

## DEPARTMENT OF CORPORATIONS

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Los Angeles, California  
November 5, 2007

IN REPLY REFER TO:  
FILE NO: 603-9547

KC INVESTMENTS.  
(KENNARA KANDI CHHUON, DBA)  
5011 ARGOSY STREET, SUITE 5  
HUNTINGTON BEACH, CA 92649

Dear Licensee:

Attached are the following:

1. Notice of Intention to Issue Order Revoking California Finance Lenders License;
2. Accusation;
3. Statement to Respondent;
4. Government Code Sections 11507.5, 11507.6 and 11507.7 relating to discovery; and
5. Notice of Defense..

If you have any questions, please contact the undersigned at the telephone number listed below.

Sincerely,

PRESTON DuFAUCHARD  
California Corporations Commissioner

By \_\_\_\_\_  
PATRICIA R. SPEIGHT  
Special Administrator, CFLL  
Financial Services Division  
(213) 576-7614

Enclosures

♦ Securities ♦ Franchises ♦ Off-Exchange Commodities ♦ Investment and Financial Services ♦  
♦ Independent Escrows ♦ Consumer and Commercial Finance Lending ♦ Residential Mortgage Lending ♦

1 PRESTON DuFAUCHARD  
California Corporations Commissioner  
2 WAYNE STRUMPFER  
Deputy Commissioner  
3 ALAN S. WEINGER (CA BAR NO. 86717)  
~~Lead Corporations Counsel~~  
4 Department of Corporations.  
320 West 4th Street, Ste. 750  
5 Los Angeles, California 90013-2344  
Telephone: (213) 576-6205 Fax: (213) 576-7181

6 Attorneys for Complainant  
7

8 BEFORE THE DEPARTMENT OF CORPORATIONS  
9 OF THE STATE OF CALIFORNIA

10	In the Matter of the Accusation of )	File No. 603-9547
	)	
11	THE CALIFORNIA CORPORATIONS )	NOTICE OF INTENTION
	COMMISSIONER, )	TO ISSUE ORDER
12	)	REVOKING CALIFORNIA
	Complainant, )	FINANCE LENDERS
13	)	LICENSE
	vs. )	
14	KC INVESTMENTS (KENNARA KANDI )	
	CHHUON, DBA), )	
15	)	
	)	
16	Respondent. )	
	)	
17	)	

18 Pursuant to section 22714 of the California Finance Lenders  
19 Law (California Financial Code), notice is hereby given of the  
20 intention of the California Corporations Commissioner to enter  
21 his Order pursuant to section 22714 of the California Finance  
22 Lenders Law to revoke Respondent's finance lenders license.

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

25  
26 Unless a request for hearing, as evidenced by the  
27 mailing or delivery of the Notice of Defense, is received within  
28

1 15 days after the Accusation was personally served upon you or  
2 mailed to you, such Order may be entered at any time thereafter  
3 without a hearing.

4 ~~Dated: November 5, 2007~~  
Los Angeles, California

5  
6 PRESTON DuFAUCHARD  
California Corporations Commissioner

7  
8 By \_\_\_\_\_  
PATRICIA R. SPEIGHT  
9 Special Administrator  
California Finance Lenders Law  
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1 PRESTON DuFAUCHARD  
California Corporations Commissioner WAYNE  
2 STRUMPFER  
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6  
7 Attorneys for Complainant

8 BEFORE THE DEPARTMENT OF CORPORATIONS  
9 OF THE STATE OF CALIFORNIA

10 In the Matter of the Accusation of ) File No. 603-9547  
11 THE CALIFORNIA CORPORATIONS ) ACCUSATION  
COMMISSIONER, )  
12 Complainant, )  
13 vs. )  
14 KC INVESTMENTS (KENNARA KANDI )  
CHHUON, DBA), )  
15 Respondent. )  
16 )  
17 )

18 The Complainant is informed and believes, and based upon  
19 such information and belief, alleges and charges Respondent as  
20 follows:

21 I

22 Respondent is a finance lender and/or broker licensed  
23 by the California Corporations Commissioner ("Commissioner")  
24 pursuant to the California Finance Lenders Law (California  
25 Financial Code § 22000 et seq.) ("CFL"). Respondent has its  
26 principal place of business located at:  
27  
28

1  
2 5011 ARGOSY STREET, SUITE 5  
3 HUNTINGTON BEACH, CA 92649

4 ~~II~~

5 Pursuant to California Financial Code section 22112, all  
6 CFL licensees are required to maintain a surety bond in the  
7 minimum amount of \$25,000.00. The surety bond of respondent  
8 expired 09/27/07. On or about 09/17/07 the Commissioner  
9 notified respondent that a replacement surety bond had to be  
10 filed immediately, but no later than the expiration date to  
11 avoid suspension or revocation of its CFL license.

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

14 III

15 California Financial Code section 22112 provides in  
16 pertinent part:

17 A licensee shall maintain a surety bond in accordance  
18 with this subdivision in the amount of twenty-five  
19 thousand dollars (\$25,000). The bond shall be payable  
20 to the commissioner and issued by an insurer authorized  
21 to do business in this state. A copy of the bond,  
22 including any and all riders and endorsements executed  
23 subsequent to the effective date of the bond, shall be  
24 filed with the commissioner for review and approval  
25 within 10 days of execution. For licensees with  
26 multiple licensed locations, only one surety bond in  
27 the amount of twenty-five thousand dollars (\$25,000)  
28 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.

1 California Financial Code section 22714 provides in  
2 pertinent part:

3 The commissioner may suspend or revoke any license,  
4 upon notice and reasonable opportunity to be heard, if  
the commissioner finds any of the following:

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

7 (b) The licensee has violated any provision of this  
8 division or any rule or regulation made by the  
commissioner under and within the authority of this  
9 division.

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

13 IV

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

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

20 Dated: November 5, 2007  
21 Los Angeles, California

22 PRESTON DuEAUCHARD  
23 California Corporations Commissioner

24 By \_\_\_\_\_  
25 PATRICIA R. SPEIGHT  
26 Special Administrator  
27 California Finance Lenders Law  
28

1 PRESTON DuFAUCHARD  
California Corporations Commissioner  
2 WAYNE STRUMPFER  
Deputy Commissioner  
3 ALAN S. WEINGER (CA BAR NO. 86717)  
Lead Corporations Counsel  
4 Department of Corporations  
320 West 4th Street, Ste: 750  
5 Los Angeles, California 90013-2344  
Telephone: (213)576 6205 Fax: (213)576 -7181

6 Attorneys for Complainant  
7

8 BEFORE THE DEPARTMENT OF CORPORATIONS  
9 OF THE STATE OF CALIFORNIA

10 In the Matter of the Accusation of ) File No. 603-9547  
11 )  
12 THE CALIFORNIA CORPORATIONS ) STATEMENT TO RESPONDENT  
COMMISSIONER, )  
13 Complainant, )  
14 vs. )  
15 KC INVESTMENTS (KENNARA KANDI )  
CHHUON, DBA), )  
16 )  
17 Respondent. )

18 TO: KC INVESTMENTS (KENNARA KANDI CHHUON, DBA),  
5011 ARGOSY STREET, SUITE 5  
19 HUNTINGTON BEACH, CA 92649

20 Attached is a copy of the Accusation issued in the above  
21 matter, which is hereby served upon you in accordance with the  
22 provisions of Section 11505(c) of the Government Code.

23 Unless a written request for a hearing signed by or on  
24 behalf of the person named as respondent(s) in the accompanying  
25 Accusation is delivered or mailed to the agency within 15 days  
26 after the Accusation was personally served upon you or mailed to  
27 you, the California Corporations Commissioner may proceed upon  
28

1 the Accusation without a hearing. The request for a hearing may  
2 be made by delivering or mailing the enclosed form entitled  
3 Notice of Defense, or by delivering or mailing a Notice of  
4 ~~Defense as provided by Section 11506 of the Government Code to:~~

5 PATRICIA R. SPEIGHT  
6 Special Administrator  
7 Department of Corporations 320  
8 West Fourth Street, Suite 750  
9 Los Angeles, California 90013-2344

10 You may, but need not, be represented by counsel at any or  
11 all steps of these proceedings.

12 If you desire the names and addresses of witnesses or an  
13 opportunity to inspect and copy the items mentioned in Section  
14 11507.6 in the possession, custody or control of the agency, you  
15 may contact:

16 PATRICIA R. SPEIGHT  
17 Special Administrator  
18 Department of Corporations  
19 320 West Fourth Street, Suite 750  
20 Los Angeles, California 90013-2344

21 The hearing may be postponed for good cause. If you have  
22 good cause, you are obliged to notify the agency or, if an  
23 administrative law judge has been assigned to the hearing, the  
24 Office of Administrative Hearings, within 10 working days after  
25 you discover the good cause. Failure to give notice within 10  
26 days will deprive you of a postponement.

27 In accordance with the provisions of Section 11505 of the  
28 Government Code, attached are copies of 11507.5, 11507.6 and  
11507.7 of the Government Code.



1 Dated: November 5, 2007  
2 Los Angeles, California

3 PRESTON DuFAUCHARD  
4 California Corporations Commissioner

5 By  
6 PATRICIA R. SPEIGHT  
7 Special Administrator  
8 California Finance Lenders Law  
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11507.5 The provisions of Section 11507.6 provide the exclusive right to and method of discovery as to any proceeding governed by this chapter.

11507.6 After initiation of a proceeding in which a respondent or other party is entitled to a hearing on the merits, a party, upon written request made to another party, prior to the hearing and within 30 days after service by the agency of the initial pleading or within 15 days after the service of an additional pleading is entitled to (1) obtain the names and addresses of witnesses to the extent known to the other party, including, but not limited to, those intended to be called to testify at the hearing, and (2) inspect and make a copy of any of the following in the possession or custody or under the control of the other party:

(a) A statement of a person, other than the respondent, named in the initial administrative pleading, or in any additional pleading, when it is claimed that the act or omission of the respondent as to this person is the basis for the administrative proceeding;

(b) A statement pertaining to the subject matter of the proceeding made by any party to another party or person;

(c) Statements of witnesses then proposed to be called by the party and of other persons having personal knowledge of the acts, omissions or events which are the basis for the proceeding, not included in (a) or (b) above;

(d) All writings, including, but not limited to, reports of mental, physical and blood examinations and things which the party then proposes to offer in evidence;

(e) Any other writing or thing which is relevant and which would be admissible in evidence;

(f) Investigative reports made by or on behalf of the agency or other party pertaining to the subject matter of the proceeding, to the extent that these reports (1) contain the names and addresses of witnesses or of persons having personal knowledge of the acts, omissions or events which are the basis for the proceeding, or (2) reflect matters perceived by the investigator in the course of his or her investigation, or (3) contain or include by attachment any statement or writing described in (a) to (e), inclusive, or summary thereof.

For the purpose of this section, "statements" include written statements by the person signed or otherwise authenticated by him or her, stenographic, mechanical, electrical or other recordings, or transcripts thereof, of oral statements by the person, and written reports or summaries of these oral statements.

Nothing on this section shall authorize the inspection or copying of any writing or thing which is privileged from disclosure by law or otherwise made confidential or protected as the attorney's work product.

11507.7 (a) Any party claiming the party's request for discovery pursuant to Section 11507.6 has not been complied with may serve and file with the administrative law judge a motion to compel discovery, naming as respondent the party refusing or failing to comply with Section 11507.6. The motion shall state facts showing the respondent party failed refused to comply with Section 11507.6, a description of the matters sought to be discovered, the reason or reasons why the matter is discoverable under that section, that a reasonable and good faith attempt to contact the respondent for an informal resolution of the issue has been made, and the ground or grounds of respondent's refusal so far as known to the moving party.

(b) The motion shall be served upon respondent party and filed within 15 days after the respondent party first evidenced failure or refusal to comply with Section 11507.6 or within 30 days after request was made

and the party has failed to reply to the request, or within another time provided by stipulation, whichever period is longer.

(c) The hearing on the motion to compel discovery shall be held within 15 days after the motion is made, or a later time that the administrative law judge may on the judge's own motion for good cause determine. The respondent party shall have the right to serve and file a written answer ~~or other response to the motion before or at the time of the hearing.~~

(d) Where the matter sought to be discovered is under the custody or control of the respondent party and the respondent party asserts that the matter is not a discoverable matter under the provisions of Section 11507.6, or is privileged against disclosure under those provisions, the administrative law judge may order lodged with it matters provided in subdivision (b) of Section 915 of the Evidence Code and examine the matters in accordance with its provisions.

(e) The administrative law judge shall decide the case on the matter examined in camera, the papers filed by the parties, and such oral argument and additional evidence as the administrative law judge may allow.

(f) Unless otherwise stipulated by the parties, the administrative law judge shall no later than 15 days after the hearing make its order denying or granting the motion. The order shall be in writing setting forth the matters the moving party is entitled to discover under Section 11507.6. A copy of the order shall forthwith be served by mail by the administrative law judge upon the parties. Where the order grants the motion in whole or in part, the order shall not become effective until 10 days after the date the order is served. Where the order denies relief to the moving party, the order shall be effective on the date it is served.

1 BEFORE THE DEPARTMENT OF CORPORATIONS  
2 OF THE STATE OF CALIFORNIA

3 In the Matter of the Accusation of ) File No. 603-9547  
4 THE CALIFORNIA CORPORATIONS ) NOTICE OF DEFENSE  
5 COMMISSIONER, )  
6 Complainant, )  
7 vs. )  
8 KC INVESTMENTS (KENNARA KANDI )  
9 CHHUON, DBA), )  
10 Respondent. )  
11 )  
12 )  
13 )  
14 )

15 TO: DEPARTMENT OF CORPORATIONS

16 PATRICIA R. SPEIGHT  
17 SPECIAL ADMINISTRATOR  
18 California Finance Lenders Law  
19 320 West Fourth Street, Suite 750  
20 Los Angeles, California 90013-2344

21 I, the undersigned and the respondent named in this  
22 proceeding, hereby acknowledge receipt of a copy of the Notice  
23 of Intention, Accusation, Statement to Respondent, a copy of  
24 Government Code sections 11507.5, 11507.6 and 11507.7, and a  
25 blank form of notice of defense.  
26

27 You are hereby notified that I request a hearing in the  
28 above-entitled matter.

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Name)

\_\_\_\_\_  
(Street Address)

\_\_\_\_\_  
(City, State, Zip Code)

\_\_\_\_\_  
(Telephone Number)

1 PRESTON DuFAUCHARD  
California Corporations Commissioner  
2 WAYNE STRUMPFER  
Deputy Commissioner  
3 ALAN S. WEINGER (CA BAR NO. 86717)  
Lead Corporations Counsel  
4 Department of Corporations  
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Telephone: (213)576-6205 Fax: (213)576-7181

6 Attorneys for Complainant

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8 BEFORE THE DEPARTMENT OF CORPORATIONS  
9 OF THE STATE OF CALIFORNIA

10 In the Matter of the Accusation of ) File No. 603-9547  
11 THE CALIFORNIA CORPORATIONS )  
COMMISSIONER, ) ORDER REVOKING  
12 Complainant, ) CALIFORNIA FINANCE  
13 vs. ) LENDERS LICENSE  
14 KC INVESTMENTS (KENNARA KANDI ) PURSUANT TO FINANCIAL  
CHHUON, DBA), ) CODE SECTION 22100  
15 Respondent. )  
16 )  
17 )

18 The California Corporations Commissioner finds that:

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

23 2.e Pursuant to California Financial Code section  
24 22112, all CFL licensees are required to maintain a surety bond  
25 in the minimum amount of \$25,000.00. The surety bond of  
26 respondent expired on 09/27/07. On or about 09/17/07, the  
27 Commissioner notified Respondent that a replacement surety bond  
28 had to be filed immediately, but no later than the expiration

1  
2 date to avoid suspension or revocation of its CFL license.

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

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

8 5.e On November 5, 2007, the Commissioner issuede  
9 a Notice of Intention to Issue Order Revoking CFL license,  
10 Accusation, and accompanying documents against Respondent  
11 based upon the above; and respondent was served with those  
12 documents by certified mail, return receipt requested. The  
13 Department has received no request for a hearing from  
14 Respondent and the time to request for a hearing has  
15 expired.

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

19 Dated: November 25, 2007  
20 Los Angeles, California

21 PRESTON DuFAUCHARD  
22 California Corporations Commissioner

23 By \_\_\_\_\_  
24 PATRICIA R. SPEIGHT  
25 Special Administrator  
26 California Finance Lenders Law  
27  
28