

1 PRESTON DUFAUCHARD
California Corporations Commission
2 WAYNE STRUMPFER
Deputy Commissioner
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Lead Corporations Counsel
4 Department of Corporations
320 West 4th Street, Ste. 750
5 Los Angeles, California 90013-2344
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6 Attorneys for Complainant

7
8 BEFORE THE DEPARTMENT OF CORPORATIONS
9 OF THE STATE OF CALIFORNIA

10 In the Matter of THE CALIFORNIA) Case No.: 100-2904
11 CORPORATIONS COMMISSIONER,)
12 Complainant,) ORDER SETTING ASIDE NOTICE OF
13 vs.) INTENTION TO ISSUE ORDER REVOKING
14) CALIFORNIA DEFERRED DEPOSIT
15 CNG FINANCIAL MANAGEMENT, INC.) TRANSACTION LAW LICENSE
16 doing business as CNG FINANCIAL)
17 MANAGEMENT, INC.)
Respondent.)

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20 The California Corporations Commissioner finds that:

21 On March 20, 2007, CNG FINANCIAL MANAGEMENT, INC. doing business as CNG
22 FINANCIAL MANAGEMENT, INC. filed a notice from American Contractors Indemnity
23 Company reinstating the surety bond that had been previously canceled.

24 THEREFORE, GOOD CAUSE APPEARING, the Notice of Intention to Issue Order
25 Revoking California Deferred Deposit Transaction License pursuant to Financial Code Section
26 23052 issued by the Commissioner to CNG FINANCIAL MANAGEMENT, INC. doing business as
27 CNG FINANCIAL MANAGEMENT, INC. on March 12, 2007 is hereby set aside effective this
28 date.

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Dated: March 21, 2007
Los Angeles, CA

PRESTON DUFAUCHARD
California Corporations Commissioner

By _____
Steven C. Thompson
Special Administrator

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California Corporations Commissioner
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8 BEFORE THE DEPARTMENT OF CORPORATIONS
9 OF THE STATE OF CALIFORNIA

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11 In the Matter of the Accusation of THE) Case No.: 100-2904
CALIFORNIA CORPORATIONS)
12 COMMISSIONER,) ACCUSATION
13)
Complainant,)
14)
15 vs.)
16 CNG FINANCIAL MANAGEMENT, INC.)
doing business as CNG FINANCIAL)
17 MANAGEMENT, INC.)
18)
Respondent.)

19
20 The Complainant is informed and believes, and based upon such information and belief,
21 alleges and charges Respondent as follows:

22 I

23 Respondent CNG Financial Management, Inc. doing business as CNG Financial
24 Management, Inc. (“CNG Financial Management”) is a deferred deposit transaction originator
25 licensed by the California Corporations Commissioner (“Commissioner”) pursuant to the California
26 Deferred Deposit Transaction Law (California Financial Code § 23000 et seq.) (“CDDTL”). CNG
27 Financial Management is licensed as a corporation that has its principal place of business located at
28 395 N. E. Street, Suite 104, San Bernardino, CA 92401.

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II

Pursuant to California Financial Code section 23013, all CDDTL licensees are required to maintain a surety bond in the minimum amount of \$25,000.00. The surety bond of CNG Financial Management expired on March 3, 2007. On or about February 2, 2007, the Commissioner notified CNG Financial Management that a replacement surety bond had to be filed immediately, but no later than the expiration date to avoid suspension or revocation of its CDDTL license.

CNG Financial Management has yet to obtain a replacement surety bond in violation of California Financial Code section 23013.

III

California Financial Code section 23013 provides in pertinent part:

A licensee shall maintain a surety bond in accordance with this subdivision in the amount of twenty-five thousand dollars (\$25,000). The bond shall be payable to the commissioner and issued by an insurer authorized to do business in this state. A copy of the bond, including any and all riders and endorsements executed subsequent to the effective date of the bond, shall be filed with the commissioner for review and approval within 10 days of execution. For licensees with multiple licensed locations, only one surety bond in the amount of twenty-five thousand dollars (\$25,000) is required. The bond shall be used for the recovery of expenses, fines, and fees levied by the commissioner in accordance with this division or for losses or damages incurred by consumers as the result of a licensee's noncompliance with the requirements of this division.

California Financial Code section 23052 provides in pertinent part:

The commissioner may suspend or revoke any license, upon notice and reasonable opportunity to be heard, if the commissioner finds any of the following:

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

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

(c) A fact or condition exists that, if it had existed at the time of the original application for the license, reasonably would have warranted the commissioner in refusing to issue the license originally.

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IV

The Commissioner finds that, by reason of the foregoing, CNG Financial Management has violated California Financial Code section 23013, and based thereon, grounds exist to revoke the deferred deposit transaction license of CNG Financial Management.

WHEREFORE, IT IS PRAYED that the deferred deposit transaction license of CNG Financial Management be revoked.

Dated: March 12, 2007
Los Angeles, California

PRESTON DuFAUCHARD
California Corporations Commissioner

By _____
Steven C. Thompson
Special Administrator