.

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Dated: June 21, 2017
Sacramento, California

JAN LYNN OWEN
Commissioner of Business Oversight

By: _____
MARY ANN SMITH
Deputy Commissioner
Enforcement Division