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

12 In the Matter of:) CFLL License No.: 603-H339
13 THE COMMISSIONER OF BUSINESS)
14 OVERSIGHT,) ORDER REVOKING FINANCE LENDER
15 Complainant,) LICENSE
16 v.)
17 IK INVESTMENTS, INC. dba A-1)
18 FINANCING SERVICES,)
19 Respondent.)
20 _____)

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

- 22 1. Respondent IK Investments, Inc. dba A-1 Financing Services (“IK”) is a finance lender
23 licensed by the Commissioner pursuant to the California Finance Lenders Law (Financial Code §
24 22000 et seq.) (“CFLL”). IK currently holds license number 603-H339 issued under the CFLL, for
25 the location at 1511 W. Holt Blvd., Suite I, Ontario, California 91762.
26 2. On or about April 19, 2013, the Department of Business Oversight (“Department”)
27 commenced a regulatory examination of IK pursuant to Financial Code section 22701
28 (“Examination”).

1 3. The Department determined in its Examination that IK had violated several sections of the
2 CFLL. A finance lender or broker may not offer, negotiate, and/or apply for a residential mortgage
3 loan unless done through a licensed Mortgage Loan Originator (“MLO”), pursuant to Financial Code
4 section 22100, subdivision (d). During the Examination, IK was found to be originating mobile
5 home loans without a licensed MLO. Mobile home loans are considered residential mortgage loans
6 under Financial Code section 22012, subdivision (e).

7 4. Section 22104, subdivision (b) of the Financial Code requires a net worth of two-hundred
8 fifty thousand dollars (\$250,000.00) for a finance lender when a MLO is employed by the lender.
9 During the Examination, IK provided a financial statement that failed to meet this two-hundred fifty
10 thousand dollar (\$250,000.00) net worth requirement. On or about September 5, 2014, the
11 Department requested an updated financial statement to determine whether IK had cured its net
12 worth deficiency. IK then provided an updated financial statement for the period ending May 31,
13 2014, that showed IK’s net worth at eighty-nine thousand three hundred fifty dollars and sixty cents
14 (\$89,350.60).

15 5. The Department’s examiner compared this May 31, 2014 financial statement to the financial
16 statement submitted with IK’s 2013 annual report and found discrepancies. Consequently, the
17 examiner requested a subsidiary ledger from IK. IK provided a new 2013 financial statement that
18 differed from the financial statement IK included in its annual report; this new financial statement
19 also showed a net worth below the requisite two-hundred fifty thousand dollars (\$250,000.00).

20 6. IK has not employed an MLO and it has not raised its net worth to the required amount. In
21 addition, IK has not registered on the Nationwide Mortgage Licensing System (“NMLS”), which is a
22 violation of Financial Code section 22100, subdivision (e).

23 7. California Financial Code section 22714 provides in pertinent part:

24 (a) The commissioner shall suspend or revoke any license, upon notice
25 and reasonable opportunity to be heard, if the commissioner finds any of the
26 following:

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

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(2) 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.

8. By reason of the foregoing, IK has violated Financial Code sections 22100, subdivision (d), 22100, subdivision (e), and 22104, subdivision (b), and based thereon, sufficient grounds exist to revoke its finance lender license.

9. On September 15, 2015, the Commissioner issued to IK a Notice of Intention to Issue Order Revoking Finance Lender License, an Accusation describing the facts and law supporting the pending revocation, and accompanying documents. IK was served with these documents on September 17, 2015 via certified U.S. Mail at its address on file with the Department. The Department has not received a request for a hearing from IK, and the time to request a hearing has expired.

10. NOW GOOD CAUSE APPEARING THEREFORE, it is hereby ordered that the finance lender license number 603-H339 of Respondent IK Investments, Inc. dba A-1 Financing Services is revoked. This order is effective as of the date hereof.

Dated: November 5, 2015

JAN LYNN OWEN
Commissioner of Business Oversight

By _____
MARY ANN SMITH
Deputy Commissioner