

1 MARY ANN SMITH
Deputy Commissioner
2 SEAN M. ROONEY
Assistant Chief Counsel
3 SAMUEL J. PARK (State Bar No. 293902)
Counsel
4 Department of Business Oversight
320 West 4th Street, Suite 750
5 Los Angeles, California 90013
Telephone: (213) 576-7683
6 Facsimile: (213) 576-7181

7 Attorneys for Complainant

8 BEFORE THE DEPARTMENT OF BUSINESS OVERSIGHT
9 OF THE STATE OF CALIFORNIA

11 In the Matter of:)	CFL LICENSE NO.: 603K381
)	
12 THE COMMISSIONER OF BUSINESS)	CITATION
13 OVERSIGHT,)	
)	(FIN. CODE, § 22707.5)
14 Complainant,)	
15 v.)	
)	
16 VIRTUA FUNDING, LLC,)	
)	
17 Respondent.)	
)	
)	
)	
)	

19
20 The Commissioner of Business Oversight (Commissioner) finds the following:

21 **I.**

22 **Factual Background**

- 23 1. Virtua Funding, LLC (Virtua Funding), is a Utah limited liability company with a
- 24 principal place of business at 9730 South 700 East, Suite 111, Sandy, Utah 84070.
- 25 2. Virtua Funding is licensed as a finance lender and broker under California Finance
- 26 Lenders Law (CFL) license number 603K381.
- 27 3. Under Financial Code section 22159, CFL licensees must file an annual report with
- 28 the Commissioner by March 15 of each year.

1 4. On March 6, 2017, the Commissioner reminded CFL licensees of the March 15
2 deadline for filing their annual reports by sending notice to the e-mail addresses designated by the
3 licensees for receiving communications from the Commissioner according to the Commissioner’s
4 Order on Electronic Communications dated November 22, 2013.

5 5. As of March 22, 2017, Virtua Funding had not filed its annual report. The
6 Commissioner sent a final notice dated March 22, 2017, to Virtua Funding by certified mail,
7 informing it that if it did not file its annual report by the close of business on April 10, 2017, its
8 license would be summarily revoked under Financial Code section 22715.

9 6. On April 11, 2017, Virtua Funding still had not filed its annual report. Thus, on April
10 19, 2017, the Commissioner issued an order summarily revoking the CFL license of Virtua Funding.
11 The order was effective that day.

12 7. During these proceedings, Virtua Funding failed to check daily the e-mail address
13 designated for receiving communications from the Commissioner as required by the
14 Commissioner’s Order on Electronic Communications.

15 8. Virtua Funding maintains a website at www.virtuafunding.com. On May 19, 2017,
16 the website did not refer to Virtua Funding’s licensure under the CFL.

17 9. On June 2, 2017, Virtua Funding filed its annual report, which was due on March 15,
18 2017.

19 10. During these proceedings, Virtua Funding represented to the Commissioner that it
20 had not conducted any business requiring a CFL license from April 19, 2017, to the date of this
21 Citation.

22 11. In response to Virtua Funding’s corrective actions, on June 9, 2017, the
23 Commissioner issued an order rescinding the April 19, 2017 revocation order and reinstating Virtua
24 Funding’s CFL license.

25 **II.**

26 **Citation**

27 Financial Code section 22707.5, subdivision (a), provides in relevant part:

28 If, upon inspection, examination, or investigation, the commissioner
 has cause to believe that a licensee or other person is violating any

1 provision of this division or any rule or order thereunder, the
2 commissioner or his or her designee, may issue a citation to the
3 licensee or person in writing, describing with particularity the basis of
the citation. . . . In addition, each citation may assess an administrative
fine not to exceed two thousand five hundred dollars (\$2,500)

4 Based on the foregoing findings, Virtua Funding failed to file an annual report with the
5 Commissioner in violation of Financial Code section 22159. The Commissioner hereby assesses a
6 \$1,500.00 administrative fine under Financial Code section 22707.5, subdivision (a). Virtua
7 Funding is ordered to pay \$1,500.00 for this violation within 30 days from the date of this Citation.

8 Based on the foregoing findings, Virtua Funding failed to maintain its books, accounts, and
9 records in accordance with good business practice in violation of California Code of Regulations,
10 title 10, section 1426. The Commissioner hereby assesses a \$500.00 administrative fine under
11 Financial Code section 22707.5, subdivision (a). Virtua Funding is ordered to pay \$500.00 for this
12 violation within 30 days from the date of this Citation.

13 Based on the foregoing findings, Virtua Funding failed to refer to its licensure under the
14 CFL in written, printed, or oral communications in violation of California Code of Regulations, title
15 10, section 1550. The Commissioner hereby assesses a \$500.00 administrative fine under Financial
16 Code section 22707.5, subdivision (a). Virtua Funding is ordered to pay \$500.00 for this violation
17 within 30 days from the date of this Citation.

18 The total amount of \$2,500.00 must be made payable in the form of a cashier’s check or
19 Automated Clearing House deposit to the Department of Business Oversight and transmitted to the
20 attention of Accounting – Litigation, at the Department of Business Oversight, 1515 K Street, Suite
21 200, Sacramento, California 95814. Notice of the payment must be sent to Samuel J. Park, Counsel,
22 320 West 4th Street, Suite 750, Los Angeles, California 90013.

23
24 Dated: June 9, 2017
25 Los Angeles, California

JAN LYNN OWEN
Commissioner of Business Oversight

26
27 By: _____
28 MARY ANN SMITH
Deputy Commissioner
Enforcement Division