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

12 In the Matter of:

CFL Application No.: 60DBO-55972

13 THE COMMISSIONER OF BUSINESS
14 OVERSIGHT,

15 Complainant,

ORDER DENYING CALIFORNIA FINANCE
LENDERS LICENSE APPLICATION

16 v.

17 TRUE BLUE FUNDING, INC.,

18 Respondent.
19

20 Complainant, the Commissioner of Business Oversight (Commissioner), finds that:

21 1. On April 29, 2016, True Blue Funding, Inc. (“True Blue”) submitted an application for
22 a finance lender license with the Commissioner (Company ID. 1268496; hereinafter “application”)
23 through the Nationwide Mortgage Licensing System (“NMLS”). True Blue completed and submitted
24 a Form MU1 through the NMLS as part of the application process.

25 2. Glenn Wilbor (“Wilbor”), the Chief Executive Officer of True Blue, verified the
26 application of True Blue under penalty of perjury. The application identified Todd Mikles (“Mikles”)
27 as the indirect owner of True Blue. First Southern Corporation, Inc. is the 95% shareholder of True
28 Blue, and Mikles is the 100% shareholder, officer and director of First Southern Corporation, Inc.

1 3. In response to Items C and E of the Disclosure Questions on True Blue’s MU1 (filed
2 through NMLS), Wilbor stated that there was no pending regulatory action proceeding against a
3 control affiliate for any alleged violation of a financial services-related regulation or statute; no
4 regulatory agency found a control affiliate to have been involved in a violation of a financial
5 services-related regulation or statute; no regulatory agency found a control affiliate to have been a
6 cause of a financial services-related business having its authorization to do business restricted; no
7 regulatory agency entered an order against a control affiliate in connection with a financial services-
8 related activity; and no regulatory agency restricted a control affiliate's license.

9 4. Public records available from the California Bureau of Real Estate (“BRE”) show that,
10 on June 8, 2015, the BRE filed its accusation to impose a disciplinary action against Mikles and one
11 of his companies for mishandling of trust funds, and for failing to properly supervise and have control
12 over the activities of the company.

13 5. On March 25, 2016, Mikles, as the designated officer of the company, and the
14 company stipulated to an order revoking their real estate licenses, and agreed to the issuance of
15 restricted real estate licenses. The stipulation and agreement became effective on April 25, 2016.

16 6. Although the BRE had initiated disciplinary proceedings against Mikles for
17 mishandling of trust funds and for failing to properly supervise and have control over the activities of
18 the company, in response to the Disclosure Questions, Wilbor stated that there was no pending
19 regulatory action against the control affiliate.

20 7. In addition, although the BRE had issued an order restricting the real estate licenses of
21 Mikles and his company, as set forth above, Wilbor stated that no regulatory agency found that the
22 control affiliate violated a financial services-related regulation or statute, caused a financial services-
23 related business to have its authorization to do business restricted, entered an order against the control
24 affiliate in connection with a financial services-related activity, and restricted his business activities.

25 8. True Blue’s responses to Items C and E directly contradicted the public records from
26 the BRE. True Blue’s application for a CFL license contained false statements of material facts, and
27 the indirect owner of True Blue violated a similar regulatory scheme of the State of California.

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1 9. Accordingly, the Commissioner determined that: (1) false statements of material facts
2 were made in True Blue’s application; (2) an officer violated a provision of the CFL, California
3 Financial Code section 22170(b), by filing a false application; and (3) the indirect owner of True Blue
4 violated a similar regulatory scheme of the State of California.

5 10. On September 2, 2016, the Commissioner issued a Notice of Intention to Issue Order
6 Denying California Finance Lender License, pursuant to California Financial Code section 22109,
7 subdivision (a)(3), and accompanying documents, which were served on True Blue, on October 7,
8 2016.

9 11. On October 12, 2016, a representative of True Blue contacted the Department of
10 Business Oversight seeking to withdraw its application. The representative stated that True Blue had
11 “completely liquidated. There are no officers, directors or employees which remain at True Blue.
12 Therefore, we are requesting this matter be resolved without the need for a hearing or any further
13 action from the Department of Business Oversight.” The Commissioner had already commenced the
14 denial proceedings and did not accept the withdrawal request.

15 12. The Commissioner has received no request for a hearing, and the time to request a
16 hearing has expired.

17 NOW GOOD CAUSE APPEARING THEREFORE, it is hereby ordered that the finance
18 lender license application filed by True Blue Funding, Inc. on April 29, 2016 is denied. This order is
19 effective as of the date hereof.

20 Dated: October 26, 2016
21 Sacramento, CA

JAN LYNN OWEN
Commissioner of Business Oversight

22 By: _____
23 MARY ANN SMITH
24 Deputy Commissioner
25 Enforcement Division
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