

1 MARY ANN SMITH
Deputy Commissioner
2 SEAN ROONEY
Assistant Chief Counsel
3 UCHE L. ENENWALI (State Bar No.: 235832)
4 Senior Counsel
Department of Business Oversight
5 320 West 4th Street, Suite 750
6 Los Angeles, California 90013-2344
Telephone: (213) 576-7586
7 Facsimile: (213) 576-7181

8
9 Attorneys for Complainant

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

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

21 Complainant, the Commissioner of Business Oversight (Commissioner) is informed and
22 believes, and based upon such information and belief, alleges and charges Respondents as follows:

23 **I.**

24 **Introduction**

25 1. HOA Credit Corporation (HOA) is, or was, a California corporation formed on
26 August 10, 2016, with a principal place of business located at 30343 Canwood Street, Suite 204,
27 Agoura Hills California 91301.
28

1 violations of the law, "...all licensees and license rights" of Chulak are revoked provided however
2 that a restricted license shall be issued to Chulak if he timely applied for a restricted license. BRE's
3 records show Chulak currently holds a restricted real estate broker license that is due to expire on
4 February 1, 2018.

5 **B. Chulak's efforts to obtain a CFL license from the Commissioner**

6 9. On April 10, 2017, Chulak applied for a finance lender or broker license with the
7 Commissioner on behalf of HOA. In his application, Chulak listed himself as the executive vice
8 president/vice president; treasurer/chief financial officer; and director of HOA, stating that he and
9 another individual would be in charge of the company's business and be responsible for the conduct
10 of the lending activity. Chulak's application indicates the proposed operations would be originating
11 secured commercial loans for a minimum amount of \$30,000.00. Chulak's application further states
12 HOA plans to "... make commercial loans to incorporated homeowner associations generally
13 \$30,000.00 to \$150,000.00, interest only for 5 years...."

14 **III.**

15 **Applicable Law**

16 10. Section 22109 provides, in pertinent part:

17 22109. (a) Upon reasonable notice and opportunity to be heard, the
18 commissioner may deny the application for a finance lender or broker
19 license for any of the following reasons:

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

26 11. As evidenced by the 1997 BRE Order, Chulak unlawfully engaged in business as a
27 real estate broker in violation of the real estate law by among other things, (i) acting as an unlicensed
28 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. Chulak is the executive vice president/vice president,

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

treasurer/chief financial officer and director of HOA who will be responsible for HOA’s lending activities in this state. Therefore, HOA’s officer has violated a similar regulatory scheme.

IV.

Conclusion

By reason of the foregoing, the Commissioner 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.

WHEREFORE, the Commissioner prays that pursuant to section 22109(a)(3), the application for a finance lender license filed by HOA Credit Corporation on April 14, 2017, be denied.

Dated: June 8, 2017

JAN LYNN OWEN
Commissioner of Business Oversight

By _____
UCHE L. ENENWALI
Senior Counsel
Enforcement Division