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

12	In the Matter of:	)	
13	THE COMMISSIONER OF BUSINESS	)	CFL APPLICATION No.: 60DBO-69961
14	OVERSIGHT,	)	ORDER DENYING FINANCE LENDER AND
15	Complainant,	)	BROKER LICENSE APPLICATION
16	v.	)	(FINANCIAL CODE SECTION 22109)
17	HOA CREDIT CORPORATION; And	)	
18	MICHAEL TODD CHULAK,	)	
19	Respondents.	)	
20		)	

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

- 22 1. HOA Credit Corporation (HOA) is, or was, a California corporation formed on  
23 August 10, 2016, with a principal place of business located at 30343 Canwood Street, Suite 204,  
24 Agoura Hills, California 91301.
- 25 2. Michael T. Chulak (Chulak) is, or was, the chief executive officer; director; and agent  
26 for service of process for HOA.
- 27 3. On April 14, 2017, Chulak, on behalf of HOA filed an application for a lender and  
28 broker license under the CFLL with the Commissioner.

1           4. Information subsequently obtained by the Commissioner during the application  
2 process revealed that on or about September 10, 1996, the California Real Estate Commissioner for  
3 the Bureau of Real Estate, formerly the California Department of Real Estate (BRE) filed an  
4 administrative action against Chulak and pertinent corporate entities owned or controlled by Chulak  
5 alleging that Chulak: (i) acted as an unlicensed real estate broker in violation of the Real Estate Law;  
6 (ii) unlawfully comingled trust accounts with his general accounts; (iii) negligently failed to account  
7 for the expenditure of approximately \$10,761.84; (iv) engaged in dishonest dealing by failing to  
8 account for the expenditure of approximately \$10,761.84; and (v) willfully failed to provide records  
9 to BRE.

10           5. On or about June 23, 1997, Chulak and BRE executed a “Stipulation and Agreement  
11 in Settlement and Order” (1997 BRE Order) in which Chulak admitted the factual allegations in the  
12 accusation filed against him as true and correct. Pursuant to the 1997 BRE Order and based on  
13 Chulak’s violations of the law, Chulak’s license was revoked, however Chulak was granted a  
14 restricted license due to expire on February 1, 2018.

15           6. In his application for a CFL license, Chulak listed himself as the executive vice  
16 president/vice president; treasurer/chief financial officer; and director of HOA, stating that he and  
17 another individual would be in charge of the company’s business and be responsible for the conduct  
18 of the lending activity. Chulak’s application described the proposed operations as originating  
19 secured commercial loans for a minimum amount of \$30,000.00, and making “... commercial loans  
20 to incorporated homeowner associations generally from \$30,000.00 to \$150,000.00, interest only for  
21 5 years....”

22           7. Financial Code section 22109 provides, in pertinent part:

23           (a) Upon reasonable notice and opportunity to be heard, the commissioner  
24 may deny the application for a finance lender or broker license for any of  
25 the following reasons:

26           (3) The applicant or an officer, director, general partner, person  
27 responsible for the applicant's lending activities in this state, or person  
28 owning or controlling, directly or indirectly, 10 percent or more of the  
outstanding interests or equity securities of the applicant has violated any  
provision of this division or the rules thereunder or any similar regulatory  
scheme of the State of California or a foreign jurisdiction.

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8. The Commissioner finds, as evidenced by the 1997 BRE Order, that Chulak unlawfully engaged in business as a real estate broker in violation of the real estate law by among other things, (i) acting as an unlicensed real estate broker; (ii) unlawfully comingling trust accounts with his general accounts; (iii) negligently failing to account for the expenditure of approximately \$10,761.84; (iv) dishonest dealing in failing to account for the expenditure of approximately \$10,761.84; and (v) willfully failing to provide records to BRE.

9. The Commissioner further finds that Chulak is the executive vice president/vice president, treasurer/chief financial officer and director of HOA who will be responsible for HOA’s lending activities in this state. The Commissioner also finds that Chulak — an officer or person responsible for the lending activities of HOA, has violated a similar regulatory scheme of the State of California. The Commissioner, pursuant to Financial Code section 22109(a)(3), may deny HOA’s application for a finance lender license.

10. On June 8, 2017, the Commissioner issued a Statement of Issues; Notice of Intention to Issue an Order Denying HOA Credit Corporation's Application for a Finance Lender License Pursuant to Financial Code Section 22109; Statement to Respondent; Notice of Defense; and Government Code Sections 11507.5, 11507.6 and 11507.7 (collectively, the Pleadings) based on the above findings.

11. The Pleadings were personally served on Chulak on July 31, 2017. The Commissioner has received no request for a hearing and the time to request a hearing has expired.

NOW GOOD CAUSE APPEARING THEREFORE, it is hereby ordered that the finance lender and broker license application filed on April 14, 2017 by HOA Credit Corporation, is denied. This order is effective as of the date hereof.

Dated: October 4, 2017  
Los Angeles, California

JAN LYNN OWEN  
Commissioner of Business Oversight

By \_\_\_\_\_  
MARY ANN SMITH  
Deputy Commissioner  
Enforcement Division