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11 BEFORE THE DEPARTMENT OF BUSINESS OVERSIGHT  
12 OF THE STATE OF CALIFORNIA  
13

14	In the Matter of:	)	CFL LICENSE NO.: 60DBO-44080
15	THE COMMISSIONER OF BUSINESS	)	
16	OVERSIGHT,	)	CITATION PURSUANT TO FINANCIAL
17	Complainant,	)	CODE SECTION 22707.5
18	v.	)	
19	SOUTHERN CASCADES FINANCE	)	
20	CORPORATION,	)	
21	Respondent.	)	
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23 Jan Lynn Owen, the Commissioner of Business Oversight (Commissioner), finds the  
24 following:

25 **I.**  
26 **FACTUAL BACKGROUND**

27 1. Southern Cascades Finance Corporation is an Oregon corporation with a principal  
28 place of business at 150 North Bartlett Street, Medford, Oregon 97501.

1           2.       Southern Cascades Finance Corporation is licensed as a finance lender under the  
2 California Finance Lenders Law (CFL) with license number 60DBO-44080 (SCFC).

3           3.       In accordance with Financial Code section 22159, CFL licensees must file an  
4 annual report with the Commissioner by March 15th of each year (Annual Report).

5           4.       On March 6, 2017, the Commissioner notified CFL licensees of the March 15th  
6 deadline to file their annual reports by sending notice to the email address each CFL licensee  
7 established pursuant to the Commissioner's Order on Electronic Communications, dated  
8 November 22, 2013.

9           5.       As of March 22, 2017, SCFC had not filed its Annual Report with the  
10 Commissioner. As a result, the Commissioner issued a notice letter to SCFC on March 22, 2017,  
11 advising SCFC that it should file its annual report by April 11, 2017 or else its license would be  
12 summarily revoked pursuant to Financial Code section 22715 (Notice Letter).

13          6.       As of April 11, 2017, SCFC had still not filed its Annual Report with the  
14 Commissioner. As a result, on April 19, 2017, the Commissioner issued an order pursuant to  
15 Financial Code section 22715 immediately revoking the CFL license of SCFC (Revocation  
16 Order).

17          7.       On May 1, 2017, SCFC notified the Commissioner that it had not received the  
18 Commissioner's Notice Letter in time due to a recent change of address.

19          8.       SCFC had failed to notify the Commissioner of its change of address in  
20 accordance with Financial Code section 22153.

21          7.       In addition, SCFC failed to check, on a daily basis, the email address it  
22 established pursuant to the Commissioner's Order on Electronic Communications, dated  
23 November 22, 2013, as prescribed by the order.

24          8.       On May 9, 2017, SCFC updated its address of record under its CFL license.

25          9.       On or about April 26, 2017, SCFC updated the email address it had established  
26 with the Commissioner to confirm that the email account is being monitored daily.

27          10.       On May 11, 2017, SCFC submitted its Annual Report, which was due on March  
28 15, 2017.

1 11. In connection with this proceeding, SCFC represented to the Commissioner that it  
2 has not taken any actions requiring CFLL licensure from April 19, 2017 to the date of this order.

3 12. In reliance upon these facts, on May 3, 2017, the Commissioner issued an order  
4 rescinding the earlier Revocation Order, which had been issued on April 19, 2017.  
5 Consequently, as of May 11, 2017, SCFC’s licensure under the CFLL was restored.

6 **II.**  
7 **CITATION**

8 5. Financial Code section 22707.5, subdivision (a), provides in relevant part:

9 (a) If, upon inspection, examination, or investigation, the  
10 commissioner has cause to believe that a licensee or other person is  
11 violating any provision of this division or any rule or order  
12 thereunder, the commissioner or his or her designee, may issue a  
13 citation to the licensee or person in writing, describing with  
14 particularity the basis of the citation . . . In addition, each citation  
15 may assess an administrative fine not to exceed two thousand five  
16 hundred dollars (\$2,500) . . . .

17 Based on the foregoing, SCFC failed to file an annual report with the Commissioner by March  
18 15, 2017 in violation of Financial Code section 22159. The Commissioner hereby assesses SCFC an  
19 administrative fine of \$2,500.00 pursuant to Financial Code section 22707.5, subdivision (a). SCFC  
20 is hereby ordered to pay the Commissioner an administrative fine of \$2,500.00 for the above citation  
21 within 30 days from the date of this citation.

22 Based on the foregoing, SCFC failed to provide the Commissioner at least 10 days notice of a  
23 change of address in violation of Financial Code section 22153. The Commissioner hereby assesses  
24 SCFC an administrative fine of \$500.00 pursuant to Financial Code section 22707.5, subdivision (a).  
25 SCFC is hereby ordered to pay the Commissioner an administrative fine of \$500.00 for the above  
26 citation within 30 days from the date of this citation.

27 Based on the foregoing, SCFC failed to maintain its books, accounts and records in  
28 accordance with good business practice in violation of section 1426 of Title 10 of the California Code  
of Regulations. The Commissioner hereby assesses SCFC an administrative fine of \$2,500.00  
pursuant to Financial Code section 22707.5, subdivision (a). SCFC is hereby ordered to pay the

1 Commissioner an administrative fine of \$2,500.00 for the above citation within 30 days from the date  
2 of this citation.

3 SCFC shall pay these fines with a cashier's check made payable to the Department of  
4 Business Oversight for the amount of \$5,500.00 and shall submit that check to the following address  
5 within thirty (30) days from the date of this citation: ATTN: Accounting – Litigation, Department of  
6 Business Oversight, 1515 K Street, Suite 200, Sacramento, California 95814. Notice of the payment  
7 shall be sent to: Adam Wright, Senior Counsel, Department of Business Oversight, 320 W. 4th  
8 Street, Suite 750, Los Angeles, California 90013.

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10 Dated: May 11, 2017  
11 Sacramento, California

JAN LYNN OWEN  
Commissioner of Business Oversight

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13 By: \_\_\_\_\_  
14 MARY ANN SMITH  
15 Deputy Commissioner  
16 Enforcement Division

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