

BEFORE THE
DEPARTMENT OF CORPORATIONS
STATE OF CALIFORNIA

In the Matter of the Accusation of THE
CALIFORNIA CORPORATIONS
COMMISSIONER,

Complainant,

vs.

DREAMLIFE INVESTMENTS, INC.,
doing business as DREAMLIFE
FINANCIAL,

Respondent.

File Nos.: 607-2007; 607-2053; 607-2054;
607-2055; 607-2056; 607-2057 &
607-2061

OAH No.: L2005030188

DECISION

The attached Proposed Decision of the Administrative Law Judge is hereby adopted by the Commissioner of Corporations as its Decision in the above-entitled matter.

This Decision shall become effective 8/3/05

IT IS SO ORDERED _____ 8/3/05 _____

COMMISSIONER OF CORPORATIONS

WAYNE STRUMPFER
Acting California Corporations Commissioner

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607-2057; & 607-2061

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PROPOSED DECISION

On June 13, 2005, in Los Angeles, California, Deborah Myers-Young, Administrative Law Judge, Office of Administrative Hearings, State of California, heard this matter.

Complainant was represented by Judy L. Hartley, Senior Corporations Counsel.

There was no appearance by or on behalf of Respondent Dreamlife Investments, Inc. doing business as Dreamlife Financial, and the matter was heard as a default.

Evidence was received, the record was closed, and the matter was submitted on the hearing date.

FACTUAL FINDINGS

1. Complainant William P. Wood, in his official capacity as Commissioner of Corporations (Commissioner), issued an Accusation in Support of Notice of Intention to Issue Order Revoking Finance Lenders License (File Nos. 607-2007, 607-2053, 607-2054, 607-2055, 607-2056, 607-2057, and 607-2061) against Dreamlife Investments, Inc. doing

business as Dreamlife Financial (Respondent) on December 27, 2004. Respondent filed a Notice of Defense requesting a hearing in this matter.

2. Notice of the instant hearing was given to Respondent on March 9, 2005, and was legally sufficient pursuant to Government Code section 11509.

3. On June 29, 2004, the Commissioner issued Finance Lender and Broker License, No. 607 2007, to Respondent for its main location for Turlock, California. Respondent holds an additional six licenses issued by the Commissioner under the California Finance Lenders Law (CFLL) for other locations. At all times relevant herein, Respondent's seven licenses were in full force and effect and continue in effect in that they have not been surrendered, suspended or revoked as provided by law.

4. In its initial application, Respondent was required by the provisions of the California Financial Code to disclose all officers, directors, any person owning or controlling 10% or more of the business, and all other persons in charge of the business. Respondent's initial application for a CFLL license identified only Donald Benjamin (Benjamin) as the president, secretary, treasurer, sole shareholder, and person in charge of Respondent. Benjamin signed the application under penalty of perjury.

5. Respondent filed six short form applications for CFLL licenses for additional locations. 607-2053, 607-2054, 607-2055, 607-2056, 607-2057, and 607-2061. These applications each identified Benjamin, Angel Longoria, Gwendolyn Brown, Jose Perez, and Kimberly Classen, as the persons in charge of the respective locations. Benjamin signed the additional six applications as Chief Operating Officer of Respondent under penalty of perjury.

6. The initial application and the six short form applications submitted to the Commissioner were untrue, false and fraudulent in that they did not identify Daniloo's and Orvo's ownership and management responsibilities with Respondent. Benjamin intentionally omitted this information. Tony Daniloo had provided financial backing for Respondent and was to receive 50% of the profits. Daniloo acted as the president of Respondent. Paul Orvo was the chief executive officer of Respondent. Benjamin was locked out of the business on September 2, 2004, and was terminated by Daniloo and Orvo on October 15, 2004. Respondent had never filed any amendments to the applications to indicate that these individuals were officers, directors, or otherwise had an ownership interest in Respondent, as required by the California Financial Code.

LEGAL CONCLUSIONS

1. Cause exists to discipline Respondent's finance lender and broker licenses pursuant to California Financial Code section 22101, for failing to disclose in its initial application all officers, directors, and persons having a 10% or more financial interest, as

established by Findings 3, 4, 5 and 6.

2. Cause exists to discipline Respondent's finance lender and broker license pursuant to California Financial Code sections 22101, 22102 and California Code of Regulation, title 10, section 1422, for failing to disclose in its short form applications all officers, directors, and persons having a 10% or more financial interest, as established by Findings 3, 4, 5 and 6.

3. Cause exists to discipline Respondent's finance lender and broker license pursuant to California Financial Code section 22108 and California Code of Regulation, title 10, sections 1409 and 1422, for failing to amend its applications to indicate a change in all officers, directors, and persons having a 10% or more financial interest, as established by Findings 3, 4, 5 and 6.

4. Cause exists to discipline Respondent's finance lender and broker license pursuant to California Code of Regulation, title 10, section 1409 for failing to continually maintain a current list of all officers and directors with the Commissioner, as established by Findings 3, 4, 5 and 6.

Respondent failed to disclose that Tony Daniloo and Paul Orvo were officers, directors, and parties with greater than a 10% ownership interest in Respondent. Benjamin's omissions were intentional and were a calculated effort to deceive the Commissioner. The continued operation of Respondent Dreamlife poses a significant risk to the public.

ORDER

Finance Lender and Broker License File Numbers 607-2007, 607-2053, 607-2054, 607-2055, 607-2056, 607-2057, and 607-2061 issued to Respondent Dreamlife are hereby revoked.

Dated: July 8, 2005

DEBORAH MYERS YOUNG
Administrative Law Judge
Office of Administrative Hearings