

1 PRESTON DuFAUCHARD
2 California Corporations Commissioner
3 ALAN S. WEINGER (CA BAR NO. 86717)
4 Deputy Commissioner
5 Department of Corporations
6 320 West 4th Street, Ste. 750
7 Los Angeles, California 90013-1105
8 Attorneys for Complainant

9
10 BEFORE THE DEPARTMENT OF CORPORATIONS
11 OF THE STATE OF CALIFORNIA
12

13 In the Matter of the Accusation of) File No. 603-G696
14 THE CALIFORNIA CORPORATIONS)
15 COMMISSIONER,)
16)
17 Complainant,)
18)
19 vs.) NOTICE OF INTENTION
20) TO ISSUE ORDER
21) REVOKING CALIFORNIA
22 FRANKLIN YACHT FINANCIAL) FINANCE LENDERS LICENSE
23 CORPORATION,)
24)
25 Respondent.)
26)
27)
28)

29 Pursuant to section 22714 of the California Finance Lenders Law (California
30 Financial Code), notice is hereby given of the intention of the California Corporations
31 Commissioner to enter his Order pursuant to section 22714 of the California Finance
32 Lenders Law to revoke Respondent's finance lenders license.

33 The attached Accusation, which is incorporated by this reference, states the reasons
34 for the intended Order.

35 Unless a request for hearing, as evidenced by the mailing or delivery of the Notice of
36 Defense, is received within 15 days after the Accusation was personally served upon you or
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1 mailed to you, such Order may be entered at any time thereafter without a hearing.

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3 DATED: November 2, 2011
4 Los Angeles, California

5 PRESTON DuFAUCHARD
6 California Corporations Commissioner

7 By _____
8 PATRICIA R. SPEIGHT
9 Special Administrator
10 California Finance Lenders Law
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13 In the Matter of the Accusation of) File No. 603-G696
14 THE CALIFORNIA CORPORATIONS)
15 COMMISSIONER,)
16)
17 Complainant,)
18)
19 vs.) ACCUSATION
20)
21 FRANKLIN YACHT FINANCIAL)
22 CORPORATION,)
23)
24 Respondent.)
25)
26)
27)
28)

29 The Complainant is informed and believes, and based upon such information and
30 belief, alleges and charges Respondent as follows:

31 I

32 Respondent is a finance lender and/or broker licensed by the California Corporations
33 Commissioner ("Commissioner") pursuant to the California Finance Lenders Law
34 (California Financial Code § 22000 et seq.) ("CFL"). Respondent has its principal place of
35 business located at:

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37 2436 WEST COAST HIGHWAY
38 NEWPORT BEACH, CA 92663

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II

Pursuant to California Financial Code section 22112, all CFL licensees are required to maintain a surety bond in the minimum amount of \$25,000.00. The surety bond of respondent expired on October 28, 2011. On or about September 30, 2011, the Commissioner notified respondent that a replacement surety bond had to be filed immediately, but no later than the expiration date to avoid suspension or revocation of its CFL license.

Respondent has yet to obtain a replacement surety bond in violation of California Financial Code section 22112.

III

California Financial Code section 22112 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 losses or for damages incurred by consumers as the result of a licensee's noncompliance with the requirements of this division.

California Financial Code section 22714 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.

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

4 IV

5 The Commissioner finds that, by reason of the foregoing, Respondent has violated
6 California Financial Code section 22112, and based thereon, grounds exist to revoke the
7 California Finance Lender license of Respondent.

8 WHEREFORE, IT IS PRAYED that the California finance lender license of
9 Respondent be revoked.

10 DATED: November 2, 2011
11 Los Angeles, California

12 PRESTON DuFAUCHARD
13 California Corporations Commissioner

14 By _____
15 PATRICIA R. SPEIGHT
16 Special Administrator
17 California Finance Lenders Law
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10 In the Matter of the Accusation of) File No. 603-G696
11 The California Corporations)
Commissioner,)
12)
13 Complainant,)
14 vs.) ORDER REVOKING
15) CALIFORNIA FINANCE
FRANKLIN YACHT FINANCIAL) LENDERS LICENSE
16 CORPORATION)
17)
18 Respondent.)
19)

20 The California Corporations Commissioner finds that:

21 1. Respondent is a California finance lender licensed by the California
22 Corporations Commissioner ("Commissioner") pursuant to the California
23 Finance Lenders Law (California Financial Code § 22000 et seq.)("CFL").

24 2. Pursuant to California Financial Code section 22112, all CFL
25 licensees are required to maintain a surety bond in the minimum amount of
26 \$25,000.00. The surety bond of respondent expired on October 28, 2011. On
27 or about September 30, 2011, the Commissioner notified Respondent that a
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1 replacement surety bond had to be filed immediately, but no later than the
2 expiration date to avoid suspension or revocation of its CFL license.

3 3. Respondent has not obtained a replacement surety bond in violation
4 of California Financial Code section 22112.

5 4. Failure to maintain a surety bond is grounds under Financial Code
6 section 22714 for the revocation of a license issued under the CFL.

7 5. On November 2, 2011, the Commissioner issued a Notice of
8 Intention to Issue Order Revoking CFL license, Accusation, and
9 accompanying documents against Respondent based upon the above; and
10 respondent was served with those documents by certified mail, return receipt
11 requested. The Department has received no request for a hearing from
12 Respondent and the time to request for a hearing has expired.

13 NOW GOOD CAUSE APPEARING THEREFORE, it is hereby
14 ordered that the CFL license issued to Respondent is hereby revoked. This
15 order is effective as of the date hereof.

16 DATED: November 28, 2011
17 Los Angeles, California

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19 PRESTON DuFAUCHARD
20 California Corporations Commissioner

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23 By _____
24 PATRICIA R. SPEIGHT
25 Special Administrator
26 California Finance Lenders Law
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