

STATE OF CALIFORNIA  
DEPARTMENT OF CORPORATIONS

TEXT OF PROPOSED CHANGES UNDER THE  
CORPORATE SECURITIES LAW OF 1968  
CALIFORNIA FINANCE LENDERS LAW  
CALIFORNIA RESIDENTIAL MORTGAGE LENDING ACT  
SECURITIES DEPOSITORY LAW  
PURSUANT TO NOTICE  
DATED: NOVEMBER 26, 2012

1. Section 260.210 is amended to read:

§ 260.210. Agent Procedures for Broker-Dealers.

The procedures set forth in this section are applicable to broker-dealers licensed pursuant to subdivisions (a) and (b) of Section 25211 of the Code.

(a) Upon employment of an individual as an agent, a broker-dealer shall (1) obtain a properly executed application for registration, on the Uniform Application for Securities Industry Registration, or Transfer Form (“Form U4”), (2) obtain for its records, evidence that such agent meets the qualification requirements of Section 260.217 of these rules, and (3) ascertain (by investigation) the character, business reputation and experience of any individual, prior to executing any transaction on behalf of the broker-dealer. Evidence of compliance with Section 260.217 and investigation of the agent, shall be maintained as a part of the records of the broker-dealer as required by Sections 260.241 of these rules.

(b) A broker-dealer who registers its agents with Financial Industry Regulatory Authority, Inc. (“FINRA”), shall:

(1) Upon the employment of an individual as an agent, file the Form U4, through the Central Registration Depository (the “CRD”) of FINRA in accordance with its procedures, and pay, for transmission to the Commissioner, the fees prescribed by Section 260.608.2(a) of these rules. The filing of Form U4 with the CRD does not constitute an automatic “approval” through the CRD. Broker-dealers should not consider an agent “registration” through the CRD approved until approved by the Commissioner and the approval has been received through the CRD. If requested by the Commissioner,

additional information, documentation or details pertaining to the Form U4 or properly executed fingerprint information of the agent must be filed directly with the Commissioner within 15 days from the date of the request. In accordance with Section 250.16, the Form U4 may be abandoned if the Commissioner does not receive the requested information within the time prescribed. The Commissioner shall “reject” through the CRD an abandoned Form U4.

(2) An agent registered through the CRD may comply with the requirements of this subsection through participation in the “Relicensing” program (the Relicensing program was formerly known as “Temporary Agent Transfer” or “TAT”) adopted by the North American Securities Administrators Association ( “NASAA”), provided that the agent is eligible and qualifies for registration through the Relicensing program and the broker-dealer has complied with all of the requirements of the Relicensing program with respect to the agent in a timely manner. Agent CRD registration through the Relicensing program shall not waive any rights of the Commissioner to proceed in any disciplinary proceeding or sanction provided for under the Code.

(3) File an amendment to the Form U4 through the CRD within 30 days when there are any changes to the information contained in the original Form U4. If the Form U4 is being amended due to a disciplinary occurrence, a copy of the amendment shall be filed with the Commissioner upon request.

(4) Within 30 days after the termination of an individual as an agent, file the Uniform Termination Notice for Securities Industry Registration Form ( “Form U5”) through the CRD. The Form U5 shall clearly state the reason(s) for termination. However, if an agent has been terminated for cause, the Form U5 shall, upon request, be filed directly with the Commissioner.

A broker-dealer shall be responsible for the acts, practices, and conduct of an agent in connection with the purchase or sale of securities until such time as they have been properly terminated and the Form U5 has been filed with the CRD of FINRA.

(c) A broker-dealer who is not subject to the provisions of subsection (b) shall:

(1) Upon the employment of an individual as an agent, file the Form U4 with the Commissioner. The filing of Form U4, with the Commissioner, does not constitute an automatic approval. Broker-dealers should not consider an agent registration approved until such approval has been received from this Department. If requested by the Commissioner, additional documentation or details pertaining to the Form U4 must be filed directly with the Commissioner within 15 days from the date of the request. In accordance with Section 250.16, the Form U4 may be abandoned if the Commissioner does not receive the requested information within the time prescribed.

(2) File an amendment to the Form U4 with the Commissioner within 30 days, when there are any changes to the information (including information relating to a disciplinary action) contained in the original Form U4.

(3) Within 30 days after the termination of employment of an individual as an agent, file the Form U5 with the Commissioner. The Form U5 shall clearly state the reason(s) for termination. A broker-dealer shall be responsible for the acts, practices, and conduct of an agent in connection with the purchase or sale of securities until such time as they have been properly terminated and the Form U5 has been filed with the Commissioner.

(4) If the fingerprints of an individual employed as an agent are not on file with the Commissioner, such broker-dealer shall file with the Form U4 required under subsection (c)(1), fingerprint information pursuant to California Penal Code Section 11077.1 for such individual. Information about whether an individual's fingerprints are on file with the Commissioner may be obtained from any office of the Commissioner.

(d) The following notices required by state and federal law are hereby incorporated as part of any uniform form:

NOTICES REQUIRED UNDER STATE AND FEDERAL LAW  
INFORMATION PRACTICES ACT OF 1977

(California Civil Code Section 1798.17)

(a) The Department of Corporations of the State of California, Securities Regulation Division, is requesting the information specified in the application for registration, qualification, a certificate or a license.

(b) The Chief Administrative Officer, the Department of Corporations, 1515 K Street, Suite 200, Sacramento, CA 95814, telephone (916) 445-5541, is responsible for the system of records and shall, upon request, inform individuals regarding the location of the Department of Corporations' records and the categories of persons who use the information in the records.

(c) The records are maintained pursuant to the Corporate Securities Law of 1968 (Corporations Code Section 25000, et seq.).

(d) The submission of all items of information is mandatory unless otherwise noted. The Department of Corporations is required to collect from all applicants social security numbers under Family Code Section 17520, and social security numbers or federal taxpayer identification numbers under Business and Professions Code Section 494.5. The Privacy Act of 1974 prohibits a state agency from denying an individual any right, benefit or privilege provided by law because of the individual's refusal to disclose the individual's social security account number.

(e) Failure to provide all or any part of the information requested may preclude the Department of Corporations from approving the application.

(f) The principal purposes within the Department of Corporations for which the information is to be used are to determine whether (1) a license, qualification, registration, certificate or other authority should be accepted, granted, approved, denied, revoked or limited in any way; (2) business entities or individuals licensed or otherwise regulated by the Department of Corporations are conducting themselves in accordance with applicable laws; and/or (3) laws administered by the Department of Corporations are being or have been violated and whether administrative action, civil action, or referral

to appropriate federal, state or local law enforcement or regulatory agencies, or to a self-regulatory organization, as authorized by law, is appropriate.

(g) Any known or foreseeable disclosures of the information pursuant to subdivision (e) or (f) of Civil Code Section 1798.24 may include transfers to other federal, state, or local law enforcement or regulatory agencies, or to a self-regulatory organization, as authorized by law.

(h) Subject to certain exceptions or exemptions, the Information Practices Act grants an individual a right of access to personal information concerning the requesting individual that is maintained by the Department of Corporations.

#### FEDERAL PRIVACY ACT OF 1974 (Public Law 93-579)

In accordance with Section 7 of the Privacy Act of 1974 (found at 5 U.S.C. § 552a note (Disclosure of Social Security Number)), the following is information on whether the disclosure of a social security account number is voluntary or mandatory, by what statutory or other authority such number is solicited, and what uses will be made of it.

(1) The Department of Corporations is required to collect from all applicants social security numbers under Family Code Section 17520, and social security numbers or federal taxpayer identification numbers under Business and Professions Code Section 494.5. The Privacy Act of 1974 prohibits a state agency from denying an individual any right, benefit or privilege provided by law because of the individual's refusal to disclose the individual's social security account number.

(2) A social security account number or federal taxpayer identification number is solicited pursuant to one or more of the following authorities: Sections 25210, 25211, 25230, 25230.1, 25231, and 25241 of the Corporations Code; Sections 260.210, 260.211, 260.211.1, 260.231, 260.231.2, 260.236.1, and 260.236.2 of Title 10, California Code of Regulations; Section 17520 of the Family Code; and Section 494.5 of the Business and Professions Code.

(3) For all persons disclosing a social security account number or federal taxpayer identification number, the number is used to match the information to the names on the list provided by the

Department of Child Support Services under Family Code Section 17520, and the lists of tax delinquencies provided by the State Board of Equalization and the Franchise Tax Board under Business and Professions Code Section 494.5. The social security number may be used, in addition to other information provided, to conduct a background investigation of the individual by the Department of Justice's Identification and Information Branch or by other federal, state or local law enforcement agencies, or a self-regulatory organization, as authorized by law. The social security number may also be used to respond to requests for this number made by child support agencies.

#### NOTICES REGARDING TAXPAYER INFORMATION

(4) The State Board of Equalization and the Franchise Tax board are authorized to share taxpayer information with the Department of Corporations and in the event the state tax obligation is not paid by a certificate holder after a certificate is issued, the Department of Corporations may be required to suspend the certificate.

Note: Authority cited: Section 25610, Corporations Code. Reference: Sections 25210, 25213, 25213.3, 25217 and 25612.3, Corporations Code; Sections 31 and 494.5, Business and Professions Code; and Section 11077.1, Penal Code.

2. Section 260.211 is amended to read:

§ 260.211. Application for Broker-Dealer Certificate.

(a) For any broker-dealer that participates in the Central Registration Depository (“CRD”), the application for a certificate as a broker-dealer shall be filed as follows:

(1) INITIAL APPLICATION: The application for a certificate as a broker-dealer pursuant to subsection (a) of Section 25211 of the Code and an amendment to such application pursuant to Section 260.241.4 shall be filed upon Form BD (Uniform Application for Broker-Dealer Registration, 17 C.F.R. § 249.501) in accordance with the form instructions and by filing the form with CRD for transmission to the Commissioner.

(A) An applicant that files an application through CRD shall complete a Customer Authorization of Disclosure of Financial Records, set forth in section 260.231(i) of these rules, and maintain the form in the applicant's books and records as provided in Section 25241 of the Code. The applicant shall provide the form to the Commissioner upon request.

(B) Upon reviewing the application, the Commissioner may require the applicant to submit the following information:

1. A balance sheet as of a date within 45 days prior to the filing of the application, which need not be audited. If the balance sheet is not audited, the applicant shall file, in addition, an audited balance sheet as of the end of applicant's last fiscal year.

2. A calculation of the net capital and the ratio of net capital to aggregate indebtedness of the applicant, in accordance with Section 260.216.12 of these rules, as of the same date as the balance sheets submitted under paragraph (B)1 above.

3. Copies of all currently effective subordination agreements. If any are substantially similar, attach one copy of the most standard form(s) and a schedule(s) showing the name and address of each lender and the dollar value of the subordinated items on each agreement.

(C) The Commissioner may request additional information, documentation or detail pertaining to Form BD (Uniform Application for Broker-Dealer Registration, 17 C.F.R. § 249.501) to be filed directly with the Commissioner.

(2) FILING FEE: The fee for filing an initial application is \$300 as prescribed in Section 25608(o) of the Code. The applicant shall remit the fee directly with CRD in accordance with its procedures for transmission to the Commissioner. Fees are not refundable except pursuant to Section 250.15 of these rules.

(3) COMPLETION OF FILING: For the purposes of Sections 250.51, an application for a certificate as a broker-dealer is not deemed filed until the required fee and all required submissions are received by the Commissioner. The filing of Form BD (Uniform Application for Broker-Dealer

Registration, 17 C.F.R. § 249.501) with CRD does not constitute automatic approval. The broker-dealer shall not consider the application approved until approved by the Commissioner and the approval is received through CRD.

(b) For any broker-dealer that does NOT participate in the CRD, the application for a certificate as a broker-dealer shall be filed as follows:

(1) INITIAL APPLICATION: The application for a certificate as a broker-dealer pursuant to subsection (a) of Section 25211 of the Code and an amendment to such application pursuant to Section 260.241.4(a) of these rules shall be filed upon Form BD (Uniform Application for Broker-Dealer Registration, 17 C.F.R. § 249.501) in accordance with the form instructions and by filing the form directly with the Commissioner at the Department of Corporations, 1515 K Street, Suite 200, Sacramento, CA 95814-4052. In addition to Form BD, the application shall include the additional documentation prescribed in subsections (b)(1)(A) through (b)(1)(D) of this rule.

(A) Financial Statements:

1. Attach a balance sheet as of a date within 45 days prior to the filing of the application, which need not be audited. If the balance sheet is not audited, the applicant shall file, in addition, an audited balance sheet as of the end of applicant's last fiscal year.
2. Attach a calculation of the net capital and the ratio of net capital to aggregate indebtedness of the applicant, in accordance with Section 260.216.12 of these rules, as of the same date as the balance sheets submitted under paragraph (A)1 above.
3. Attach copies of all currently effective subordination agreements. If any are substantially similar, attach one copy of the most standard form(s) and a schedule(s) showing the name and address of each lender, and the dollar value of the subordinated items on each agreement.
4. Furnish the date applicant's fiscal year ends.
5. Furnish applicant's minimum net capital requirement.

A broker-dealer registered pursuant to Section 15 of the Securities Exchange Act of 1934 may file a copy of its most recent annual report of financial condition and its most recent quarterly financial report required under 17 CFR 240.17a-5 in lieu of paragraphs (A)1. and (A)2. above.

(B) Organizational Information and Other Exhibits.

1. If applicant is a corporation, attach copies of articles, by-laws, amendments and certification.
2. If applicant is a partnership, attach partnership agreement and amendments.
3. If applicant is a limited liability company, attach copies of its articles of organization and amendments.
4. If applicant will conduct business under a fictitious name, attach a certified copy of the Fictitious Business Name Statement required by Business and Professions Code Section 17910.
5. Attach a completed Customer Authorization of Disclosure of Financial Records, set forth in Section 260.231(i) of these rules.

(C) Exhibits Required by Applicants Not Registered Under The Securities Exchange Act of 1934 (15 U.S.C. 78a et seq.) or Applicants Whose Agent Records are not on File with CRD.

1. Attach a statement demonstrating compliance with the examination requirements of Section 260.217 of these rules.
2. Attach fingerprint information pursuant to California Penal Code Section 11077.1 for each person listed on Schedule A, B or C of Form BD (Uniform Application for Broker-Dealer Registration, 17 C.F.R. § 249.501).

(D) The Commissioner may request additional information, documentation or detail pertaining to Form BD (Uniform Application for Broker-Dealer Registration, 17 C.F.R. § 249.501) to be filed with the Commissioner.

(2) FILING FEE: The fee for filing an initial application is \$300 as prescribed in Section 25608(o) of the Code. Checks shall be made payable to the DEPARTMENT OF CORPORATIONS. Fees are not refundable except pursuant to Section 250.15 of these rules.

(3) COMPLETION OF FILING: For the purposes of Sections 250.51 of these rules, an application for a certificate as a broker-dealer is not considered filed until the required fee and all required submissions are received by the Commissioner.

(c) AMENDMENTS TO FORM BD: Any amendments to Form BD (Uniform Application for Broker-Dealer Registration, 17 C.F.R. § 249.501) shall be filed pursuant to Section 260.241.4 of these rules.

(d) ANNUAL ASSESSMENT: The annual assessment shall consist of the fee prescribed in Section 25608(o) of the Code. The minimum assessment of \$75 shall be filed through CRD in accordance with its procedures by the 31st of December for transmission to the Commissioner. This fee shall keep the certificate in effect for an additional period. Broker-dealers not filing through CRD shall pay the minimum assessment of \$75 directly to the Commissioner by the 31st of December.

(e) SUCCESSIONS: In the event that a broker-dealer succeeds to and continues the business of a broker-dealer holding a current certificate, both the predecessor broker-dealer and the successor broker-dealer shall follow Rule 15b1-3 under the Securities Exchange Act of 1934 (17 C.F.R. § 240.15b1-3) for the filing of Form BD (Uniform Application for Broker-Dealer Registration, 17 C.F.R. § 249.501), an amendment to Form BD, or Form BDW (Uniform Application for Broker-Dealer Withdrawal, 17 C.F.R. § 249.501a), as applicable. Form BD shall be filed in the manner set forth in subsection (a) or (b) of this section, as applicable. An amendment to Form BD shall be filed in the manner set forth in subsection (c) of this section. Form BDW shall be filed in the manner set forth in Section 260.242 of these rules.

~~Note: Social Security Account Numbers: In accordance with Section 7 of the Privacy Act of 1974 (PL. 93-579), the following information is provided in connection with the disclosure of a social security account number in the Schedules to Form BD (Uniform Application for Broker-Dealer Registration, 17 C.F.R. § 249.501).~~

~~Disclosure of a social security account number shall be considered a voluntary disclosure, except as provided below. A social security account number is solicited pursuant to one or more of the following authorities:~~

~~Section 25211, Corporations Code.~~

~~Section 260.211, Title 10, California Code of Regulations.~~

~~Section 17520, Family Code.~~

~~Uses to be made of social security account numbers solicited by Form BD and the Schedules thereto are:~~

~~A. For all persons disclosing a social security account number, the number may be used, in addition to other information provided, to conduct a background investigation of the individual by the Department of Justice's Identification and Information Branch or by other federal, state or local law enforcement agencies. The social security number may also be used to respond to requests for this number made by child support agencies.~~

~~B. The completed form, except any disclosed social security account numbers, shall become a public record and available to members of the public pursuant to the provisions of the Public Records Act (Government Code Sections 6250 et seq.).~~

(f) The following notices required by state and federal law are hereby incorporated as part of any uniform form:

NOTICES REQUIRED UNDER STATE AND FEDERAL LAW

INFORMATION PRACTICES ACT OF 1977

(California Civil Code Section 1798.17)

(a) The Department of Corporations of the State of California, Securities Regulation Division, is requesting the information specified in the application for registration, qualification, a certificate or a license.

(b) The Chief Administrative Officer, the Department of Corporations, 1515 K Street, Suite 200, Sacramento, CA 95814, telephone (916) 445-5541, is responsible for the system of records and shall, upon request, inform individuals regarding the location of the Department of Corporations' records and the categories of persons who use the information in the records.

(c) The records are maintained pursuant to the Corporate Securities Law of 1968 (Corporations Code Section 25000, et seq.).

(d) The submission of all items of information is mandatory unless otherwise noted. The Department of Corporations is required to collect from all applicants social security numbers under Family Code Section 17520, and social security numbers or federal taxpayer identification numbers under Business and Professions Code Section 494.5. The Privacy Act of 1974 prohibits a state agency from denying an individual any right, benefit or privilege provided by law because of the individual's refusal to disclose the individual's social security account number.

(e) Failure to provide all or any part of the information requested may preclude the Department of Corporations from approving the application.

(f) The principal purposes within the Department of Corporations for which the information is to be used are to determine whether (1) a license, qualification, registration, certificate or other authority should be accepted, granted, approved, denied, revoked or limited in any way; (2) business entities or individuals licensed or otherwise regulated by the Department of Corporations are conducting themselves in accordance with applicable laws; and/or (3) laws administered by the Department of Corporations are being or have been violated and whether administrative action, civil action, or referral to appropriate federal, state or local law enforcement or regulatory agencies, or to a self-regulatory organization, as authorized by law, is appropriate.

(g) Any known or foreseeable disclosures of the information pursuant to subdivision (e) or (f) of Civil Code Section 1798.24 may include transfers to other federal, state, or local law enforcement or regulatory agencies, or to a self-regulatory organization, as authorized by law.

(h) Subject to certain exceptions or exemptions, the Information Practices Act grants an individual a right of access to personal information concerning the requesting individual that is maintained by the Department of Corporations.

FEDERAL PRIVACY ACT OF 1974 (Public Law 93-579)

In accordance with Section 7 of the Privacy Act of 1974 (found at 5 U.S.C. § 552a note (Disclosure of Social Security Number)), the following is information on whether the disclosure of a social security account number is voluntary or mandatory, by what statutory or other authority such number is solicited, and what uses will be made of it.

(1) The Department of Corporations is required to collect from all applicants social security numbers under Family Code Section 17520, and social security numbers or federal taxpayer identification numbers under Business and Professions Code Section 494.5. The Privacy Act of 1974 prohibits a state agency from denying an individual any right, benefit or privilege provided by law because of the individual's refusal to disclose the individual's social security account number.

(2) A social security account number or federal taxpayer identification number is solicited pursuant to one or more of the following authorities: Sections 25210, 25211, 25230, 25230.1, 25231, and 25241 of the Corporations Code; Sections 260.211, 260.211.1, 260.231, 260.231.2, 260.236.1, and 260.236.2 of Title 10, California Code of Regulations; Section 17520 of the Family Code; and Section 494.5 of the Business and Professions Code.

(3) For all persons disclosing a social security account number or federal taxpayer identification number, the number is used to match the information to the names on the list provided by the Department of Child Support Services under Family Code Section 17520, and the lists of tax delinquencies provided by the State Board of Equalization and the Franchise Tax Board under Business and Professions Code Section 494.5. The social security number may be used, in addition to other information provided, to conduct a background investigation of the individual by the Department of Justice's Identification and Information Branch or by other federal, state or local law enforcement

agencies, or a self-regulatory organization, as authorized by law. The social security number may also be used to respond to requests for this number made by child support agencies.

#### NOTICES REGARDING TAXPAYER INFORMATION

(4) The State Board of Equalization and the Franchise Tax board are authorized to share taxpayer information with the Department of Corporations and in the event the state tax obligation is not paid by a certificate holder after a certificate is issued, the Department of Corporations may be required to suspend the certificate.

Note: Authority cited: Sections 25211 and 25610, Corporations Code. Reference: Section 1798.17, Civil Code; Sections 25210, 25211, 25216, 25217, 25241, 25608, 25612.3, 25612.5 and 25613, Corporations Code; Section 17520, Family Code; Sections 31 and 494.5, Business and Professions Code; and Section 11077.1, Penal Code.

3. Section 260.211.1 is amended to read:

§ 260.211.1. Application for License by Notification.

(a) An application for licensing by notification pursuant to Section 25211(b) of the Code shall be in the following form and contain the information therein specified:

Mail to:

Fee: \$300

State of California

File No. \_\_\_\_\_

Department of Corporations

Date of Application \_\_\_\_\_

1515 K Street, Suite 200

Sacramento, CA 95814-4052

DEPARTMENT OF CORPORATIONS

STATE OF CALIFORNIA

APPLICATION BY NOTIFICATION

FOR BROKER-DEALER CERTIFICATE

1. Date of Notice: \_\_\_\_\_

2. ☐ Original Notice      ☐ Amended Notice

3. Name of Broker-Dealer	Address of Principal Office

4. Name and address of officer or partner of the broker-dealer who is to receive compliance and information communications from the Department and who is responsible for disseminating the same within the broker-dealer's organization.

Name \_\_\_\_\_

Title \_\_\_\_\_

Address \_\_\_\_\_

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

(See Corporations Code Section 25245)

5. The following representations are made to the Commissioner of Corporations by the broker-dealer:

a. The broker-dealer has a currently effective registration as a broker-dealer under the Securities Exchange Act of 1934 (15 USC 78a et seq.).

b. The broker-dealer is a member in good standing of the self-regulatory organizations checked:

☐ NYSE ☐ NYSE AMEX ☐ NYSE Arca ☐ FINRA

c. Check the applicable box:

☐ (1) The broker-dealer has never had a certificate as a broker-dealer, investment adviser or agent revoked, or an application for such a certificate denied, under the Corporate Securities Law of 1968 or any predecessor statute.

☐ (2) The Commissioner has by order waived the denial or revocation of a certificate as a broker-dealer, investment adviser or agent heretofore issued to the broker-dealer.

6. Exhibits. Attach the following exhibits:

a. A completed Customer Authorization of Disclosure of Financial Records (Form QR 500.261 (1/00), hereby incorporated by reference).

b. A completed Form BD (Uniform Application for Broker-Dealer Registration, 17 C.F.R. § 249.501) and the schedules thereto.

NOTE: Social Security Numbers: In accordance with Section 7 of the Privacy Act of 1974 (PL. 93-579), the following information is provided in connection with the disclosure of social security account numbers in Form BD (Uniform Application for Broker-Dealer Registration, 17 C.F.R. § 249.501) and the Schedules thereto.

Disclosure of a social security account number shall be considered a voluntary disclosure, except as provided below. A social security account number or federal taxpayer identification number under Business and Professions Code Section 494.5, is solicited pursuant to one or more of the following authorities:

Section 25211, Corporations Code.

Section 260.211, Title 10, California Code of Regulations.

Section 17520, Family Code.

Section 494.5, Business and Professions Code.

Uses to be made of social security account numbers and federal taxpayer identification numbers, solicited by Form BD and the Schedules thereto are:

- A. For all persons disclosing social security account numbers, the number may be used, in addition to other information provided, to conduct a background investigation of the individual by the Department of Justice's Identification and Information Branch or by other federal, state or local law enforcement agencies. The social security number may also be used to respond to requests for this information made by child support agencies.

Under Business and Professions Code Section 494.5, the social security number or federal taxpayer identification number is used to match the information to the names on the lists of tax delinquencies provided by the State Board of Equalization and the Franchise Tax Board.

B. The completed form, except any disclosed social security account numbers and federal taxpayer identification numbers, shall become a public record and available to members of the public pursuant to the provisions of the Public Records Act (Government Code Sections 6250, et seq.).

The State Board of Equalization and the Franchise Tax Board are authorized to share taxpayer information with the Department of Corporations, and in the event the state tax obligation is not paid by a certificate holder after a certificate is issued, the Department of Corporations may be required to suspend the certificate (Business and Professions Code Sections 31 and 494.5).

7. Applicant's Minimum Net Capital Requirement: \$ \_\_\_\_\_

8. Applicant's Fiscal Year Ends: \_\_\_\_/\_\_\_\_ (Month/Day)

9. Execution:

\_\_\_\_\_

By \_\_\_\_\_

\_\_\_\_\_

(Title)

Note: Authority cited: Sections 25211(b) and 25610, Corporations Code. Reference: Section 1798.17, Civil Code; ~~and~~ Sections 25210, 25211, 25216, 25241 and 25608, Corporations Code; and Sections 31 and 494.5, Business and Professions Code.

4. Section 260.231 is amended to read:

§ 260.231. Application for Investment Adviser Certificate.

The application for a certificate as an investment adviser and all amendments thereto shall be filed as follows:

(a) Initial Application: The application for a certificate as an investment adviser pursuant to Section 25231 of the Code shall be made by completing Form ADV in accordance with the form instructions and by filing the form with IARD for transmission to the Commissioner. The Commissioner may require additional documentation as deemed appropriate as prescribed in subsection (a)(4) of this rule.

(1) Part 2 of Form ADV shall be filed directly with the Commissioner until the form can be filed with IARD.

(2) An applicant shall complete a Customer Authorization of Disclosure of Financial Records, as set forth in subsection (i), and maintain the form in the applicant's books and records as provided in Section 25241 of the Code and Section 260.241.3 of these rules. The applicant shall provide the form to the Commissioner upon request.

(3) The applicant shall file directly with the Commissioner, a Statement of Financial Condition with worksheet that demonstrates compliance with the minimum financial requirements as prescribed in Section 260.237.2, investment advisory contract(s), ~~and~~ proof of compliance with the qualification requirements prescribed in Section 260.236, and the federal taxpayer

identification number as provided in subdivision (j) of this section, if the applicant is a business entity other than a sole proprietorship.

(4) The Commissioner may request additional information, documentation or detail pertaining to Form ADV to be filed directly with the Commissioner.

(b) Filing fee: The fee for filing an initial application is \$125 as prescribed in Section 25608(q). The payment of this fee shall keep the certificate, if granted, in effect during the calendar year during which it is granted. The applicant shall remit the fee directly with IARD in accordance with its procedures for transmission to the Commissioner. Fees are not refundable except pursuant to Government Code Sections 13140-13144.

(c) Completion of Filing: For the purposes of Section 250.51, an application for a certificate as an investment adviser is not considered filed until the required fee and all required submissions are received by the Commissioner. The filing of Form ADV with IARD does not constitute automatic approval. The applicant shall not consider the application approved until approved by the Commissioner and the approval has been received through IARD.

(d) Amendments to Form ADV: Any amendment to Form ADV shall be filed with IARD in accordance with the requirements of Section 260.241.4.

(e) Annual Renewal: The annual renewal shall consist of the fee as prescribed in Section 25608(q). The renewal fee shall be filed through IARD in accordance with its procedures for transmission to the Commissioner. This fee shall keep the certificate in effect for the next calendar year.

(f) Successions: An application for a certificate as an investment adviser pursuant to Section 25231 shall be filed in accordance with the instructions in this section if a person is succeeding to the business of an investment adviser licensed pursuant to Section 25230, and is not

eligible for registration with the Securities and Exchange Commission. Notwithstanding the foregoing, if an investment adviser succeeds to and continues the business of a predecessor investment adviser, and the succession is based solely on a change on the predecessor's date or state of incorporation, form of organization, or composition of a partnership, and there has been no practical change in control or management, the successor may, within 30 days after the succession, amend the Form ADV of the predecessor investment adviser to reflect these changes.

(g) Switching to Securities and Exchange Commission registration: Upon registration with the Securities and Exchange Commission, the investment adviser shall file Form ADV-W with IARD in accordance with instructions in Form ADV-W.

(h) Dually certificated broker-dealers: Subsections (b) and (e) of this rule shall not apply to a broker-dealer licensed under Section 25210 of the Code.

(i) An authorization for the disclosure of financial records shall be made on the following form:

STATE OF CALIFORNIA  
DEPARTMENT OF CORPORATIONS  
CUSTOMER AUTHORIZATION OF DISCLOSURE  
OF FINANCIAL RECORDS

Pursuant to Corporations Code Section 25241 and Government Code Sections 7470 and 7473, any financial institution, wherever situated, possessing financial records of:

Name of (check appropriate designation(s) below)

\_\_\_\_\_ Broker-Dealer

\_\_\_\_\_ Investment Adviser

is hereby authorized to disclose to the California Department of Corporations records of the above named broker-dealer or investment adviser business whether such records relate to accounts which have been closed, accounts which are currently maintained, or accounts which are hereafter established.

This authorization is effective as of the date of execution and shall remain effective until five years after the expiration or revocation of the above-named broker-dealer or investment adviser license, including renewals of such license.

This authorization may not be revoked.

The terms used in this authorization shall have the definitions contained in the California Right to Financial Privacy Act (Government Code Section 7460 et seq.) and the Corporate Securities Law (Corporations Code Section 25000 et seq.).

The above-named licensee has duly caused this authorization to be signed on its behalf by the undersigned, thereunto duly authorized. Executed on \_\_\_\_\_, 20 \_\_\_\_ at

\_\_\_\_\_

\_\_\_\_\_

Name of Licensee

\_\_\_\_\_

Licensee's Department of

Corporations File Number

By \_\_\_\_\_

\_\_\_\_\_

(Title)

STATE OF CALIFORNIA

DEPARTMENT OF CORPORATIONS

INSTRUCTIONS FOR CUSTOMER AUTHORIZATION

OF DISCLOSURE OF FINANCIAL RECORDS

On the reverse is a Customer Authorization of Disclosure of Financial Records form. The Commissioner of Corporations is authorized to require such authorization from certain licensees and other persons pursuant to the authority cited in the first paragraph of the form.

The form must be properly executed and submitted with the attached application for license, qualification, registration or other authority.

All information required on the form, except the signature of the person executing the form, is to be typewritten.

If the form requests a Department of Corporations file number, the applicant need only provide such number if it is known to the applicant and is the type of file number appropriate for the license, qualification, registration or other authority applied for in the attached application.

If additional authorization forms are needed, they may be obtained from any office of the Department of Corporations, or accurate copies of the form may be utilized by applicants.

(j) The following notices required by state and federal law are hereby incorporated as part of any uniform form:

NOTICES REQUIRED UNDER STATE AND FEDERAL LAW  
INFORMATION PRACTICES ACT OF 1977  
(California Civil Code Section 1798.17)

(a) The Department of Corporations of the State of California, Securities Regulation Division, is requesting the information specified in the application for registration, qualification, a certificate or a license.

(b) The Chief Administrative Officer, the Department of Corporations, 1515 K Street, Suite 200, Sacramento, CA 95814, telephone (916) 445-5541, is responsible for the system of records and shall, upon request, inform individuals regarding the location of the Department of Corporations' records and the categories of persons who use the information in the records.

(c) The records are maintained pursuant to the Corporate Securities Law of 1968 (Corporations Code Section 25000, et seq.).

(d) The submission of all items of information is mandatory unless otherwise noted. ~~Section 17520 of the Family Code requires the Department of Corporations to collect social security numbers from all applicants.~~ The Department of Corporations is required to collect from all applicants social security numbers under Family Code Section 17520, and social security numbers or federal taxpayer identification numbers under Business and Professions Code Section 494.5. The Privacy Act of 1974 prohibits a state agency from denying an individual any right, benefit or privilege provided by law because of the individual's refusal to disclose the individual's social security account number.

(e) Failure to provide all or any part of the information requested may preclude the Department of Corporations from approving the application.

(f) The principal purposes within the Department of Corporations for which the information is to be used are to determine whether (1) a license, qualification, registration, certificate or other authority should be accepted, granted, approved, denied, revoked or limited in

any way; (2) business entities or individuals licensed or otherwise regulated by the Department of Corporations are conducting themselves in accordance with applicable laws; and/or (3) laws administered by the Department of Corporations are being or have been violated and whether administrative action, civil action, or referral to appropriate federal, state or local law enforcement or regulatory agencies, or to a self-regulatory organization, as authorized by law, is appropriate.

(g) Any known or foreseeable disclosures of the information pursuant to subdivision (e) or (f) of Civil Code Section 1798.24 may include transfers to other federal, state, or local law enforcement or regulatory agencies, or to a self-regulatory organization, as authorized by law.

(h) Subject to certain exceptions or exemptions, the Information Practices Act grants an individual a right of access to personal information concerning the requesting individual that is maintained by the Department of Corporations.

#### FEDERAL PRIVACY ACT OF 1974 (Public Law 93-579)

In accordance with Section 7 of the Privacy Act of 1974 (found at 5 U.S.C. § 552a note (Disclosure of Social Security Number)), the following is information on whether the disclosure of a social security account number is voluntary or mandatory, by what statutory or other authority such number is solicited, and what uses will be made of it.

(1) ~~Section 17520 of the Family Code requires the Department of Corporations to collect social security numbers from all applicants.~~ The Department of Corporations is required to collect from all applicants social security numbers under Family Code Section 17520, and social security numbers and federal taxpayer identification numbers under Business and Professions Code Section 494.5 The Privacy Act of 1974 prohibits a state agency from denying an individual any right, benefit or privilege provided by law because of the individual's refusal to disclose the individual's social security account number.

(2) A social security account number or federal taxpayer identification number is solicited pursuant to one or more of the following authorities: Sections 25210, 25211, 25230, 25230.1, 25231, and 25241 of the Corporations Code; Sections 260.210, 260.211, 260.211.1, 260.231, 260.231.2, 260.236.1, and 260.236.2 of Title 10, California Code of Regulations; ~~and~~ Section 17520 of the Family Code; and Section 494.5 of the Business and Professions Code.

(3) For all persons disclosing a social security account number or federal taxpayer identification number, the number is used to match the information to the names on the list provided by the Department of Child Support Services under Family Code Section 17520, and the lists of tax delinquencies provided by the State Board of Equalization and the Franchise Tax Board under Business and Professions Code Section 494.5. The social security number may be used, in addition to other information provided, to conduct a background investigation of the individual by the Department of Justice's Identification and Information Branch or by other federal, state or local law enforcement agencies, or a self-regulatory organization, as authorized by law. The social security number may also be used to respond to requests for this number made by child support agencies.

#### NOTICE REGARDING TAXPAYER INFORMATION

(4) The State Board of Equalization and the Franchise Tax board are authorized to share taxpayer information with the Department of Corporations and in the event the state tax obligation is not paid by a certificate holder after a certificate is issued, the Department of Corporations may be required to suspend the certificate.

Note: Authority cited Sections 25231, 25610, 25612.3 and 25612.5, Corporations Code.  
Reference: Sections 31 and 494.5, Business and Professions Code; Section 1798.17, Civil Code;  
Sections 25230, 25231, 25234, 25236, 25237, 25241, 25242, 25608, 25612.3, 25612.5 and 25613,

Corporations Code; Section 17520, Family Code; Sections 7470, 7473, 7490 and 13140-13144, Government Code; and Section 7 of Public Law 93-579 (5 U.S.C. Section 552a note).

5. Section 1422 is amended to read:

§ 1422. Application for License as a Finance Lender or Broker: Form.

(a) The application for a license as a finance lender or broker pursuant to Financial Code Section 22100 shall be filed upon the form set forth in subdivision (c) of this section.

(b) Within 45 calendar days from the receipt of the application under this rule, the California Corporations Commissioner shall inform the applicant, in writing, that the application is complete and accepted for filing, or that the application is deficient and specify what information is required to complete the application. Within 60 calendar days from the filing of a completed application, the California Corporations Commissioner shall reach a decision on the license.

(c) An application for a license as a finance lender or broker shall be submitted to the California Corporations Commissioner on the following form:

**STATE OF CALIFORNIA**  
**DEPARTMENT OF CORPORATIONS**  
  
**INSTRUCTIONS FOR COMPLETING**  
**THE APPLICATION FOR A LICENSE UNDER THE**  
**CALIFORNIA FINANCE LENDERS LAW (CFLL)**

**ASSISTANCE WITH THE APPLICATION**

Refer to these instructions while completing the CFLL application. If you have questions about the application that are not answered by these instructions, call the Department of Corporations' toll-free telephone number at (866) 275-2677. Departmental personnel cannot provide individual legal or accounting advice. Applicants who need such advice must consult a qualified professional.

**FEES AND PROCESSING OF THE APPLICATION**

The application and all exhibits must be typewritten. All signatures must be original and not a copy. Attach additional sheets if you need more space to complete an answer to any of the questions. Answer every question in the application, unless these instructions direct otherwise, and label the answers by the corresponding question number or exhibit letter.

The application, including all exhibits, must be accompanied by a nonrefundable application fee of \$200, an investigation fee of \$100, and fingerprint processing fees. The applicable fingerprint processing fee is \$20 per

individual if the individual resides in California. If the individual resides outside of California, the applicable fingerprint processing fee is \$86 per individual. The application fee, investigation fee, and fingerprint processing fees are not refundable if the application is denied or withdrawn. Detailed instructions for the fingerprint processing requirements are listed below under “Exhibit C.”

Make check(s) payable to the Department of Corporations for the total amount of all fees. The application, exhibits, and fees must be filed only in the Los Angeles office of the Department of Corporations, located at 320 West 4<sup>th</sup> Street, Suite 750, Los Angeles, California 90013. **Applications which do not include all required information and exhibits will not be processed.**

## **THE CFLL APPLICATION**

References to exhibits in these instructions pertain to specific documents that must be submitted with the CFLL application. The headings used in these instructions correspond to the application item numbers and exhibit letters in the CFLL application.

### **COVER PAGE OF APPLICATION:**

Check **one** box only to reflect the type of license for which you are applying, either “Lender” or “Broker” or “Both.” Do not check more than one box.

### **ITEM NUMBER 1 OF APPLICATION:**

**1.a. Name of Applicant:**

Provide the applicant's legal name. For individuals (sole proprietors), list first, middle and last name. If a sole proprietor applicant has no middle name, indicate, e.g., "John [no middle name] Smith."

Note: Some foreign entities are required by the California Secretary of State's office to use an assumed name for all business they conduct in California. Such entities should provide that assumed name as the "Name of Applicant" and may only use that name. Such entities are not permitted to use a fictitious business name.

**1.b. Fictitious Business Name:**

An applicant who intends to conduct CFLL business under a fictitious business name that is different from its legal name should list the fictitious business name here. Enter the name exactly as it appears on the Fictitious Business Name Statement as filed with the county clerk. The fictitious business name must be provided in addition to the legal name. Applicants who intend to conduct business under a fictitious business name are required to comply with the rules governing the filing of a fictitious business name as set forth in the Business and Professions Code, beginning at Section 17900.

**1.c. Filing of Fictitious Business Name:**

Provide the name of the county in which the fictitious business name is filed. The fictitious business name must be filed in the county of the applicant's main office address.

**ITEM NUMBER 4 OF APPLICATION (Sole Proprietor Applicants ONLY):**

This item is to be completed only by applicants who are sole proprietors and not organized as any other form of business.

**4.a. Name of Sole Proprietor Applicant:**

List the sole proprietor's full first, middle, and last name. If the applicant has no middle name, indicate, e.g., "John [no middle name] Smith."

**4.b. Person(s) Who Will Be In Charge of the Place of Business:**

Provide the full name, address, telephone number, and e-mail address of all managers as "person(s) who will be in charge of the place of business." "Managers" are persons with authority to manage the operations of the organization in California.

**4.c. Agent for Service of Process (Sole Proprietor Applicants Outside of California ONLY):**

Provide the name and address of the applicant's agent for service of process in California. Provide this information if the applicant has an agent in California who is authorized to accept service on its behalf. As an example, it is common for persons to authorize their attorney to accept service of process on their behalf. Indicate if there is no authorized agent for service of process in California by stating "none".

**ITEM NUMBER 5 OF APPLICATION (Partnership Applicants ONLY):**

This item of the application must be completed only by applicants organized as a general or limited partnership.

**5.a. Organization:**

Include the full date (month, day, and year) and the state where the partnership was organized.

**5.b. General Partners:**

Provide the requested information for all general partners and indicate if the general partner is a managing general partner by checking the box.

**5.c. Person(s) Who Will Be In Charge of the Place of Business:**

Provide the full name, address, telephone number, and e-mail address of all managers as “person(s) who will be in charge of the place of business.” “Managers” are persons with authority to manage the operations of the organization in California.

**5.d. and 5.e. Other Persons:**

List the full name of any other person with direct involvement in the applicant's proposed activities under the CFLL license in 5.d. and any person that owns or controls, directly or indirectly, 10% or more of the applicant in 5.e. This includes any entity owning 10% or more of the applicant.

If the applicant is owned by another entity(s) or individual(s), or has subsidiaries or affiliated entities, provide an organization chart identifying each entity or individual and their percentage of ownership in the applicant. Label the organization chart as Exhibit M.

**5.f. Agent for Service of Process (General Partnership Applicants ONLY):**

Provide the name and address of the applicant's agent for service of process in California. Provide this information if the applicant has an agent in California who is authorized to accept service on its behalf. For example, it is common for persons to authorize their attorney to accept service of process on their behalf. Indicate if there is no authorized agent for service of process in California by stating "none".

**ITEM NUMBER 6 OF APPLICATION (Corporations and Other Business Entities):**

Complete this item of the application only if the applicant is applying as a corporation, limited liability company, joint venture, association, joint stock company, trust, unincorporated organization, government, or political subdivision of a government.

**6.a. Organization:**

Include the full date (month, day, year) of organization and the state where the applicant was organized.

**6.b. Officers and Directors:**

List the full name of each of the officers, directors, managers, and trustees.

**6.c. Person(s) Who Will Be In Charge of the Place of Business:**

Provide the full name, address, telephone number, and e-mail address of all managers as “person(s) who will be in charge of the place of business.” “Managers” are persons with authority to manage the operations of the organization in California.

**6.d. and 6.e. Other Persons:**

List the full name of any other person with direct responsibility for the applicant’s proposed activities under the CFLL license in 6.d. and any other person that owns or controls, directly or indirectly, 10% or more of the applicant in Item 6.e. This includes any entity owning 10% or more of the applicant.

If the applicant is owned by another entity(s) or individual(s), or has subsidiaries or affiliated entities, provide an organization chart identifying each entity or individual and their percentage of ownership in the applicant.

Label the organization chart as Exhibit M.

**ITEM NUMBER 7 OF APPLICATION:**

**Regulatory or Other Action:**

Under Financial Code Section 22109(a)(2) and (3), the California Corporations Commissioner may deny an application for a finance lender or broker license if the applicant has been convicted of a crime or committed an act involving dishonesty, fraud, or deceit within the last 10 years, or if the applicant has violated the CFLL or other similar regulatory scheme at any time. ~~states that an application may be denied if the applicant or other interested parties have committed specific acts. Check the appropriate box to indicate whether the applicant has been subject to any administrative or criminal action, or any civil action involving an act of dishonesty, fraud, or deceit in California, any other state, or foreign jurisdiction.~~ Describe, if applicable, by providing the information requested. Attach a copy of each action.

**ITEM NUMBER 8 OF APPLICATION:****Other Business at Location:**

Financial Code Section 22154 requires written authorization from the California Corporations Commissioner to conduct non-CFLF business from a CFLF-licensed location. Check the appropriate box. Describe, if applicable, any other business that will be conducted from the same location as the CFLF-licensed business. If none, so state.

**ITEM NUMBER 9 OF APPLICATION:**

**Bonding Agent:**

Provide the name, address, and telephone number of the bonding agent that the Department can contact regarding the applicant's surety bond.

**ITEM NUMBER 10 OF APPLICATION:****10.a. Proposed Activities:**

This item of the application requires the applicant to provide basic information regarding its proposed activities. Check the appropriate boxes to indicate the type of collateral that will be securing the loans that you are making or brokering, and indicate the corresponding minimum dollar amount of the loans made or brokered. Check all boxes that are applicable. There is a statutory minimum of \$5,000 or more for commercial purpose loans and consumer loans secured by real estate.

**10.b. Business Plan:**

Provide a short description of how the applicant plans to conduct business under the CFLL license. Include any information necessary for the California Corporations Commissioner to have an understanding of the type of business that the applicant plans to conduct under this license.

**ITEM NUMBER 11 OF APPLICATION:**

**Qualification of Securities:**

Check the appropriate box to indicate whether the applicant's offer and sale of securities have been qualified in California. Under the Corporate Securities Law of 1968, companies, individuals or other entities that offer and sell securities including common stock, debt, limited partnership interests or limited liability company membership interests, employee stock options, etc., in California must claim an exemption or qualify the offering by filing an application. If exempt, the applicant must have the appropriate limited/small offering exemption notice on file with the Department. Please contact our Customer Service Office at 1-866-ASK-CORP (1-866-275-2677) for further information.

**EXHIBITS****EXHIBIT A:****Balance Sheet**

Exhibit A requires each applicant (i.e., the person identified as "Name of Applicant" in Item Number 1) to submit a financial statement in the form of a balance sheet prepared according to generally accepted accounting principles that is dated no more than 90 days before the date that the application is filed with the Department. For example, if the applicant is a corporation, then submit a balance sheet for the corporation. If the applicant is a sole proprietor, then submit a personal balance sheet. Label the balance sheet as Exhibit A.

The applicant must meet and maintain a minimum net worth of \$25,000 at all times. (Financial Code Section 22104.) If the applicant does not meet this net worth requirement as evidenced by the balance sheet submitted with the application then the application cannot be approved. Applicants needing assistance should consult an accountant.

## **EXHIBIT B:**

### **Surety Bond**

Provide the original surety bond, including riders and endorsements, in the amount of \$25,000. A bond form and instructions are enclosed.

To complete the bond form:

1. Read the instructions on the bond form before completing the bond.
2. The bond and the cover page of the bond must be in the name of the applicant as provided in Item Number 1 of this application under “Name of Applicant”.
3. The bond must be signed by the applicant (if the applicant is a sole proprietor), or by one of the individuals named in Item Number 4, 5, or 6 of the application and who is authorized to sign on behalf of the applicant, in the space designated “Signature of Principal”.

4. The signature of the applicant must be notarized.
5. The bond must contain the original power-of-attorney-form issued by the surety bond company.
6. The bond must be signed by the surety bond company in the space designated “Signature of Attorney-in-Fact for Surety” and the signature must be notarized.

## **EXHIBIT C:**

### **Statement of Identity and Questionnaire**

Each individual (natural person) named in Item Numbers 4, 5, and 6 of the application must complete a Statement of Identity and Questionnaire. Submit the Statement of Identity and Questionnaire with the fingerprint information and the cost of fingerprint processing (discussed below).

The 10-year employment and residence histories in the Statement of Identity and Questionnaire must be complete and accurate. Attach copies of all pertinent court and other documents requested. The Statement of Identity and Questionnaire must be notarized if executed outside the State of California.

If an entity owns or controls 10% or more of the applicant, a Statement of Identity and Questionnaire and fingerprints must be submitted for each officer, director, general partner, or managing member, as applicable. The Commissioner may waive this requirement if it is determined that further investigation is not necessary for

public protection. ~~unless the applicant or entity can make the following representation in a separate cover letter that is incorporated by reference into the CFLL application:~~

1. \_\_\_\_\_ is a passive investor and is not responsible in any

(Name of Entity)

~~way for the conduct of the applicant's lending activities in California. Therefore, it is unnecessary to investigate any individuals managing or controlling \_\_\_\_\_.~~

(Name of Entity)

2. ~~Describe whether the entity has engaged in any act that would constitute a reason for the California Corporations Commissioner to deny a license under Financial Code Section 22109 and if so, fully disclose the acts.~~

A public company may submit fingerprints only for persons not included on the public company's Form 10-K, Form 10-Q or other similar document filed with the Securities and Exchange Commission. The applicant must submit a copy of Form 10-K, Form 10-Q, or other similar document that includes the name of the individuals not submitting fingerprints. Statement of Identity and Questionnaires must still be completed for all individuals. For purposes of this paragraph, "public company" means a company whose securities are listed or designated on a national securities exchange certified by the California Corporations Commissioner under Subdivision (o) of Section 25100 of the California Corporations Code.

## **Fingerprints**

All individuals named in Item Numbers 4, 5, and 6 of the application must submit fingerprints and related information to the Department of Corporations with the application, for the purposes of conducting a criminal history background check. (Financial Code Section 22101.5.) Applicants must pay for the cost of processing the fingerprints.

#### In-State Individuals:

Each individual named in Item Numbers 4, 5, and 6 of the application who resides in California must complete a "Request for Live Scan Service" form. The triplicate form can be printed from the Department of Corporations' website at [www.corp.ca.gov](http://www.corp.ca.gov). ~~At the home page, select "Applications & Forms" and then select "Financial Services Division."~~ Under "California Consumer Finance Lenders," select "Request for Live Scan Service—Applicant Submission (BC8018CFL)" and print the form. Adobe Reader 7.x is required to download the form correctly. The individuals must take the three-part form to a live scan location to have their fingerprints taken by the operator and submitted electronically to the California Department of Justice for processing. The applicant will be required to pay the fees charged by the California Department of Justice for processing the fingerprints directly to the live scan operator. The Attorney General's website at <http://caag.state.ca.us/fingerprints/publications/contact.htm> has current information concerning the Department of Justice's fees and the location of live scan terminals. You may also call the Department of Corporations at (866) 275-2677 for information concerning the location of live scan terminals. Submit the "Requesting Agency Copy" of the "Request for Live Scan Service" form and a processing fee of \$20 per individual for live scan submission with the CFLL application and the Statement of Identity and Questionnaire to the Department of Corporations. Make the check for the fingerprint processing fees payable to the Department of Corporations.

### Out-of-State Individuals:

Individuals residing outside of California are encouraged to come to California, if practical, to have their fingerprints taken and submitted electronically through California's Live Scan process, to significantly decrease the processing time. However, an out-of-state individual named in Item Numbers 4, 5, and 6 may provide fingerprint images to the Department of Corporations on fingerprint cards. Call the Department of Corporations at (866) 275-2677 to obtain fingerprint cards. The Department of Corporations will mail the fingerprint cards to you. In addition, you must also complete a "Request for Exemption from Mandatory Electronic Fingerprint Submission Requirement" form, available from the Attorney General's website at <http://caag.state.ca.us/fingerprints/pdf/bcii9004.pdf>. The fee to process the fingerprint card is \$86 per individual, which includes the Department of Corporations' processing fee of \$20 and the Department of Justice's processing fee of \$66. Make the check for all fees payable to the Department of Corporations. Submit the fingerprint cards, "Request for Exemption from Mandatory Electronic Fingerprint Submission Requirement" form, the fees, and the Statement of Identity and Questionnaire with the CFLL application to the Department of Corporations.

### **EXHIBIT D (Sole Proprietor Applicants ONLY):**

#### **Proof of Legal Presence**

Exhibit D is the "Statement of Citizenship, Alienage, and Immigration Status for Application of Department of Corporations License or Certificate," which must be completed and submitted by sole proprietor applicants.

Include copies of the acceptable proof of citizenship as outlined in List A of the Statement of Citizenship, Alienage, and Immigration Status.

Complete this form and submit proof of your citizenship only if applying for the license as a sole proprietor. Officers of corporations, limited liability companies or partnerships are not required to complete this form.

#### **EXHIBIT E:**

##### **Authorization for Disclosure of Financial Records**

Exhibit E is the “Customer Authorization for Disclosure of Financial Records”. Submit this form as part of the application package. The form must be signed by an individual named in Item Numbers 4, 5, or 6 of the application and who is authorized to sign on behalf of the applicant.

#### **EXHIBIT F:**

##### **Fictitious Business Name Statement**

Submit a copy of the current Fictitious Business Name Statement with the “filed stamp” from the county clerk’s office. The applicant’s name must appear as a registrant on the Fictitious Business Name Statement. Label this document as Exhibit F.

#### **EXHIBIT G: All Corporate Applicants Incorporated In Any State**

Corporations must submit an ORIGINAL certificate of qualification or good standing from the Secretary of State or other authority of the applicant's state of incorporation. The name on the certificate must match the name listed in Item Number 1 of the application. **The certificate must also indicate the original date of incorporation.** Label this document as Exhibit G.

#### **EXHIBIT H (Foreign Corporations ONLY):**

##### **Additional Requirements for Applicants Incorporated In States Other Than California**

Applicants incorporated OUTSIDE the State of California must submit an original certificate of qualification or good standing issued by the California Secretary of State, in addition to the document required in Exhibit G.

Foreign corporations must register and qualify the corporation to conduct business in the State of California as a foreign corporation through the California Secretary of State. The name on the certificate must match the name listed in Item Number 1 of the application. Label the document as Exhibit H.

#### **EXHIBIT I: All General Partnership Applicants Organized In Any State**

Provide a copy of the original partnership agreement. **The agreement must indicate the original date of organization.** Label the document as Exhibit I.

**EXHIBIT J: Applicants Organized In Any State as a Limited Partnership or Limited Liability Company**

Limited partnerships and limited liability companies must submit an ORIGINAL certificate of qualification or good standing from the Secretary of State or other authority of the applicant's state of organization. The name on the certificate must match the name in Item Number 1 of the application. **The certificate must also indicate the original date of organization.** Label the document as Exhibit J.

**EXHIBIT K (Foreign Business Entities ONLY):**

**Additional Requirements for Applicants Organized as a Limited Partnership or Limited Liability Company in States Other Than California**

A Foreign foreign limited partnership or foreign limited liability company entities must also register and qualify the entity to conduct business in the State of California, and provide an original certificate of qualification or good standing from the California Secretary of State. The name on the certificate must match the name listed in Item Number 1 of the application. Label the document as Exhibit K.

**EXHIBIT L:**

**Social Security Number or Federal Taxpayer Identification Number**

Individuals (sole proprietors) applying for a license must provide their social security number. Corporations, partnerships, limited liability companies and other business entities, except sole proprietorships, applying for a license

must provide the federal taxpayer identification number. The Department of Corporations is required to collect from all applicants social security numbers under Family Code Section 17520, and social security numbers or federal taxpayer identification numbers under Business and Professions Code Section 494.5. The social security number or federal taxpayer identification number is used to match the information to the names on the list provided by the Department of Child Support Services under Family Code Section 17520, and the lists of tax delinquencies provided by the State Board of Equalization and the Franchise Tax Board under Business and Professions Code Section 494.5. Any disclosed social security numbers and federal taxpayer identification numbers in the completed application will be considered confidential information, and will be filed and maintained as part of the confidential records not subject to public inspection. Refer to Commissioner's Release 2-G for further information concerning privacy protection of personal information.

#### **EXHIBIT M:**

##### **Organization Chart**

If the applicant is owned by another entity(s) or individual(s), or has subsidiaries or affiliated entities, provide an organization chart identifying each entity or individual and their percentage of ownership in the applicant. Label the organization chart as Exhibit M.

#### **EXECUTION SECTION:**

Complete the required information. The Execution Section must be signed by the applicant in the case of a sole proprietor applicant or, for other types of applicants, by an individual who is named in Item Numbers 4, 5, or 6 of the application and who is authorized to sign on behalf of the applicant. By signing the application,

the applicant agrees with the representations listed and agrees to appoint the California Corporations Commissioner to receive service of process on behalf of the applicant.

~~In addition to the document required in Exhibit J, foreign limited partnerships and foreign limited liability companies must provide an original certificate of qualification or good standing from the California Secretary of State.~~

### CFLI Application Checklist

Application Question Number or Exhibit Letter	Sole Proprietor	Domestic Corporation	Foreign Corporation	Domestic LLC	Foreign LLC	Domestic General or Limited Partnership	Foreign General or Limited Partnership
1. Name	X	X	X	X	X	X	X
2. Business Type	X	X	X	X	X	X	X
3. Place of Business	X	X	X	X	X	X	X
4. Sole Proprietor Licensee Information	X						
5. Partnership Licensee Information						X	X
6. Corporation & Other		X	X	X	X		

Licensee Information							
7. Regulatory or Other Action	X	X	X	X	X	X	X
8. Other Business at Location	X	X	X	X	X	X	X
9. Bonding Agent	X	X	X	X	X	X	X
10. Proposed Activities	X	X	X	X	X	X	X
11. Qualification of Securities	X	X	X	X	X	X	X
A. Balance Sheet	X	X	X	X	X	X	X
B. Surety Bond	X	X	X	X	X	X	X
C. Statement of Identity	X	X	X	X	X	X	X
D. Sole Proprietor Licensee Information	X						
E. Authorization for Disclosure	X	X	X	X	X	X	X
F. Fictitious Business Name	X	X	X	X	X	X	X
G. Corporation Licensee Information		X	X				

H. Foreign Corporation Licensee Information			X				
I. General Partnership Licensee Information						GP ONLY X	GP ONLY X
J. Limited Partnership & LLC Licensee Information				X	X	LP ONLY X	LP ONLY X
K. Foreign Limited Partnership & LLC Licensee Information					X		LP ONLY X
L. Social Security Number or Federal Taxpayer Identification Number	<u>X</u>	<u>X</u>	<u>X</u>	<u>X</u>	<u>X</u>	<u>X</u>	<u>X</u>
M. Organization Chart		<u>X</u>	<u>X</u>	<u>X</u>	<u>X</u>	<u>X</u>	<u>X</u>
Execution Section	X	X	X	X	X	X	X

(Department of Corporations Use Only)

DEPARTMENT OF CORPORATIONS

Fee Paid \$ \_\_\_\_\_

File No. \_\_\_\_\_

Receipt No. \_\_\_\_\_

STATE OF CALIFORNIA  
DEPARTMENT OF CORPORATIONS

APPLICATION FOR A LICENSE UNDER THE  
CALIFORNIA FINANCE LENDERS LAW

*APPLICATION FOR A LICENSE AS A:*      ☐ LENDER    ☐ BROKER    ☐ BOTH

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The application must be accompanied by a nonrefundable application fee of \$200, a nonrefundable investigation fee of \$100, and nonrefundable fingerprint processing fees (Departments of Corporations and Justice). The application (together with the fees payable to the Department of Corporations) must be filed in the Los Angeles office of the Department of Corporations, located at 320 West 4<sup>th</sup> Street, Suite 750, Los Angeles, CA 90013.

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1.      a. Name of Applicant: \_\_\_\_\_

b. Fictitious Business Name: \_\_\_\_\_

c. Fictitious Business Name filed in the County of: \_\_\_\_\_

2. Applicant is organized and will do business as (check as applicable):

☐ an individual (a sole proprietor)

☐ a general partnership

☐ a limited partnership

☐ a corporation

☐ a limited liability company

☐ other (please specify such as joint venture, association, joint stock company, trust,  
unincorporated organization, government, or political subdivision of a government):

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3. Applicant's proposed licensed place of business:

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(Number and Street)

(City)

(County)

(State)

(Zip)

4. If the applicant is a sole proprietor, provide the following information:

a. The **FULL** first, middle ~~and last name~~ (if no middle name, so indicate) and last name of the sole proprietor.

---

(Name)

b. The **FULL** first, middle (if no middle name, so indicate) and last name, complete business address, telephone number, and e-mail address, if any, for each person(s) who will be in charge of the place of business.

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(Name)

(Telephone Number) (E-mail Address)

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(Number and Street)

(City)

(State)

(Zip )

c. If the applicant has listed a business location outside of California in Item Number 3, provide the **FULL** first, middle (if no middle name, so indicate) and last name, and complete address of an agent for service of process in California. If there is no authorized agent in California, so indicate.

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(Name)

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(Number and Street) (City) (State) (Zip )

5. If the applicant is a general partnership or a limited partnership, provide the following information:

a. Applicant was organized on \_\_\_\_\_ in the State of \_\_\_\_\_.

(Date MM/DD/YYYY)

b. The **FULL** first, middle (if no middle name, so indicate) and last name, and complete business address for each general partner. Indicate if a general partner is a managing general partner by checking the corresponding box.

\_\_\_\_\_ Check here if a Managing Partner ☐

(Name)

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(Number and Street) (City) (State) (Zip )

c. The **FULL** first, middle (if no middle name, so indicate) and last name, complete business address, telephone number, and e-mail address, if any, for each person(s) who will be in charge of the place of business.

(Name)

(Telephone Number)

(E-mail Address)

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(Number and Street)

(City)

(State)

(Zip )

d. The **FULL** first, middle (if no middle name, so indicate) and last name for any other person responsible for the conduct of applicant's lending activity in this state.

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(Name)

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(Name)

e. The **FULL** first, middle (if no middle name, so indicate) and last name for any person (individual, (other than those persons listed above), or entity) that owns or controls, directly or indirectly, 10% or more of the applicant.

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(Name)

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(Name)

Provide an organization chart with ownership percentages. Chart attached:

☐ Yes ☐ No

f. If the applicant is a general partnership, provide the **FULL** first, middle (if no middle name, so indicate) and last name, and complete address of an agent for service of process in California. If there is no authorized agent in California, so indicate.

(Name)

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(Number and Street)

(City)

(State)

(Zip )

6. If the applicant is a corporation, limited liability company, joint venture, association, joint stock company, trust, unincorporated organization, government, or political subdivision of a government, provide the following information:

a. Applicant was organized on \_\_\_\_\_ in the State of \_\_\_\_\_.

(Date MM/DD/YYYY)

b. The **FULL** first, middle (if no middle name, so indicate) and last name, be given for each person named below. Complete all fields. If any title is not applicable, so indicate.

*President/Chief Executive Officer:*

*Executive Vice President/Vice President:*

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(Name)

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(Name)

*Secretary:*

*Treasurer/Chief Financial Officer:*

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(Name)

(Name)

*Directors:*

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(Name)

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(Name)

*Manager(s)* [i.e., a managing member of an association, or a manager appointed or elected by the members of a limited liability company]:

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(Name)

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(Name)

*Trustee(s):*

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(Name)

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(Name)

c. The **FULL** first, middle (if no middle name, so indicate) and last name, complete business address, telephone number, and e-mail address, if any, for each person(s) who will be in charge of the place of business.

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(Name)

(Telephone Number)

(E-mail Address)

(Number and Street)

(City)

(State)

(Zip)

d. The **FULL** first, middle (if no middle name, so indicate) and last name for any other person responsible for the conduct of applicant's lending activity in this state. Indicate if no other person is responsible.

(Name)

(Name)

e. The **FULL** first, middle (if no middle name, so indicate) and last name for any person (individual, (other than those persons listed above), or entity) that owns or controls, directly or indirectly, 10% or more of the applicant.

(Name)

(Name)

Provide an organization chart with ownership percentages. Chart attached:

☐ Yes ☐ No

7.a. Has the applicant been convicted of or pleaded nolo contendere to a crime, or committed an act involving dishonesty, fraud, or deceit within the last 10 years? ~~subject to any administrative action by~~

~~any government agency, any criminal action, or any civil action involving an act of dishonesty, fraud, or deceit in California, any other state, or a foreign jurisdiction?~~

☐ Yes ☐ No

If yes, provide copies of all pertinent court documents relating to the action and complete the following:

Type of Action: ☐ Administrative ☐ Criminal ☐ Civil

Name of Regulator, Agency or Plaintiff: \_\_\_\_\_

Nature of Charges: \_\_\_\_\_

Type of Resolution: \_\_\_\_\_

Date of Resolution or Settlement: \_\_\_\_\_

7.b. Has the applicant at any time violated the California Finance Lenders Law or regulations, or any similar regulatory scheme of California or a foreign jurisdiction?

☐ Yes ☐ No

If yes, provide copies of all pertinent court documents relating to the action and complete the following:

Type of Action: ☐ Administrative ☐ Civil

Name of Regulator, Agency or Plaintiff: \_\_\_\_\_

Nature of Charges: \_\_\_\_\_

Type of Resolution: \_\_\_\_\_

Date of Resolution or Settlement: \_\_\_\_\_

8. Does the applicant conduct or intend to conduct any other business at the applicant's proposed licensed place of business (Item Number 3 above)? ☐ Yes ☐ No

If yes, describe any business being conducted or planned to be conducted on the applicant's premises. If the California Corporations Commissioner's authorization is not required because the products or services are of a supervised financial institution affiliated with the applicant, so indicate.

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9. Provide the name, address, and telephone number of the bonding agent to whom the Department can direct questions regarding the surety bond required in Exhibit B below.

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(Name of Bonding Agent)

(Telephone Number)

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(Number and Street)

(City)

(State)

(Zip )

10. Complete the following as it applies to your proposed operations:

a. In the table below, mark the type of collateral and enter the corresponding minimum loan amount for commercial and consumer loans applicable to your proposed method of operation.

COMMERCIAL LOANS		CONSUMER LOANS	
Collateral Type (check <input checked="" type="checkbox"/> all that apply)	Minimum Loan Amount	Collateral Type (check <input checked="" type="checkbox"/> all that apply)	Minimum Loan Amount
<input type="checkbox"/> Real Property	\$	<input type="checkbox"/> Real Property	\$
<input type="checkbox"/> Personal Property	\$	<input type="checkbox"/> Personal Property	\$
<input type="checkbox"/> Unsecured	\$	<input type="checkbox"/> Unsecured	\$

Note: The minimum loan amount for a commercial purpose loan is \$5,000.00. A consumer purpose loan collateralized by real property must be \$5,000.00 or more.

b. Provide a short description of the applicant's business plan that includes any information necessary for the California Corporations Commissioner to have an understanding of the type of business that the applicant plans to conduct under this license.

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11. Has the applicant's offer and sale of securities been qualified in California?

☐ Yes ☐ No

If no, check as applicable:

☐ Applicant is exempt from qualification, and has filed any applicable notice of exemption with the Department.

☐ Applicant has never offered or sold its securities in California or to a California resident.

#### **REQUIRED EXHIBITS:**

EXHIBIT A. Provide a balance sheet of the applicant prepared in accordance with generally accepted accounting principles and dated no more than 90 days prior to the date this application is filed. Label the balance sheet as Exhibit A.

EXHIBIT B. Provide the original surety bond, including riders and endorsements, in the amount of \$25,000.

The instructions and bond form are enclosed.

EXHIBIT C. Provide for each individual (natural person) named in Items 4, 5, and 6, a Statement of Identity and Questionnaire, along with fingerprint information and the cost of fingerprint processing. The Statement of Identity and Questionnaire form is enclosed.

EXHIBIT D. SOLE PROPRIETOR ONLY: Complete the enclosed form entitled "Statement of Citizenship, Alienage, and Immigration Status For Application of Department of Corporations License or Certificate."

EXHIBIT E. Complete the enclosed form entitled "Customer Authorization for Disclosure of Financial Records."

EXHIBIT F. Provide a copy of the current Fictitious Business Name Statement filed with the county clerk. Label the document as Exhibit F.

EXHIBIT G. ALL CORPORATE APPLICANTS INCORPORATED IN ANY STATE: Submit an original certificate of good standing or qualification executed by the Secretary of State of your state of incorporation, or other proper authority showing that the applicant is authorized to transact business in that state. The certificate must indicate the original date of incorporation. Label the document as Exhibit G.

EXHIBIT H. ADDITIONAL REQUIREMENT FOR APPLICANTS INCORPORATED IN STATES OTHER THAN CALIFORNIA (FOREIGN CORPORATION) ONLY: Submit an original certificate of good standing or qualification executed by the California Secretary of State showing that the applicant is qualified to do business in California. Label the document as Exhibit H.

EXHIBIT I. GENERAL PARTNERSHIP APPLICANTS ONLY: Submit a copy of the original partnership agreement. Label the document as Exhibit I.

EXHIBIT J. APPLICANTS ORGANIZED IN ANY STATE AS A LIMITED PARTNERSHIP OR LIMITED LIABILITY COMPANY: Submit an original certificate of good standing or qualification executed by the Secretary of State of your state of organization, or other proper authority showing that the applicant is authorized to transact business in that state. The certificate must indicate the original date of organization. Label the document as Exhibit J.

EXHIBIT K. ADDITIONAL REQUIREMENT FOR APPLICANTS ORGANIZED AS A LIMITED PARTNERSHIP OR LIMITED LIABILITY COMPANY IN STATES OTHER THAN CALIFORNIA (FOREIGN BUSINESS ENTITY) ONLY: Submit an original certificate of good standing or qualification executed by the California Secretary of State showing that the applicant is qualified to do business in California. Label the document as Exhibit K.

EXHIBIT L. SOCIAL SECURITY NUMBER OR FEDERAL TAXPAYER IDENTIFICATION NUMBER:

Provide the social security number if the applicant is an individual (sole proprietor) or the federal taxpayer

identification number if the applicant is a business entity other than a sole proprietorship. Label the document as Exhibit L.

EXHIBIT M. ORGANIZATION CHART: Provide an organization chart with ownership percentages included. Label this document as Exhibit M.

EXECUTION SECTION: Complete and sign the enclosed declaration.

### EXECUTION SECTION

In the matter of the Application for a License under the California Finance Lenders Law, I, the undersigned, authorized to act on behalf of the applicant, declare that the following statements are true and correct:

1. That the applicant has obtained and read copies of the California Finance Lenders Law (Division 9 of the California Financial Code) and the Finance Company Rules (Chapter 3, Title 10, California Code of Regulations) and is familiar with their content.
- ~~2. That the applicant is not an operating subsidiary of a federally chartered bank or financial institution that is subject to oversight by the federal regulatory agency in accordance with federal law (12 U.S.C. § 1 et seq.).~~
32. That the applicant agrees to comply with the requirements of the California Finance Lenders Law, the rules adopted, and the orders issued by the California Corporations Commissioner.

43. That in the event of any change of its officers, directors, or any other persons named in this application, the applicant will file an amendment to the application containing the same information in relation to the new person(s) as is required in the application, within thirty days from the date of the change, with the California Corporations Commissioner.
54. That the applicant will file with the California Corporations Commissioner an amendment to this application prior to any material change in the information contained in the application for licensure, including, without limitation, the plan of operation.
65. That the applicant agrees to report any change of business location at least 10 days prior to the change.
76. That the applicant for a broker's license agrees that a license issued pursuant to the California Finance Lenders Law does not provide the authority to broker loans to lenders that are not licensed as finance lenders as defined in Financial Code Section 22009, that loans will only be brokered to lenders licensed pursuant to the California Finance Lenders Law, and that finance lenders may not pay compensation for brokerage services (i.e., brokerage commission, finders fee, referral fees, etc.) to anyone not licensed as a broker under this Division, except for those exempt persons as provided for in Section 1451 of the Rules (10 C.C.R. § 1451).
87. For purposes of Financial Code Sections 22340 and 22600, when selling loans secured by real property to institutional investors, the applicant agrees that the source of funds will be exclusive of any funding

advances from an institutional investor committed to purchasing the note. The practice commonly known as “table funding” is not permitted under the California Finance Lenders Law.

- ~~98.~~ That the applicant agrees that a license issued pursuant to the California Finance Lenders Law permits only employees to work under the license. Persons engaged in lending that are not employees may need to obtain a license under the California Finance Lenders Law.
- ~~409.~~ That the applicant agrees that a license issued pursuant to the California Finance Lenders Law does not permit a licensee to authorize locations operated by persons other than employees of the licensee under some form of franchise or license agreement (e.g., net branching).
- ~~44~~10. That the applicant agrees to obtain a new license issued pursuant to the California Finance Lenders Law for each additional location.
- ~~42~~11. That the applicant agrees to comply with limitations on rates and charges for loans under the California Finance Lenders Law.
- ~~43~~12. That the applicant agrees to obtain the California Corporations Commissioner’s approval prior to engaging in other business at a licensed location, unless that other business is providing products or services of an affiliated supervised financial institution.
- ~~44~~13. That the applicant agrees that real estate may not be taken as security for a consumer loan of less than \$5,000.

- ~~15~~14. That the applicant agrees that commercial loans of less than \$5,000 are treated as consumer loans under the law.
- ~~16~~15. For high interest rate loans secured by real estate, that the applicant agrees to comply with the additional disclosure and consumer protection requirements of the Covered Loan Law (Financial Code Section 4970 et seq.).
- ~~17~~16. That the applicant agrees to not share borrower information with third parties without obtaining the express written consent of the borrower, as required by the California Financial Information Privacy Act (Financial Code Section 4050 et seq.).
- ~~18~~17. That the applicant agrees to not charge interest on a loan secured by real estate for more than one day prior to the date the loan proceeds are disbursed from escrow.
- ~~19~~18. That the applicant will maintain adequate staff to meet the requirements of the California Finance Lenders Law, as prescribed by rule or order of the California Corporations Commissioner.
- ~~20~~19. That the applicant agrees to maintain accounting records that meet generally accepted accounting principles and demonstrate a net worth of at least \$25,000 at all times.
- ~~21~~20. That the applicant will file with the California Corporations Commissioner any report required by the Commissioner.

- ~~22~~21. That the applicant agrees to maintain books and records sufficient to document compliance with the California Finance Lenders Law.
- ~~23~~22. That the applicant will keep and maintain for 36 months from the date of final entry on any loan the business records and other information required by law or rules of the California Corporations Commissioner.
- ~~24~~23. That the applicant will maintain a register of all loans made or brokered under this license that will be updated at least monthly, and that the information maintained in the register will include the name and address of the borrower, account number, amount of loan, date of loan, terms, total of payments and the annual percentage rate, and that the register will also show the account number, name of borrower and payoff date of all loans paid in full.
- ~~25~~24. That the applicant will submit to periodic examinations by the California Corporations Commissioner as required by the California Finance Lenders Law.
- ~~26~~25. That the applicant agrees to pay for the costs of each examination.
- ~~27~~26. That the applicant, if located outside of the State of California, agrees to make available to the California Corporations Commissioner or the Commissioner's representatives, at a location in this state designated by the California Corporations Commissioner, or the Commissioner's representatives, the books, accounts, papers, records and files within 10 calendar days of any request from the Commissioner; or to

pay the reasonable expenses for travel, meals, and lodging of the California Corporations Commissioner or the Commissioner's representatives incurred during any investigation or examination made at the licensee's location outside this state.

~~28~~27. That the applicant agrees to pay an annual assessment each year of a minimum of \$250 per location.

~~29~~28. That the applicant agrees to file an annual report by March 15 of each year.

~~30~~29. That the applicant agrees to maintain a surety bond of \$25,000 at all times.

~~34~~30. That the applicant hereby attests that the applicant (including officers, directors, general partners, persons responsible for the applicant's lending activities in California and persons owning or controlling, directly or indirectly, 10% or more of the applicant) has not engaged in conduct that would be cause for denial of a license. (Only one declaration required for each applicant.)

~~32~~31. That, if applicable, the applicant will comply with the rules governing the filing of a fictitious business name as set forth in the Business and Professions Code, beginning at Section 17900.

~~33~~32. That the applicant will comply with the examination requirements concerning advertising pursuant to California Code of Regulations Section 1550.

~~34~~33. By signing the application, the applicant hereby irrevocably appoints the California Corporations Commissioner of the State of California, or the Commissioner's successor in office, to be the

undersigned's attorney to receive service of any lawful process in any noncriminal suit, action or proceeding against the undersigned, or the undersigned's successor, executor, or administrator which arises under the California Finance Lenders Law or any rule or order thereunder after this consent has been filed, with the same force and validity as if served personally on the undersigned. For the purpose of compliance with the California Finance Lenders Law of the State of California, notice of the service and a copy of process must be sent by registered or certified mail to the undersigned at the following address:

---

(Name)

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(Number and Street)

(City)

(State)

(Zip Code)

Indicate the name, title, address, telephone number, and e-mail address of the person who should be contacted for information regarding this application. The license will also be mailed to this person *unless otherwise instructed*.

Attention: \_\_\_\_\_

(Name)

(Title)

(Telephone Number)

(Number and Street)

(City)

(State)

(Zip Code)

(Email Address)

WHEREFORE, applicant requests that a license be issued by the California Corporations Commissioner authorizing applicant to engage in business under the California Finance Lenders Law within the State of California.

The applicant has duly caused this application to be signed on its behalf by the undersigned, thereunto duly authorized.

The undersigned, on behalf of the applicant, acknowledges that this application and all exhibits thereto which are not designated as confidential are subject to public inspection pursuant to Section 250.9.1, Chapter 3, Title 10, California Code of Regulations. A request for confidentiality of certain documents may be requested pursuant to Section 250.10. If a request for confidential treatment is granted (or denied), the person making such request will be notified in writing.

The undersigned also acknowledges on behalf of the applicant that the State Board of Equalization and the Franchise Tax Board are authorized to share taxpayer information with the Department of Corporations, and

in the event the state tax obligation is not paid by a licensee after a license is issued, the Department of Corporations may be required to suspend the license (Business and Professions Code Sections 31 and 494.5).

I declare under penalty of perjury under the laws of the State of California that I have read the foregoing application, including all Exhibits attached thereto, or filed therewith, and know the contents thereof, and that the statements therein are true and correct. **The signor of this declaration must be named in either Section 4, 5, or 6 of this application.**

	_____
	(Applicant)
Executed at _____	_____
(City, County, and State)	(Signature of Declarant)
Date _____	_____
	(Typed Name of Declarant)
	_____
	(Title)

STATE OF CALIFORNIA

DEPARTMENT OF CORPORATIONS

INSTRUCTIONS FOR FILING OF SURETY BOND

EXHIBIT B

This exhibit contains the approved format for the Surety Bond as required by Financial Code Section 22112. Every licensee is required to obtain and maintain a surety bond.

The original surety bond must be filed with an application and must include all of the following:

1. The signature of the attorney-in-fact for the surety company.
2. A notarized signature of the attorney-in-fact.
3. A power of attorney from the surety company.
4. Legal name of the licensee. Business name(s), if applicable, may also be included.
5. The signature of the licensee.
6. A notarized signature of the licensee.

BEFORE THE  
DEPARTMENT OF CORPORATIONS  
OF THE STATE OF CALIFORNIA  
EXHIBIT B

BOND OF FINANCE LENDER AND/OR BROKER  
FINANCIAL CODE SECTION 22112

Bond No. \_\_\_\_\_

KNOW ALL MEN BY THESE PRESENTS:

That we \_\_\_\_\_,

as Principal, whose address for service is

\_\_\_\_\_,

(Street Address, City, State and ZIP Code)

and \_\_\_\_\_, a corporation,

created, organized and existing under and by virtue of the laws of the State of \_\_\_\_\_

and an admitted Surety insurer authorized to transact a general Surety business in the State of California, as

Surety whose address for service is \_\_\_\_\_,

(Street Address, City, State and ZIP Code)

are held and firmly bound unto the Commissioner of Corporations of the State of California, for the use thereof and for the use of any person or persons who may have a cause of action against the Principal under the provisions of the California Finance Lenders Law and all laws amendatory thereof and supplementary thereto now and hereafter enacted, in the total aggregate penal sum of \_\_\_\_\_ Dollars (\$\_\_\_\_\_) (see Financial Code Section 22112), lawful money of the United States of America, to be paid to the Commissioner of Corporations of the State of California, or to any person or persons, for the use and benefit aforesaid, for which payment well and truly to be made, we bind ourselves, our heirs, executors, administrators, successors and assigns, jointly and severally firmly by these presents.

The condition of the above obligation is such that--

WHEREAS, The above-named Principal has made application to the Commissioner of Corporations of the State of California for a license to engage in business under and pursuant to the provisions of the California Finance Lenders Law, and is required under the provisions of the California Finance Lenders Law to furnish a bond in the sum above named, conditioned as herein set forth:

NOW, THEREFORE, The Principal, and any and all agents and employees representing the Principal, shall faithfully conform to and abide by the provisions of the California Finance Lenders Law and all laws amendatory thereof and supplementary thereto now and hereafter enacted, and of all rules and regulations lawfully made by the Commissioner of Corporations of the State of California under the California Finance Lenders Law and shall honestly and faithfully apply all funds received and shall faithfully and honestly

perform all obligations and undertakings under the California Finance Lenders Law, and shall pay to the Commissioner of Corporations of the State of California and to any person or persons, for the use and benefit aforesaid, any and all moneys which become due or owing the State or to any such person or persons from the Principal under and by virtue of the provisions of the California Finance Lenders Law.

This bond is subject to the following provisions:

1. That any person who sustains an injury covered by this bond may, in addition to any other remedy that he or she may have, bring an action in his or her own name upon this bond for the recovery of any damages sustained by him or her.
2. That the total aggregate liability of the Surety or sureties herein shall be limited to the payment of \_\_\_\_\_ Dollars (\$\_\_\_\_\_) (insert amount of the bond).
3. This bond may be canceled by the Surety in accordance with the provisions of Sections 996.320 and 996.330 of the Code of Civil Procedure of the State of California.
4. That, in the event either the Principal and/or the Surety under this bond are served with notice of any action commenced against the Principal or the Surety under the bond, the Principal and Surety as each is served with notice of action shall respectively and, within 10 days, give written notice of the filing of such action to the Commissioner of Corporations of the State of California, at the Los Angeles office of the Department of Corporations.

5. That, in the event the Surety under this bond makes full or partial payment on this bond the Surety shall immediately give written notice of such full or partial payment to the Commissioner of Corporations of the State of California, at the Los Angeles office of the Department of Corporations.

6. That the effective date of this bond shall be \_\_\_\_\_.

\_\_\_\_\_  
Signature of Principal

\_\_\_\_\_  
Typed or Printed Name of Principal

\_\_\_\_\_  
Executed at (City and State)

I certify (or declare) under penalty of perjury under the laws of the State of California that I have executed the foregoing bond under an unrevoked power of Attorney.

Executed in \_\_\_\_\_ on \_\_\_\_\_

(City and State)

(Date)

\_\_\_\_\_  
Signature of Attorney-in-Fact

for Surety

---

Printed or typed name of  
Attorney-in-Fact for Surety

ALL OF THE ABOVE SIGNATURES MUST BE NOTARIZED

Insert Full Name  
of Individual: \_\_\_\_\_

Insert Licensee  
(Company Name): \_\_\_\_\_

DEPARTMENT OF CORPORATIONS

STATE OF CALIFORNIA

EXHIBIT C

\_\_\_\_\_  
File Number, if any

\_\_\_\_\_  
Licensee (Company Name)

Insert Department of Corporations file number, if  
any, and the name of the licensee (company) to  
which this Statement of Identity and Questionnaire  
relates.

STATEMENT OF IDENTITY AND QUESTIONNAIRE

Exact Full Name \_\_\_\_\_

First Name

Middle Name

Last Name

(Do not use initials or nicknames)

Position to be filled in connection with the preparation of this questionnaire (e.g., Officer, Director, Manager,  
etc.).

Insert Full Name  
of Individual: \_\_\_\_\_

Insert Licensee  
(Company Name): \_\_\_\_\_

Sex \_\_\_\_\_ Hair \_\_\_\_\_ Eyes \_\_\_\_\_ Height \_\_\_\_\_ Weight \_\_\_\_\_

Birthdate \_\_\_\_\_

Birthplace \_\_\_\_\_

Social Security Number \_\_\_\_\_

California Driver's License Number

See Commissioner's Release 2-G regarding  
whether furnishing the social security number is  
mandatory or voluntary and for a description of the  
use made of that information.

(if none, so state) \_\_\_\_\_

Residence

Business

Phone Number \_\_\_\_\_

Phone Number \_\_\_\_\_

Email

Hours of Employment

Address \_\_\_\_\_

(e.g., 8:00 a.m. to 5:00 p.m.) \_\_\_\_\_

1. Residence addresses for the last 10 years:

From	To	Street	City	State	Zip Code
------	----	--------	------	-------	----------

Insert Full Name  
of Individual: \_\_\_\_\_

Insert Licensee  
(Company Name): \_\_\_\_\_

	Present		

Attached separate schedule if space is not adequate.

2. Employment for the last 10 years:

From	To	Employer Name and Address	Occupation and Duties
	Present		

Insert Full Name  
of Individual: \_\_\_\_\_

Insert Licensee  
(Company Name): \_\_\_\_\_


Attach separate schedule if space is not adequate.

3.      a. Have you ever been named in any order, judgment or decree of any court or any governmental agency or administrator, temporarily or permanently restraining or enjoining you from engaging in or continuing any conduct, practice or employment?

☐ Yes      ☐ No

If the answer is "Yes", give details:

---

---

Attach a copy of any order, judgment or decree.

Insert Full Name  
of Individual: \_\_\_\_\_

Insert Licensee  
(Company Name): \_\_\_\_\_

b. Are you currently, or have you been within the last ten years, under federal, state or local investigation for possible violation of any law, ordinance, or licensing or regulatory scheme?

☐ Yes ☐ No

If the answer is "Yes", give details:

4. a. Are you currently licensed to engage in financial business in this state or any other state?

☐ Yes ☐ No

Financial business means securities broker-dealer or agent, investment adviser or investment adviser representative, financial planner, insurance agent, escrow agent, finance lender or broker, mortgage lender or servicer, real estate broker, payday lender, financial institution, bill payer or prorater, commodity sales person, certified public accountant, or any other business involving investment or financial transactions.

If the answer is "Yes", describe in the chart below the following for each license:

License Period	License Number	Type of License/Business	Name and Address of Licensing Entity
From:			

Insert Full Name  
of Individual: \_\_\_\_\_

Insert Licensee  
(Company Name): \_\_\_\_\_

To:			
From:			
To:			

Attach separate schedule if space is not adequate.

b. Have you ever been refused a license to engage in any business in this state or any other state, or has any such license ever been suspended, revoked, or surrendered subject to a settlement, or any other similar action?

☐ Yes ☐ No

If the answer is "Yes", give details:

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Attach a copy of any settlement.

5. Have you ever been convicted of or pleaded nolo contendere to a misdemeanor or felony other than minor traffic citations that do not constitute a misdemeanor or felony offense?

"Convicted" includes a verdict of guilty by judge or jury, a plea of guilty or of nolo contendere or a forfeiture of bail. All convictions must be disclosed even if the plea or verdict was thereafter set aside and the charges against you dismissed or expunged or if you have been pardoned. Convictions occurring while you were a

Insert Full Name  
of Individual: \_\_\_\_\_

Insert Licensee  
(Company Name): \_\_\_\_\_

minor must be disclosed unless the record of conviction has been sealed under Section 1203.45 of the California Penal Code or Section 781 of the California Welfare and Institutions Code.

☐ Yes ☐ No

If the answer is "Yes", give details:

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Attach a copy of any order, judgment or decree. If a conviction was entered under Section 23152(a) of the Vehicle Code, attach a written declaration stating whether drugs were involved.

6. Have you ever been a defendant in a civil court action other than divorce, condemnation or personal injury?

☐ Yes ☐ No

If the answer is "Yes", please complete the following:

Date of suit \_\_\_\_\_ Location of court \_\_\_\_\_

Nature of suit \_\_\_\_\_

Attach a copy of any order, judgment or decree.

7. Have you ever been a subject of a bankruptcy or a petition in bankruptcy?

Insert Full Name  
of Individual: \_\_\_\_\_

Insert Licensee  
(Company Name): \_\_\_\_\_

☐ Yes ☐ No

If the answer is "Yes", give date, title of case, location of bankruptcy filing:

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8. Have you ever been refused a bond, or have you ever had a bond revoked or canceled?

☐ Yes ☐ No

If the answer is "Yes", give details:

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9. Have you ever changed your name including a woman's maiden name, or ever been known by any name other than that herein listed?

☐ Yes ☐ No

If so, explain. Change in name through marriage or court order and exact date of each name change must be listed.

Insert Full Name  
of Individual: \_\_\_\_\_

Insert Licensee  
(Company Name): \_\_\_\_\_

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10. Have you ever done business under a fictitious firm name either as an individual or in any form of business, e.g., partnership, limited liability company, corporation or other?

☐ Yes ☐ No

If the answer is "Yes", give details:

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The following questions must be answered by all persons submitting this questionnaire in connection with an ESCROW AGENT'S LICENSE.

11. In what capacity will you be employed? \_\_\_\_\_  
(e.g., Clerk, Escrow Officer, Manager, Officer, Director, etc.)

12. Do you expect to be a party to, or broker or salesman in connection with escrows conducted by the escrow company which is employing you?

☐ Yes ☐ No

Insert Full Name  
of Individual: \_\_\_\_\_

Insert Licensee  
(Company Name): \_\_\_\_\_

If the answer is "Yes", give details:

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**This statement will be considered confidential information and will be filed and maintained as part of the confidential records not subject to public inspection.**

### **VERIFICATION**

I, the undersigned, state that I am the person named in the foregoing Statement of Identity and Questionnaire; that I have read and signed said Statement of Identity and Questionnaire and know the contents thereof, including all exhibits attached thereto, and that the statements made therein, including any exhibits attached thereto, are true, and that I have not omitted any information needed to make this document true.

This verification may be made either before a Notary Public or as a declaration under penalty of perjury. This form **MUST** be executed before a Notary Public if it is executed **OUTSIDE** the State of California.

I certify/declare under penalty of perjury  
that the foregoing is true and correct.

Executed at \_\_\_\_\_

(City)

\_\_\_\_\_

(County)

(State)

this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

\_\_\_\_\_

(Print Name)

\_\_\_\_\_

(Signature of Individual)

State of \_\_\_\_\_)

County of \_\_\_\_\_)

Date \_\_\_\_\_, 20\_\_\_\_\_

at \_\_\_\_\_

\_\_\_\_\_  
(Signature of Individual)

Subscribed and sworn to before me

\_\_\_\_\_, 20\_\_\_\_

\_\_\_\_\_  
Notary Public in and for said County and State

STATE OF CALIFORNIA

DEPARTMENT OF CORPORATIONS

INSTRUCTIONS FOR CUSTOMER AUTHORIZATION  
FOR DISCLOSURE OF FINANCIAL RECORDS FORM

Enclosed is a Customer Authorization for Disclosure of Financial Records form. The California Corporations Commissioner is authorized to require such authorization from licensees and other persons pursuant to the authority cited in Financial Code Section 22156.

The form must be properly executed and submitted to the Department of Corporations.

If additional authorization forms are needed, they may be obtained from any office of the Department of Corporations or the Department's website ([www.corp.ca.gov](http://www.corp.ca.gov)), or an accurate copy of the form may be used by applicant.

*STATE OF CALIFORNIA*  
*DEPARTMENT OF CORPORATIONS*

*CUSTOMER AUTHORIZATION FOR DISCLOSURE OF*  
*FINANCIAL RECORDS*  
*EXHIBIT E*

Pursuant to Financial Code Section 22156 and Government Code Section 7473, any financial institution, wherever situated, possessing financial records of

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(Name of Applicant as appears on Application)

Licensed under the CALIFORNIA FINANCE LENDERS LAW

is hereby authorized to disclose to the California Department of Corporations records of the above-named business licensed under the above-described Act, whether such records relate to accounts which have been closed, accounts which are currently maintained, or accounts which are hereafter established.

This authorization is effective as of the date of execution and shall remain effective until five years after the expiration or revocation of the above-named business licensed under the above-described Act, including renewals of such license.

This authorization may not be revoked.

The terms used in this authorization shall have the definitions contained in the California Right to Financial Privacy Act (Government Code Section 7460 et seq.), and the California Finance Lenders Law (Financial Code Section 22000 et seq.).

The above-named licensee has duly caused this authorization to be signed on its behalf by the undersigned, thereunto duly authorized.

Executed on \_\_\_\_\_ at \_\_\_\_\_

(Provide date and city where executed)

\_\_\_\_\_

(Name of Licensee)

By \_\_\_\_\_

(Signature)

\_\_\_\_\_

(Title)

NOTE: Authority cited: Section 22150, Financial Code. Reference: Sections 31 and 494.5, Business and Professions Code; Sections 22000, 22050, 22100, 22101, 22101.5, 22102, 22103, 22104, 22105, 22106, 22107, 22108, 22109, 22112, 22153, 22154, 22157, and 22159, Financial Code.

6. Section 1422.7 is amended to read:

§ 1422.7. Notices Included with Applications.

The following notices required by state and federal law are hereby provided for those completing an application for a residential mortgage lender, mortgage broker, or residential mortgage lender and broker license in Section 1422.5 of Subchapter 6 of these rules, and an application for a mortgage loan originator license in Section 1422.6 of Subchapter 6 of these rules:

## NOTICES REQUIRED UNDER STATE AND FEDERAL LAW

### INFORMATION PRACTICES ACT OF 1977

(California Civil Code Section 1798.17)

(a) The Department of Corporations of the State of California is requesting the information specified in the application for licensure of mortgage lenders, mortgage brokers, mortgage lender and brokers and mortgage loan originators.

(b) The Chief Administrative Officer, the Department of Corporations, 1515 K Street, Suite 200, Sacramento, CA 95814, telephone (916) 445-5541, is responsible for the system of records and shall, upon request, inform individuals regarding the location of the Department of Corporations' records and the categories of persons who use the information in the records.

(c) The records are maintained pursuant to the California Finance Lenders Law (Financial Code Section 22000, et seq.).

(d) The submission of all items of information is mandatory unless otherwise noted. ~~Section 17520 of the Family requires the Department of Corporations to collect social security numbers from all applicants.~~ The Department of Corporations is required to collect from all applicants social security numbers under Family Code Section 17520, and social security numbers or federal taxpayer identification numbers under Business and Professions Code Section 494.5. The Privacy Act of 1974 prohibits a state agency from denying an individual any right, benefit or privilege provided by law because of the individual's refusal to disclose the individual's social security account number.

(e) Failure to provide all or any part of the information requested may preclude the Department of Corporations from approving the application.

(f) The principal purposes within the Department of Corporations for which the information is to be used are to determine whether (1) a license, registration, or other authority, as allowed under the law, should be accepted, granted, approved, denied, revoked or limited in any way; (2) business entities or individuals licensed or otherwise regulated by the Department of Corporations are conducting themselves in accordance with applicable laws; and/or (3) laws administered by the Department of Corporations are being or have been violated and whether

administrative action, civil action, or referral to appropriate federal, state or local law enforcement or regulatory agencies, as authorized by law, is appropriate.

(g) Any known or foreseeable disclosures of the information pursuant to subdivision (e) or (f) of Civil Code Section 1798.24 may include transfers to other federal, state, or local law enforcement and regulatory agencies, including NMLS as a channelling agent to, from, or on behalf of those federal, state, and local law enforcement and regulatory agencies, as authorized by law.

(h) Except for Section 22105.3 of the Financial Code, the Information Practices Act grants an individual a right of access to personal information concerning the requesting individual that is maintained by the Department of Corporations.

#### FEDERAL PRIVACY ACT OF 1974 (Public Law 93-579)

In accordance with Section 7 of the Privacy Act of 1974 (found at 5 U.S.C. § 552a note (Disclosure of Social Security Number)), the following is information on whether the disclosure of a social security account number is voluntary or mandatory, by what statutory or other authority such number is solicited, and what uses will be made of it.

(1) ~~Section 17520 of the Family Code requires the Department of Corporations to collect social security numbers from all applicants.~~ The Department of Corporations is required to collect from all applicants social security numbers under Family Code Section 17520, and social security numbers or federal taxpayer identification numbers under Business and Professions Code Section 494.5. The Privacy Act of 1974 prohibits a state agency from denying an

individual any right, benefit or privilege provided by law because of the individual's refusal to disclose the individual's social security account number.

(2) A social security account number or federal taxpayer identification number is solicited pursuant to one or more of the following authorities: Sections 1422.5 and 1422.7 of Title 10, California Code of Regulations; ~~and~~ Section 17520 of the Family Code; and Section 494.5 of the Business and Professions Code.

(3) For all persons disclosing a social security account number or federal taxpayer identification number, the number is used to match the information to the names on the list provided by the Department of Child Support Services under Family Code Section 17520, and the lists of tax delinquencies provide by the State Board of Equalization and Franchise Tax Board under Business and Professions Code Section 494.5. The social security number may be used, in addition to other information provided, to conduct a background investigation of the individual by the Department of Justice's Identification and Information Branch or by other federal, state or local law enforcement agencies, as authorized by law. The social security number may also be used to respond to requests for this number made by child support agencies.

(4) The State Board of Equalization and the Franchise Tax board are authorized to share taxpayer information with the Department of Corporations and in the event the state tax obligation is not paid by a licensee, the Department of Corporations may be required to suspend the license.

Note: Authority cited Section 22150, Financial Code. Reference: Sections 31 and 494.5, Business and Professions Code; Sections 1798.17 and 1798.24, Civil Code; Sections 22100, 22101, 22105, 22105.1, 22105.2 and 22105.3, Financial Code; Section 17520, Family Code;

Sections 7470, 7473, 7490 and 13140-13144, Government Code; and Section 7 of Public Law 93-579 (5 U.S.C. Section 552a note).

7. Section 1423 is amended to read:

§ 1423. Short Form Application for Licensees Seeking Additional Location License;  
Form.

(a) The application for a licensee seeking an additional location license pursuant to Financial Code Section 22102(b) shall be filed upon the form set forth in subdivision (b) of this section. An applicant under this section must currently hold a valid finance lender or broker license pursuant to Financial Code Sections 22100 and 22101.

(b) An application for a licensee as set forth in subdivision (a) shall be submitted to the California Corporations Commissioner on the following form:

STATE OF CALIFORNIA

DEPARTMENT OF CORPORATIONS

INSTRUCTIONS FOR COMPLETING

THE SHORT FORM APPLICATION FOR A LICENSE

UNDER THE CALIFORNIA FINANCE LENDERS LAW (CFLL)

**ASSISTANCE WITH THE APPLICATION**

Refer to these instructions while completing the CFLL short form application. If you have questions about the application that are not answered by these instructions, call the Department of Corporations' toll-free telephone number at (866) 275-2677. Department personnel cannot provide individual legal or accounting advice.

Applicants who need such advice must consult a qualified professional.

## **FEES AND PROCESSING OF THE APPLICATION**

The application and any attachments must be typewritten. The signature must be original and not a copy.

Attach additional sheets if you need more space to complete an answer to any of the questions and label the answers by the corresponding question number. Answer every question in the application.

A CFLL licensee seeking to engage in business at an additional location must submit this application to the California Corporations Commissioner by certified mail, return receipt requested, at least 10 days before engaging in business at the location.

The application must be accompanied by a nonrefundable application fee of \$200 and an investigation fee of \$100. The application fee and investigation fee are not refundable if the application is denied or withdrawn.

Make the check payable to the Department of Corporations for the total amount of all fees. The application, attachments, and fees must be filed only in the Los Angeles office of the Department of Corporations, located at 320 West 4<sup>th</sup> Street, Suite 750, Los Angeles, California 90013.

## **THE CFLL SHORT FORM APPLICATION**

The headings used in these instructions correspond to the item numbers in the application.

**ITEM NUMBER 1 OF APPLICATION:**

**Name of Applicant:**

Provide the applicant's legal name. Some foreign entities are required by the California Secretary of State's office to use an assumed name for all business they conduct in California. These entities should provide that assumed name as the "Name of Applicant" and may only use that name. These entities are not permitted to use a fictitious business name.

**Fictitious Business Name:**

An applicant that intends to conduct CFLL business under a fictitious business name that is different from its legal name should provide the fictitious business name here. Provide the name that appears on the Fictitious Business Name Statement as filed with the county clerk.

The use of a fictitious business name is not permitted for a new location unless the Department of Corporations has already approved the use of that name. If the fictitious business name has not already been approved by the Department of Corporations, approval of a new fictitious business name may be requested from the Department of Corporations by submitting under separate cover a copy of the Fictitious Business Name Statement with the "filed stamp" from the county clerk's office. The applicant's name must appear as a registrant on the Fictitious

Business Name Statement. This document should be forwarded along with a written request to CFLL Licensing Specialist, Department of Corporations, 320 West 4<sup>th</sup> Street, Suite 750, Los Angeles, California 90013.

Applicants who intend to conduct business under a fictitious business name are required to comply with the rules governing the filing of a fictitious business name as set forth in Business and Professions Code Section 17900 et seq.

#### **ITEM NUMBER 2 OF APPLICATION:**

##### **Applicant's Licensed Place of Business:**

Provide the applicant's complete proposed place of CFLL business, including number and street, city, county, state, zip code, telephone number, and fax number.

#### **ITEM NUMBER 3 OF APPLICATION:**

##### **Individual in Charge of this Location:**

Each office must have a person who is in charge. Provide the full name of the individual who will be in charge of this location. If the applicant has no middle name, indicate, e.g. "John [no middle name] Smith."

##### **Statement of Identity and Questionnaire:**

The individual named in Item Number 3 of the application must complete and submit a Statement of Identity and Questionnaire. If a Statement of Identity and Questionnaire has already been provided to the Department for the individual named in Item Number 3, there is no need to complete the form. The same individual cannot be in charge of multiple locations, and each location **must have** an individual in charge.

The 10-year employment and residence history in the Statement of Identity and Questionnaire must be complete and accurate. Attach copies of all pertinent court and other documents requested. The Statement of Identity and Questionnaire must be notarized if executed outside the State of California.

Submit the Statement of Identity and Questionnaire with the fingerprint information and the cost of fingerprint processing (discussed below).

### **Fingerprints**

Individual(s) named in Item Number 3 of the application must submit fingerprints and related information to the Department of Corporations with the application, for the purposes of conducting a criminal history background check. (Financial Code Section 22101.5.) Applicants must pay for the cost of processing the fingerprints.

### **In-State Individuals:**

Individuals named in Item Number 3 of the application who resides in California must complete a “Request for Live Scan Service” form. The triplicate form can be printed from the Department of Corporations’ website at

www.corp.ca.gov. Adobe Reader 7.x is required to download the form correctly. The individual must take the three-part form to a live scan location to have their fingerprints taken by the operator and submitted electronically to the California Department of Justice for processing. The applicant will be required to pay the fees charged by the California Department of Justice for processing the fingerprints directly to the live scan operator. The Attorney General's website at <http://caag.state.ca.us/fingerprints/publications/contact.htm> has current information concerning the Department of Justice's fees and the location of live scan terminals. You may also call the Department of Corporations at (866) 275-2677 for information concerning the location of live scan terminals. Submit the "Requesting Agency Copy" of the "Request for Live Scan Service" form and a processing fee of \$20 per individual for live scan submission with the CFLL application and the Statement of Identity and Questionnaire to the Department of Corporations. Make the check for the fingerprint processing fees payable to the Department of Corporations.

Out-of-State Individuals:

Individuals residing outside of California are encouraged to come to California, if practical, to have their fingerprints taken and submitted electronically through California's Live Scan process, to significantly decrease the processing time. However, an out-of-state individual named in Item Number 3 may provide fingerprint images to the Department of Corporations on fingerprint cards. Call the Department of Corporations at (866) 275-2677 to obtain fingerprint cards. The Department of Corporations will mail the fingerprint cards to you. In addition, you must also complete a "Request for Exemption from Mandatory Electronic Fingerprint Submission Requirement" form, available from the Attorney General's website at <http://caag.state.ca.us/fingerprints/pdf/bcii9004.pdf>. The fee to process the fingerprint card is \$86 per individual, which includes the Department of Corporations' processing fee of \$20 and the Department of

Justice's processing fee of \$66. Make the check for all fees payable to the Department of Corporations.

Submit the fingerprint cards, "Request for Exemption from Mandatory Electronic Fingerprint Submission Requirement" form, the fees, and the Statement of Identity and Questionnaire with the CFLL application to the Department of Corporations.

**ITEM NUMBER 4 OF APPLICATION:**

**Applicant's Plan of Business:**

Mark the appropriate box with either a "yes" or "no" response to indicate if there has been any change in the plan of business of making or brokering loans or other business that was previously submitted to the Department of Corporations. If "yes", explain the change.

**ITEM NUMBER 5 OF APPLICATION:**

**Applicant's License Number:**

Provide the existing license number and address of at least one other CFLL license currently held by the applicant.

**ITEM NUMBER 6 OF APPLICATION:**

**Responsible Officer or Compliance Person:**

Provide the name, title, address, email address, and telephone number of the contact person to whom questions regarding the filing of this application should be directed. The responsible officer or compliance person must be from the main office of the company, and may not be a branch manager.

**EXHIBITS:**

**EXHIBIT A (Social Security Number or Federal Taxpayer Identification Number):**

Individuals (sole proprietors) applying for a license must provide their social security number. Corporations, partnerships, limited liability companies and other business entities, except sole proprietorships, applying for a license must provide the federal taxpayer identification number. Label the document as Exhibit A.

The Department of Corporations is required to collect from all applicants social security numbers under Family Code Section 17520, and social security numbers or federal taxpayer identification numbers under Business and Professions Code Section 494.5. The social security number or federal taxpayer identification number is used to match the information to the names on the list provided by the Department of Child Support Services under Family Code Section 17520, and the lists of tax delinquencies provided by the State Board of Equalization and the Franchise Tax Board under Business and Professions Code Section 494.5. Any disclosed social security numbers and federal taxpayer identification numbers in the completed application will be considered confidential information, and will be filed and maintained as part of the confidential records not subject to public inspection. Refer to Commissioner's Release 2-G for further information concerning privacy protection of personal information.

**EXHIBIT B (Not Applicable)**

**EXHIBIT C (Statement of Identity and Questionnaire):**

Provide for the individual named in Item 3, a Statement of Identity and Questionnaire. If applicable, provide fingerprint information and the cost of fingerprint processing.

**SIGNATURE SECTION:**

Provide the required information. The Signature Section must be signed by an officer who has **previously** completed and submitted a Statement of Identity and Questionnaire to the Department of Corporations.

The application must be signed by the applicant if a sole proprietor, by a general partner if a partnership, or by an authorized officer, if a corporation.

(Department of Corporations Use Only)

DEPARTMENT OF CORPORATIONS

Fee Paid \$ \_\_\_\_\_

File No. \_\_\_\_\_

Receipt No. \_\_\_\_\_

STATE OF CALIFORNIA  
DEPARTMENT OF CORPORATIONS  
  
“SHORT FORM APPLICATION”  
  
FOR A LICENSE UNDER THE  
  
CALIFORNIA FINANCE LENDERS LAW  
  
FOR A LICENSEE CURRENTLY HOLDING ONE OR MORE LICENSES

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This application must be accompanied by a nonrefundable application fee of \$200 and a nonrefundable investigation fee of \$100. (Financial Code Section 22103.) The application (together with the fees payable to the Department of Corporations) must be filed ONLY in the Los Angeles office of the Department of Corporations, located at 320 West 4th Street, Suite 750, Los Angeles, CA 90013.

A licensee seeking to engage in business at a new location must submit this application to the California Corporations Commissioner by certified mail, return receipt requested, at least 10 days before engaging in business at the new location.

A license issued pursuant to the California Finance Lenders Law permits only employees to work under the license. Persons engaged in lending that are not employees may need to obtain a license under the California Finance Lenders Law. In addition, a license issued pursuant to the California Finance Lenders Law does not permit a

licensee to authorize locations operated by persons other than employees of the licensee under some form of franchise or license agreement (e.g., net branching.)

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1. Name of applicant: \_\_\_\_\_

Fictitious Business Name (FBN): \_\_\_\_\_

(FBN must already be on file with the Department. [Financial Code Section 22102(e)])

(If the applicant seeks to do business under a FBN that has not been previously approved by the Department of Corporations (Department), additional information will need to be submitted under separate cover. Use of a new proposed FBN is not allowed until such time as written approval is received from the Department approving the use of such name. Approval of a new FBN may be requested by submitting under separate cover a copy of the Fictitious Business Name Statement with the “filed stamp” from the county clerk’s office along with a written request. The applicant’s name must appear as a registrant on the Fictitious Business Name Statement. Refer to Section 17900 of the Business and Professions Code for the requirements for filing the Fictitious Business Name Statement. (Financial Code Section 22155)

2. Applicant’s licensed place of business will be located at (Financial Code Section 22106):

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(Number and Street) (City) (County) (State) (Zip)

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(Telephone Number)

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(Fax Number)

3. The FULL first, middle (if no middle name, so indicate) and last name of the individual in charge of this location. Each office must have a person who is in charge and the same individual cannot be in charge of multiple locations.

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\*(Last Name)

(First Name)

(Middle Name)

(\*Complete a Statement of Identity and Questionnaire (FS 512 SIQ). The form is located on the Department of Corporations' website at [www.corp.ca.gov](http://www.corp.ca.gov) and is printed as Exhibit C in Section 1422. If the Statement of Identity and Questionnaire form has already been provided to the Department for this individual, there is no need to provide another form. (Financial Code Section 22105))

4. Indicate by marking the appropriate box if there has been or will be ANY CHANGE in the applicant's plan of business of making or brokering loans or other business as described in Financial Code Section 22154 that was previously submitted to the Department. If "yes", provide explanation.

☒ Yes (explain) \_\_\_\_\_

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☒ No

5. Provide license number and address of one other California Finance Lenders Law license held by this applicant.

License Number \_\_\_\_\_ Address \_\_\_\_\_

6. Provide the name, title, address, email address, and telephone number of the person to contact regarding this application. The license will also be mailed to this person unless otherwise instructed. The name of the person must be a responsible officer or compliance person from the main office of the company. The name of the branch manager does not belong here.

Attention: \_\_\_\_\_

(Name)

(Title)

\_\_\_\_\_  
(Number and Street)

(City)

(State)

(Zip Code)

\_\_\_\_\_  
(Email Address)

(Telephone Number)

**REQUIRED EXHIBITS:**

**EXHIBIT A (Social Security Number or Federal Taxpayer Identification Number):**

If the applicant is an individual (sole proprietor), provide the applicant's social security number, or the federal taxpayer identification number if the applicant is a business entity other than a sole proprietorship. Label the document as Exhibit A.

**EXHIBIT B (Not Applicable)**

**EXHIBIT C (Statement of Identity and Questionnaire):**

Provide for the individual named in Item 3, a Statement of Identity and Questionnaire. If applicable, provide fingerprint information and the cost of fingerprint processing.

In the event of the issuance of a license, applicant agrees to comply with the requirements of the California Finance Lenders Law and rules adopted, and orders issued, by the California Corporations Commissioner, and further agrees that in the event of any change of its officers, directors, or any other persons named in this application, that an amendment to the application containing the same information in relation to the new person(s) as is required in the application shall be filed with the California Corporations Commissioner within thirty days from the date of the change. (California Code of Regulations Section 1409 (10 C.C.R. § 1409).)

WHEREFORE, applicant requests that a license be issued by the California Corporations Commissioner authorizing applicant to engage in business under the California Finance Lenders Law within the State of California.

If the proposed location in Item Number 2 is out-of-state, applicant agrees to make its books and records available in this state, or pay the reasonable expenses incurred during an investigation or examination outside this state.

The applicant has duly caused this application to be signed on its behalf by the undersigned, thereunto duly authorized.

The undersigned, on behalf of the applicant, acknowledges that this application and all exhibits thereto which are not designated as confidential are subject to public inspection pursuant to Section 250.9.1, Chapter 3, Title 10, California Code of Regulations. A request for confidentiality of certain documents may be requested pursuant to Section 250.10. If a request for confidential treatment is granted (or denied), the person making such request will be notified in writing.

The undersigned also acknowledges on behalf of the applicant that the State Board of Equalization and the Franchise Tax Board are authorized to share taxpayer information with the Department of Corporations, and in the event the state tax obligation is not paid by a licensee after a license is issued, the Department of Corporations may be required to suspend the license (Business and Professions Code Sections 31 and 494.5).

I declare under penalty of perjury that I have read the foregoing application, including all Exhibits attached thereto, or filed therewith, and know the contents thereof, and that the statements therein are true and correct.

\_\_\_\_\_  
(Applicant)

Executed at \_\_\_\_\_  
(City, County, and State)

\_\_\_\_\_  
(Signature of Declarant)\*

Date \_\_\_\_\_

\_\_\_\_\_  
(Typed Name of Declarant)\*

\_\_\_\_\_  
(Title)\*

\*This Short Form Application must be signed by an officer who has PREVIOUSLY completed and submitted a Statement of Identity and Questionnaire. No other officer is authorized to sign documents on behalf of the applicant.

Note: Authority cited: Section 22150, Financial Code. Reference: Sections 22101, 22102 and 22106, Financial Code; and Sections 31 and 494.5, Business and Professions Code.

8. Section 1430 is adopted to read:

§ 1430. Annual Report. ~~{Repealed}~~

STATE OF CALIFORNIA -- BUSINESS, TRANSPORTATION AND HOUSING AGENCY

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**DEPARTMENT OF CORPORATIONS**



**INSTRUCTIONS FOR COMPLETING THE 20XX ANNUAL REPORT**  
**FOR LENDERS AND BROKERS LICENSED UNDER THE**  
**CALIFORNIA FINANCE LENDERS LAW**

**WHO MUST FILE THE REPORT:** Every licensee under the California Finance Lenders Law as of December 31, 20XX must file the annual report. The report must include information on all businesses conducted under the California Finance Lenders license by licensees located in or outside the State of California.

**NO BUSINESS OR INACTIVE LICENSES:** An annual report must be filed even if no business was conducted under the license(s) in 20XX. If no business was conducted under the license(s) during the calendar year 20XX, complete Schedules A through C-3, Schedule K and Verification section only. Include a statement at the bottom of the Verification section **“No business was conducted under the license(s) during the calendar year 20XX.”** “No business” means no loans were made, refinanced, or brokered in 20XX, and no loan payments or broker fees were received in 20XX.

**WHEN IS THE REPORT DUE/ PENALTY FOR FAILURE TO FILE THE ANNUAL REPORT:** The annual report is due on or before **March 15, 20XX**. No extension of the filing date shall be granted. Failure to file the report will result in summary revocation of your license(s). Under Government Code Section 11522, a licensee whose license has been revoked may have to wait a period of not less than one year from the date of revocation before applying for a license.

**WHAT IS THE PURPOSE OF THE ANNUAL REPORT:** The information reported in the annual report is used to publish the Department of Corporations' *Annual Report – Operation of Finance Companies*. In addition, each licensee's annual assessment is based on income reported by the licensee as earned from activities conducted under the California Finance Lenders license. The information reported is also used to determine the licensee's compliance with the statutory net worth requirement.

**WHERE TO FILE THE REPORT:**

DEPARTMENT OF CORPORATIONS

FINANCIAL SERVICES DIVISION

320 WEST FOURTH STREET, SUITE 750

LOS ANGELES, CA 90013

**THE ANNUAL REPORT FORM:** The information must be prepared in the annual report form prescribed by the Department of Corporations in Form CFL 812 (Rev. XX/XX), including Schedule B-1 Balance Sheet and Schedule C-1 Statement of Income and Expenses. Financial statements attached to the report will **not** be accepted in place of Schedule B-1 and Schedule C-1. **ALL AMOUNTS MUST BE ROUNDED TO THE NEAREST WHOLE DOLLAR.** Do not add ".00" to represent rounding to the nearest dollar. In addition, do not round items to the nearest thousand or million dollars, or round intermediate calculations. The annual report is electronically scanned and therefore the information must be **TYPED** in the annual report form, and the **ORIGINAL** signed copy of the annual report must be filed with the Department of Corporations.

**COMPLETENESS & ACCURACY:** The annual report will be rejected by the Department of Corporations and returned to the licensee if the information provided is incomplete or incorrect. All questions and schedules must be completed. If any schedule is inapplicable, indicate "Not Applicable" at the top of the page. Attach a supplemental page(s) if more space is needed. All information provided in the report is subject to verification. Accordingly, due care should be exercised in the completion of the report. The annual assessment is calculated from the information provided in the annual report. If the annual report filed contains incorrect information, it may result in an incorrect annual assessment. Assessment notices will be distributed to licensees on or before September 30, 20XX.

**HOW TO READ THE MAILING LABEL:** If you received an annual report form from the Department of Corporations in the mail, a mailing label is attached at line 1 of Schedule A of the form. The mailing label provides information on your license. Your license number or the mailing number assigned if you possess multiple licenses, and the number of licenses held by you as of December 31, 20XX is shown on the top line of the label.

**PERIOD COVERED BY THE REPORT:** The reporting period is either (1) January 1, 20XX to December 31, 20XX, or (2) the effective date of licensure in 20XX to December 31, 20XX.

**WHICH SCHEDULES MUST BE COMPLETED:** The Table of Schedules To Be Completed in the annual report identifies the schedules that must be completed by the type of license(s) held. If your business consists of more than one location, a single consolidated annual report must be submitted. Do not submit a separate annual report for each location.

**FAILURE TO COMPLETE THE REQUIRED SCHEDULES WILL RESULT IN THE REJECTION AND RETURN OF THE ANNUAL REPORT TO THE LICENSEE.**

**SCHEDULE A (GENERAL INFORMATION):**

Item 1. If the Department of Corporations' mailing label is attached to the annual report form, item 1 (name and main office address of the licensee) does not need to be completed.

Item 5. If the annual report includes more than one licensed location, the license number and address of each licensed location must be listed on a separate attachment, marked as Schedule A, Item Number 5.

**SCHEDULE B-1 (BALANCE SHEET):** This schedule must be prepared on a basis consistent with generally accepted accounting principles. Licensees are required to maintain a net worth of at least \$25,000. A licensed lender employing one or more mortgage loan originators must maintain a minimum net worth of at least \$250,000, and a licensed broker employing one or more mortgage loan originators must maintain a minimum net worth of at least \$50,000. **Failure to maintain the required net worth is grounds for administrative action.**

**SCHEDULE B-2 (ANALYSIS OF LOANS AND RECEIVABLES OUTSTANDING):** Record all receivables not subject to the California Finance Lenders license as Other Receivables on lines 7 through 14). Exercise care in classifying the receivables because certain sales contracts, leases, and other receivables may be subject to the California Finance Lenders Law. Flooring and accounts receivable financing are examples of transactions subject to the California Finance Lenders Law. In addition, certain types of leases such as dollar buy out, direct financing, abandonment, and purchase leases may be subject to the California Finance Lenders Law. If so, the receivables must be classified under California Finance Lenders Loan Receivables on lines 1 through 6.

**SCHEDULE C-1 (STATEMENT OF INCOME AND EXPENSES) AND SCHEDULE C-2 (INCOME RECEIVED FROM CFLL LENDERS AND BROKERS LOANS):** These schedules must be prepared on a basis consistent with generally accepted accounting principles. For reporting purposes, treat 20XX income earned **from loans originated** under the Personal Property Brokers, Consumer Finance Lenders, and Commercial Finance Lenders laws as Gross Income from CFLL Loans and CFLL Brokered Loans on line 1 of Schedule C-1. Also report only the amount of income earned during the year under the California Finance Lenders license . Loss on loan receivables must be shown as a separate line

item on line 4 of Schedule C-1. Do not deduct any loss on loans receivables from the gross income on line 1 of Schedule C-1.

The income reported on lines 1 through 16 of Schedule C-2 is income received under your California Finance Lender license and may include income from loans made under the Personal Property Broker, Consumer Finance Lender, and Commercial Finance Lender Laws.

Double-check your calculations. The income received must be accurately reported in the schedules because the amount you report is used to determine the amount of your annual assessment under the California Finance Lenders Law to renew your license(s) for the next fiscal year. Your annual assessment is based on the gross income you report on activities conducted under your California Finance Lenders Law license. Income earned under other state or federal lending licenses, activities not requiring a license, or activities conducted under licenses of other government agencies should not be reported on line 1 of Schedule C-1 or on lines 1 through 16 of Schedule C-2.

**SCHEDULE C-3 (INCOME FROM OTHER BUSINESS AND SOURCES):** Report under All Other Business and Sources, lines 1 through 7, only those revenues **not** subject to the California Finance Lenders Law. See instructions for Schedule B-2 above for classification of receivables under the California Finance Lenders Law. Any income received from your California Finance Lender license must be reported in Schedule C-2.

**SCHEDULE D (SCHEDULE OF BROKERED LOANS):** All loans brokered in 20XX under your California Finance Lenders license must be scheduled. Schedule A. Schedule of CFLL Brokered Loans must be completed by a licensee that brokered loans to any lender licensed under the California Finance Lenders Law. For a definition of consumer loans and commercial loans, refer to the instructions for Schedules E, F, and G (Loan Statistics) below.

Line 8(a) – Residential Mortgage loans Brokered. From the “Total Consumer Loans Brokered” reported on line 8, indicate on line 8(a) the number of loans brokered, the principal amount of loans and the amount of commissions received on residential mortgage loans.

Section B. Schedule of Other Brokered Loans must be completed by licensees that have brokered loans to any lender not licensed under the California Finance Lenders Law, such as mortgage loans made under a Department of Real Estate license. The name of the regulatory agency and license number that authorizes you to broker these loans must be provided.

**SCHEDULES E, F, & G (LOAN STATISTICS):** If any loans were made under your California Finance Lenders license during the year 20XX, Schedules E, F, and G must be completed. The loans made in 20XX must be categorized in Schedules E, F and G as either **consumer loans** or **commercial loans** as follows:

(1) **Consumer Loan** – a loan, whether secured by real or personal property, or both, or unsecured, the proceeds of which are intended by the borrower for use primarily for personal, family, or household purposes.

Consumer loan also includes a loan of a principal amount of less than \$5,000, the proceeds of which are intended by the borrower for use primarily for other than personal, family, or household purposes. An example is a loan of \$4,000 used for your rental business.

Beginning with the Annual Report for the Calendar Year 2011, a new category under consumer loans, Auto Title Loans, is included in Schedule F. For the purpose of completing the annual report, an auto title loan generally has the characteristics of a short-term loan (typically 12 to 36 months) in which a borrower with clear title to his or her vehicle may immediately receive a loan secured by the borrower’s vehicle. These loans typically are more than \$2,500 and have a higher interest rate. The loans differ from traditional auto loans, which are financed and secured by a lien on the vehicle in the purchase or refinance of a car.

(2) **Commercial Loan** - means a loan principal amount of \$5,000 or more, or any loan under an open-end credit program, whether secured by real or personal property, or both, or unsecured, the proceeds of which are intended by the borrower for use primarily for other than personal, family, or household purposes.

**Open-End Credit Loans (Revolving Credit Loans):** For the purposes of completing Schedules E, F, and G for open-end credit loans, the following guidelines must be followed:

(1) Total all advances made during the year under the **same** open-end credit loan agreement. This total constitutes the “Principal Amount” of the loan and counts as one loan made in Schedules E, F and G.

(2) Classify the loans by size, by the total advances made during the year. As an example, if five advances were made in 20XX amounting to \$15,000 under the **same** line of credit agreement of \$5,000, it should be reported as one loan made under “Number of Loans”, \$15,000 under “Principal Amount”, and under the column “Loans \$10,000 or More” in Schedules E, F and G.

**SCHEDULE I (LOANS SOLD TO INSTITUTIONAL INVESTORS AND LOANS SERVICED):** Item 2 – Loans Serviced Under the California Finance Lenders License must include all loans originated, purchased or sold.

**SCHEDULE K (DIRECTORY OF DIRECTORS, OFFICERS, ETC.):** All licensees must provide information on **all** directors, officers, members, managing members, branch managers and any person (as defined in Section 22008 of the Financial Code) owning or controlling directly or indirectly 10 percent or more of the outstanding interests or equity securities. If an individual was required to be included in the initial application for a license under the California Finance Lenders Law or in a subsequent report of changes in personnel, the individual must be included in Schedule K.

A self-designed form may be substituted in place of Schedule K if a licensee has more than 21 directors, officers, members, managing members, branch managers or persons holding 10 percent or more of the outstanding interests. The self-designed form must contain at a minimum the information required in Schedule K.

For any individual listed in Schedule K who has not submitted a Statement of Identity and Questionnaire (FS 512 SIQ), submit the Statement of Identity and Questionnaire for the individual when filing the completed annual report. The Statement of Identity and Questionnaire is available on the Department of Corporations' website at [www.corp.ca.gov](http://www.corp.ca.gov).

The information in Schedule K will be considered confidential information, and will be filed and maintained as part of the confidential records not subject to public inspection.

**SCHEDULE L (CFLL REPORT ON NON-TRADITIONAL, ADJUSTABLE RATE AND MORTGAGE LOAN PRODUCTS, AND LOAN SURVEY):** All licensees are required to complete Schedule L by indicating whether they made or arranged nontraditional mortgage products and adjustable rate mortgage products as defined by the Guidance. The Guidance is available on the Department's website at [www.corp.ca.gov](http://www.corp.ca.gov). If any loans subject to the Guidance were made or arranged, the licensee must also submit information regarding those loan products in the Loan Survey under Schedule L.

**SCHEDULE M (ADDITIONAL LOAN INFORMATION- SAFE):** All licensees must complete Schedule M on the Secured and Fair Enforcement for Mortgage Licensing Act of 2008 (SAFE Act) by answering the questions in item 1 and indicating in item 2 the type of loan programs that were provided to applicants during the calendar year. Information regarding the SAFE Act can be found on the Department's website at [www.corp.ca.gov](http://www.corp.ca.gov).

**SCHEDULE N (LOAN ACTIVITY):** All licensees must report activity concerning consumer loans they serviced during the year by type of security in item A, and provide the total number of loans and the total principal amount of loans that

were **not** made under the California Finance Lenders Law license for both consumer and commercial loans in items B and C.

**LICENSEES OPERATING IN MULTIPLE STATES:** If you conducted business in California and in other states, the additional guidelines must be followed:

**(1) SCHEDULE B-1 (BALANCE SHEET)** – Complete the balance sheet in the name of the entity listed on the license. Do not complete the schedule for the California operation only. Complete line 3, CFLL Loan Receivables, in Schedule B-1 only for those loans that were made under the California Finance Lenders license. All other loans and receivables not under the California Finance Lenders license should be reported on line 4, Other Receivables.

**(2) SCHEDULE C-1 (STATEMENT OF INCOME AND EXPENSES)** – Complete the Statement of Income and Expenses in the name of the entity listed on the license. Do not complete the schedule for the California operation only. **Include on line 1, Gross Income from CFLL Loans and CFLL Brokered Loans, only income generated under the California Finance Lenders license.** All other income earned, whether in California or out of state, must be reported on line 2, Gross Income from All Other Business and Sources.

**ANNUAL REPORT FORM AVAILABLE ON THE INTERNET:** The annual report form is available in Adobe Acrobat format on the Department’s website at “[www.corp.ca.gov](http://www.corp.ca.gov)”.

The form may be completed online; however, **THE ANNUAL REPORT CANNOT BE FILED ELECTRONICALLY.** If the report is completed online, it must be printed in the Adobe Acrobat format and submitted to the Department of Corporations in paper form. Please be sure to include your license number on the annual report to prevent any delays in processing your annual report. If you receive an annual report form from the Department of Corporations in the mail, include the information on the mailing label on the annual report you file with the Department of Corporations. It is

important to include your seven-digit license number. It is the Department of Corporations primary means of linking your annual report to your company.

**VERIFICATION:** The Verification section must be completed in accordance with the instructions by the licensed individual, a general partner if the licensee is a partnership, a manager if the licensee is a limited liability company, or a corporate officer if the licensee is a corporation. The Verification must be signed on the original copy of the report filed with the Department of Corporations. **An incomplete or unsigned Verification will result in rejection and return of the annual report to the licensee.**

**FEE:** No fee is required to file the annual report.

**PUBLIC INSPECTION:** The individual annual reports filed pursuant to Financial Code Section 22159 shall be made available to the public for inspection except for, upon request, the balance sheet contained in the annual report of a sole proprietor or any other nonpublicly traded persons. “Nonpublicly traded persons” for purposes of this section mean persons with securities owned by 35 or fewer individuals.

If a sole proprietor or licensee meeting the definition of nonpublicly traded persons is requesting confidential treatment of the balance sheet, the Request for Confidential Treatment in Schedule B-1 must be completed.

**FOR ASSISTANCE AND INFORMATION REGARDING THE ANNUAL REPORT:** Contact the Department of Corporations at telephone (866) ASK-CORP (1-866-275-2677).

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STATE OF CALIFORNIA -- BUSINESS, TRANSPORTATION AND HOUSING AGENCY XXXXXXXXXXXXXXXXXX, Governor

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**DEPARTMENT OF CORPORATIONS**



**PLEASE READ THE ATTACHED INSTRUCTIONS CAREFULLY BEFORE COMPLETING  
THE ANNUAL REPORT.**

**To: CALIFORNIA CORPORATIONS COMMISSIONER, STATE OF CALIFORNIA**

**ANNUAL REPORT**  
**LICENSEES ENGAGED IN BUSINESS UNDER THE**  
**CALIFORNIA FINANCE LENDERS LAW (CFL)**

**(Finance Lender and Broker)**

**For the Year Ended December 31, 20XX**

**SCHEDULE A**  
**GENERAL INFORMATION**

1. Name of Licensee (as shown on the license)

and Address of Main Office:

--

2. Business Phone No.: (        ) \_\_\_\_\_

Fax No.: (        ) \_\_\_\_\_

Website Address: \_\_\_\_\_

E-mail Address: \_\_\_\_\_

3. Address Change: If you wish to change the address of your place of business, you must submit a **Change of Address Form** to the Department of Corporations. The Change of Address form must be received by the Department of Corporations ten (10) days prior to the date of your move, or the Department of Corporations may assess an administrative penalty of \$500. The Change of Address form is available on the Department's website at [www.corp.ca.gov](http://www.corp.ca.gov).

4. Office Hours: \_\_\_\_\_

5. a) License Number for Main Office: \_\_\_\_\_

b) NMLS Number (if applicable): \_\_\_\_\_

6. Licensed Authority:

A. ☐ Lender Only

B. ☐ Lender and Broker

C. ☐ Broker Only

7. Total Number of Licenses Held at December 31, 20XX: \_\_\_\_\_

8. Type of Organization:

☐ Corporation

☐ Partnership

☐ Individual

☐ Limited Liability Company

☐ Other (specify) \_\_\_\_\_

9. Person Preparing the Annual Report:

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Name and Title (Typed)

Phone No.: (\_\_\_\_) \_\_\_\_\_

Email Address: \_\_\_\_\_

**VERIFICATION**

STATE OF \_\_\_\_\_ )

) SS.

COUNTY OF \_\_\_\_\_ )

I, the undersigned, state: That I am an officer, a general partner or the sole proprietor, or have a position of similar proprietary interest of (insert name of licensee as shown on the license)

\_\_\_\_\_  
and I have read and signed the report and the documents filed herewith and know the contents thereof. I certify that the financial statements contained therein were prepared in conformity with generally accepted accounting principles consistently applied, and the statistical information supplied is to the best of my knowledge true and exact.

Additional certification of licensees with two or more licensed locations:

By signing this report I hereby authorize the Commissioner to contact our main office regarding issues and concerns for all branches of the company.

Complete Section (A) OR Section (B) as appropriate.

---

**(A) IF LOCATED IN CALIFORNIA OR IN A STATE WHICH PERMITS A DECLARATION UNDER PENALTY OF PERJURY, COMPLETE THIS SECTION. NOTARIZATION IS NOT NECESSARY.**

Date \_\_\_\_\_  
                    -                    ,                      
                    (Month/Day)                    (Year)                    (City)                    (State)

I certify (or declare) under the penalty of perjury that the foregoing is true and correct.

\_\_\_\_\_  
Signature of Declarant

\_\_\_\_\_  
Name and Title (Typed)

---

**(B) IF LOCATED OUTSIDE OF CALIFORNIA IN A STATE WHICH DOES NOT PERMIT A DECLARATION UNDER PENALTY OF PERJURY, COMPLETE THIS SECTION. NOTARIZATION IS REQUIRED.**

Date \_\_\_\_\_  
                    (Month/Day)                    (Year)                    Signature of Affiant

at \_\_\_\_\_

(City)

\_\_\_\_\_  
Name and Title (Typed)

\_\_\_\_\_

(State)

Subscribed and sworn to before me on

\_\_\_\_\_, \_\_\_\_\_

Month/Date)

(Year)

(Seal)

\_\_\_\_\_  
Notary Public in and for said County and State

**TABLE OF SCHEDULES TO BE COMPLETED**

The following schedules in the annual report must be completed:

A. If you are licensed as a **CFL LENDER**, complete:

<u>SCHEDULE</u>	<u>SCHEDULE</u>
<u>A</u>	<u>F</u>
<u>VERIFICATION</u>	<u>G</u>
<u>B-1</u>	<u>H</u>
<u>B-1(a)</u>	<u>I</u>
<u>B-2</u>	<u>J</u>
<u>C-1</u>	<u>K</u>
<u>C-2</u>	<u>L</u>
<u>C-3</u>	<u>M</u>

<u>E</u>	<u>N</u>
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B. If you are licensed as a **CFLB BROKER**, complete:

<u>SCHEDULE</u>	<u>SCHEDULE</u>
<u>A</u>	<u>C-2</u>
<u>VERIFICATION</u>	<u>C-3</u>
<u>B-1</u>	<u>D</u>
<u>B-1(a)</u>	<u>J</u>
<u>B-2</u>	<u>K</u>
<u>C-1</u>	<u>L and M</u>

C. If you are licensed as both a **CFLB LENDER and CFLB BROKER**, complete all schedules.

D. If any schedule is inapplicable, indicate “Not Applicable” at the top of the schedule.

E. The Verification section must be completed. AN UNSIGNED OR INCOMPLETE VERIFICATION WILL NOT BE ACCEPTED, AND WILL RESULT IN REJECTION AND RETURN OF THE ANNUAL REPORT TO THE LICENSEE.

F. If no business was conducted under the license(s) during the year, complete Schedules A through C-3, Schedule K and Verification section only. The remaining pages need not be submitted. “No business” means no loans were made, refinanced, or brokered in the calendar year, and no loan payment or broker fee was received during the year. Include the following statement at the bottom of the Verification section, “No business was conducted under the license(s) during the calendar year 20XX.”

**G. Your annual assessment is based on the gross income you report on activities conducted under your California Finance Lenders Law license (Schedule C-1, Statement of Income and Expense, Line 1). Income earned under other state or federal lending licenses, activities not requiring a license, or activities conducted under licenses of other government agencies should be reported on Schedule C-1, Line 2.**

**H. For purposes of completing the annual report, all income derived from loans originated under the Personal Property Broker, Consumer Finance Lender, and /or Commercial Finance Lender Laws should be treated as income earned under the California Finance Lenders Law.**

**SCHEDULE B-1**  
**BALANCE SHEET**  
**AS OF DECEMBER 31, 20XX**

Name of Licensee: \_\_\_\_\_ CFLL License No. \_\_\_\_\_

**ASSETS**

1. Cash .....	\$ _____
2. Investments .....	_____
3. CFLL Loan Receivables (must equal Schedule B-2, line 6) .....	_____
4. Other Receivables (must equal Schedule B-2, line 14) .....	_____
5. Reserves and Withholds by Banks and Finance Companies .....	_____

6. Fixed Assets (Less: Accumulated Depreciation \$ \_\_\_\_\_) \_\_\_\_\_

(Fixed assets include land, buildings, equipment, furniture and fixtures, automobiles, and leasehold improvements, less accumulated depreciation.)

7. Prepaid Expenses and Deferred Charges . . . . . \_\_\_\_\_

8. Commissions Receivables . . . . . \_\_\_\_\_

9. Other Assets . . . . . \_\_\_\_\_

10. **Total Assets** (sum of lines 1 thru 9 and must equal line 22) . . . . . \$ \_\_\_\_\_

LIABILITIES AND NET WORTH

11. Loans and Notes Payable from Third Parties . . . . . \$ \_\_\_\_\_

12. Loans and Notes Payable from Parents and Affiliates . . . . . \_\_\_\_\_

13. Bonds, Debentures, and Certificates of Indebtedness . . . . . \_\_\_\_\_

14. Accounts Payable . . . . . \_\_\_\_\_

15. Dealers Reserves and Withholds . . . . . \_\_\_\_\_

16. Accrued Taxes Other Than Income Tax . . . . . \_\_\_\_\_

17. Reserve for Income Taxes .....	_____
18. Credit Insurance Premiums Due Insurer .....	_____
19. Other Liabilities and Accruals .....	_____
20. <b>Total Liabilities</b> (sum of lines 11 thru 19) .....	\$ _____
21. <b>Net Worth</b> (line 10 less line 20 and must equal Schedule B-1(a), line 10, 13, 14 or 19) .....	\$ _____
22. <b>Total Liabilities and Net Worth</b> (add lines 20 & 21 and must equal line 10) .....	\$ _____

**SCHEDULE B-1**

**REQUEST FOR CONFIDENTIAL TREATMENT**

Name of Licensee (as shown on the license): \_\_\_\_\_

\_\_\_\_\_

CFL License Number: \_\_\_\_\_

PURSUANT TO SECTION 22159(a) OF THE FINANCIAL CODE, I REQUEST CONFIDENTIAL TREATMENT OF THE BALANCE SHEET. THE LICENSEE QUALIFIES FOR CONFIDENTIAL TREATMENT OF THE
--

BALANCE SHEET AS A :

(CHECK ONE)

SOLE PROPRIETOR

☐

“NONPUBLICLY TRADED PERSON” (persons with securities owned by 35 or fewer individuals)

☐

By: \_\_\_\_\_

Signature of Authorized Person

Name(typed): \_\_\_\_\_

Position: \_\_\_\_\_

**SCHEDULE B-1(a)**

**CALCULATION OF NET WORTH**

**AS OF DECEMBER 31, 20XX**

Name of Licensee: \_\_\_\_\_

CFL License No. \_\_\_\_\_

**FOR CORPORATIONS:**

1. Common Stock ..... \$ \_\_\_\_\_

2. Preferred Stock ..... \_\_\_\_\_

3. Paid In Capital in Excess of Par ..... \_\_\_\_\_

4. Less: Treasury Stock, Donated Stock, etc. .... ( \_\_\_\_\_ )

5. Total Capital (sum of lines 1 thru 4) ..... \$ \_\_\_\_\_

6. Retained Earnings at 01/01/XX ..... \$ \_\_\_\_\_

7. Adjustments to Retained Earnings ..... \_\_\_\_\_

8. Net Income or Loss (from Schedule C-1, line 23) ... \_\_\_\_\_

9. Retained Earnings at 12/31/XX (sum of lines 6 thru 8) ..... \_\_\_\_\_

10. **Total Net Worth** (sum of lines 5 and 9, and must equal Schedule B-1, line 21) \$ \_\_\_\_\_

**FOR PARTNERSHIPS:**

11. Partnership Capital Accounts:

Name (General Partners)	Percentage	Amount
_____	_____	_____
_____	_____	_____
_____	_____	\$ _____

_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

12. Limited Partners ( in total) ..... \_\_\_\_\_

13. Total Net Worth (sum of lines 11 and 12, and must equal Schedule B-1, line 21) \$ \_\_\_\_\_

**FOR INDIVIDUALS, TRUSTEES, AND OTHERS:**

14. Net Worth of Individuals, Trustees, and Others (enter amount from  
Schedule B-1, line 21) ..... \$ \_\_\_\_\_

**FOR LIMITED LIABILITY COMPANIES:**

15. Members' Contributions \_\_\_\_\_

16. Members' Draws \_\_\_\_\_

17. Members' Equity \_\_\_\_\_

18. Net Income (Loss) (from Schedule C-1, line 23) \_\_\_\_\_

19. Total Members' Equity (sum of lines 15 – 18, and must equal Schedule B-1, line 21) \$ \_\_\_\_\_

**SCHEDULE B-2**

**ANALYSIS OF LOANS AND RECEIVABLES OUTSTANDING**

**AS OF DECEMBER 31, 20XX**

**CALIFORNIA FINANCE LENDERS LOAN RECEIVABLES:**

Aggregate Balance

(may include outstanding receivables originated under the Personal Property Broker, Consumer Finance Lender, and  
Commercial Finance Lender laws)

1. Consumer Loans ..... \$ \_\_\_\_\_

2. Commercial Loans ..... \_\_\_\_\_

3. Subtotal (sum of lines 1 and 2) ..... \$ \_\_\_\_\_

4. Less: Unearned Pre-computed Charges ..... ( \_\_\_\_\_ )

5. Less: Allowance for Bad Debts ..... ( \_\_\_\_\_ )

**6. Net California Finance Lenders Loan Receivables** (sum of lines

3 thru 5 and must equal Schedule B-1, line 3) ..... \$ \_\_\_\_\_

**OTHER RECEIVABLES NOT SUBJECT TO THE CFLL:**

(See instructions for Schedule B-2 for classification of receivables)

	<u>Aggregate Balance</u>
7. Sales Contracts .....	\$ _____
8. Leases (True leases) .....	_____
9. Factoring .....	_____
10. Others .....	_____
11. Subtotal (sum of lines 7 and 10) .....	\$ _____
12. Less: Unearned Pre-computed Charges .....	( _____ )
13. Less: Allowance for Bad Debts .....	( _____ )
14. <b>Net Other Receivables</b> (sum of lines 11 thru 12, and must equal Schedule B-1, line 4) .....	\$ _____

**SCHEDULE C-1**  
**STATEMENT OF INCOME AND EXPENSES**  
**FOR CALENDAR YEAR 20XX**  
  
**INCOME**

1. Gross Income from CFLL Loans and CFLL Brokered Loans (from Schedule  
C-2, line 16). **REPORT ONLY CFLL GROSS INCOME ON THIS LINE** . . . . . \$ \_\_\_\_\_

2. Gross Income from All Other Business and Sources (from Schedule C-3, line 7) . . . \_\_\_\_\_

3. **Total Gross Income** (sum of lines 1 and 2) . . . . . \$ \_\_\_\_\_

**EXPENSES**

4. Loss on Loan Receivables . . . . . \$ \_\_\_\_\_

5. Professional Audit and Accounting Services . . . . . \_\_\_\_\_

6. Insurance and Bond Premiums . . . . . \_\_\_\_\_

7. Legal Services and Expenses . . . . . \_\_\_\_\_

8. Occupancy Expenses . . . . . \_\_\_\_\_

9. Provision for Bad Debt Allowance . . . . . \_\_\_\_\_

10. Salaries and Bonuses: Employees . . . . . \_\_\_\_\_

11. Salaries and Bonuses: Owners, Partners, Executives . . . . . \_\_\_\_\_

12. Depreciation . . . . . \_\_\_\_\_

13. License Fees and Taxes .....	_____
14. Telephone and Utilities .....	_____
15. Advertising and Promotions .....	_____
16. Other Expenses .....	_____
17. <b>Total Expenses Before Interest and Income Taxes</b> (sum of lines 4 thru 16) .....	\$ _____
18. <b>Income or (loss) Before Interest and Income Taxes</b> (line 3 less line 17) .....	\$ _____
19. Interest Paid to Bona Fide Third Parties .....	_____
20. Interest Paid to Parent Company and Affiliates .....	_____
21. <b>Income or (Loss) Before Income Taxes</b> (subtract lines 19 and 20 from line 18) .	\$ _____
22. Provisions for Income Taxes .....	_____
23. <b>Net Income or (Loss)</b> (line 21 less line 22). ....	\$ _____

(If the licensee is incorporated, the Net Income or Loss amount in line 23 must agree with Schedule B-1(a), line 8.)

## **SCHEDULE C-2**

### **ANALYSIS OF INCOME RECEIVED FROM CFLL LENDERS AND BROKERS LOANS**

### **FOR CALENDAR YEAR 20XX**

	<u>Loans</u>	<u>Loans of</u>	
	<u>Under \$2,500</u>	<u>\$2,500 or More</u>	<u>Total</u>
	<u>(Column 1)</u>	<u>(Column 2)</u>	<u>(Column 3)</u>
<b><u>CFL LENDERS AND BROKERS LOANS:</u></b>			
<b><u>CONSUMER LOANS:</u></b>			
1. <u>Charges Earned or Collected from Loans . . . . .</u>	\$ _____	\$ _____	\$ _____
2. <u>Collection from Charged Off Accounts . . . . .</u>	_____	_____	_____
3. <u>Income from Credit Insurance . . . . .</u>	_____	_____	_____
4. <u>Other Insurance Commissions . . . . .</u>	_____	_____	_____
5. <u>Administrative and Loan Fees . . . . .</u>	_____	_____	_____
6. <u>Commissions from Brokering CFL Consumer</u>			
<u>Loans (from Schedule D, line 8) . . . . .</u>	_____	_____	_____
7. <u>Other Income . . . . .</u>	_____	_____	_____
8. <b><u>Total Consumer Loans Income</u></b> (sum of lines 1			
<u>thru 7) . . . . .</u>	\$ _____	\$ _____	\$ _____
<b><u>COMMERCIAL LOANS:</u></b>			

9. Charges Earned or Collected from Loans ..... \$ \_\_\_\_\_

10. Collection from Charged Off Accounts ..... \_\_\_\_\_

11. Income from Credit Insurance ..... \_\_\_\_\_

12. Other Insurance Commissions ..... \_\_\_\_\_

13. Commissions from Brokering CFLL Commercial Loans (from Schedule D, line 13) ..... \_\_\_\_\_

14. Other Income ..... \_\_\_\_\_

15. **Total Commercial Loan Income** (sum of lines 9 thru 14) ..... \$ \_\_\_\_\_

16. **Total Gross Income from CFLL Loans and Brokered Loans** (sum of line 8, column 3  
and line 15, and must equal Schedule C-1, line 1) ..... \$ \_\_\_\_\_

**SCHEDULE C-3**

**ANALYSIS OF INCOME RECEIVED FROM OTHER BUSINESS AND SOURCES**

**FOR CALENDAR YEAR 20XX**

**ALL OTHER BUSINESS AND SOURCES:**

1. Charges Earned or Collected ..... \$ \_\_\_\_\_

2. Other Interest or Return on Investment .....		_____
3. Collection from Charged Off Accounts .....		_____
4. Income from Credit Insurance .....		_____
5. Other Insurance Commissions .....		_____
6. Other Income (describe below) .....		_____
7. Total Income from All Other Business and Sources (sum of lines 1 through 6, and must equal Schedule C-1, line 2) .....	\$	=====

**Describe source(s) of other income reported on lines 1 through 6:**

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**SCHEDULE D**  
**SCHEDULE OF BROKERED LOANS**  
**FOR CALENDAR YEAR 20XX**

**A. SCHEDULE OF CFLL BROKERED LOANS (e.g., to any lender licensed under the CFLL)**

<u>Name of Lender</u>	<u>Lender's License Number</u>	<u>Number of Loans Brokered</u>	<u>Principal Amount of Loans</u>	<u>Amount of Commissions Received</u>
<b><u>LIST CONSUMER LOANS BROKERED:</u></b>				
1. _____	_____	_____	\$ _____	\$ _____
2. _____	_____	_____	_____	_____
3. _____	_____	_____	_____	_____
4. _____	_____	_____	_____	_____
5. _____	_____	_____	_____	_____
6. _____	_____	_____	_____	_____
7. _____	_____	_____	_____	_____

**8. Total Consumer Loans Brokered** (sum of  
 lines 1 through 7, and must equal Schedule C-2,  
 line 6, column 3) . . . . .

\_\_\_\_\_ \$ \_\_\_\_\_ \$ \_\_\_\_\_

**8a. Residential Mortgage Loans Brokered** (see  
 Schedule D instructions to complete this  
 section)

\_\_\_\_\_

**LIST COMMERCIAL LOANS BROKERED:**

9. \_\_\_\_\_ \$ \_\_\_\_\_ \$ \_\_\_\_\_

10. \_\_\_\_\_

11. \_\_\_\_\_

12. \_\_\_\_\_

**13. Total Commercial Loans Brokered** (sum  
 of lines 9 through 12, and must equal Schedule  
 C-2, line 13) . . . . .

\_\_\_\_\_ \$ \_\_\_\_\_ \$ \_\_\_\_\_

**14. Total Loans Brokered** (sum of lines 8 and  
 13) . . . . .

\_\_\_\_\_ \$ \_\_\_\_\_ \$ \_\_\_\_\_

Describe the method of computing commissions and how commissions are paid (i.e., in advance, from loan proceeds,

etc.). If commissions are prepaid, describe the method of refunding commissions in the event a loan is not funded.

---

**B. SCHEDULE OF OTHER BROKERED LOANS (e.g., to any lender not licensed under the CFLL)**

	<u>Total Principal</u>		
	<u>Total Number of</u>	<u>Amount of</u>	<u>Total Amount of</u>
	<u>Loans Brokered</u>	<u>Loans Brokered</u>	<u>Commissions Received</u>
<b><u>TOTALS</u></b>	_____	\$ _____	\$ _____

Provide the name of the government agency and your broker license number authorizing you to broker other loans identified Section B: \_\_\_\_\_

**SCHEDULE E**

**CALIFORNIA FINANCE LENDERS**

**LOANS MADE OR REFINANCED DURING THE YEAR BY SIZE OF LOAN**

**FOR CALENDAR YEAR 20XX**

**CONSUMER LOANS**

	<u>Loans of:</u>	<u>Number of Loans</u>	<u>Principal Amount</u>
1.	\$ 499 or Less .....	_____	\$ _____
2.	500 to 1,999 .....	_____	_____

3.	<u>2,000 to 2,499 .....</u>	<u>                    </u>	<u>                    </u>
4.	<u>2,500 to 4,999 .....</u>	<u>                    </u>	<u>                    </u>
5.	<u>5,000 to 9,999 .....</u>	<u>                    </u>	<u>                    </u>
6.	<u>10,000 or More .....</u>	<u>                    </u>	<u>                    </u>
7.	<b><u>Total Consumer Loans Made</u></b> (Sum of lines 1 through 6. Totals must equal Schedule F, line 27 and Schedule G, line 40.)		\$ <u>                                    </u>

## COMMERCIAL LOANS

8.	\$ 5,000 or More .....	_____	\$ _____
9.	<b><u>Total Commercial Loans Made</u></b> ( Totals must <u>equal Schedule F, line 34 and Schedule G, line 49.)</u>	_____ _____	\$ _____ _____
10.	<b><u>Total Loans Made – All Categories</u></b> (Sum of lines 7 <u>and 9. Totals must equal Schedule F, line 35 and</u> <u>Schedule G, line 50).</u>	_____ _____	\$ _____ _____

**SCHEDULE F**

## CALIFORNIA FINANCE LENDERS

### **LOANS MADE OR REFINANCED DURING THE YEAR BY TYPE OF SECURITY**

**FOR CALENDAR YEAR 20XX**

**CONSUMER LOANS**

	<u>Type of Security</u>	<u>Number of Loans</u>	<u>Principal Amount</u>
<hr/>			
<b><u>Loans Under \$2,500</u></b>			
1.	<u>Unsecured . . . . .</u>	<u>                    </u>	\$ <u>                    </u>
2.	<u>Personal Property (Household Items) . . . . .</u>	<u>                    </u>	<u>                    </u>
3.1	<u>Automobiles and Other Motor Vehicles . . . . .</u>	<u>                    </u>	<u>                    </u>
3.2	<u>Auto Title Loans . . . . .</u>	<u>                    </u>	<u>                    </u>
4.	<u>Wage Assignment . . . . .</u>	<u>                    </u>	<u>                    </u>
5.	<u>Other Security . . . . .</u>	<u>                    </u>	<u>                    </u>
6.	<u>Total Loans Made (sum of lines 1 through 5) . . . . .</u>	<u>                    </u>	\$ <u>                    </u>

**Loans \$2,500 to \$4,999**

7.	<u>Unsecured . . . . .</u>	<u>                    </u>	\$ <u>                    </u>
----	----------------------------	-----------------------------	--------------------------------

**CONSUMER LOANS**

	<u>Type of Security</u>	<u>Number of Loans</u>	<u>Principal Amount</u>
8.	<u>Personal Property (Household Items) . . . . .</u>	<u>                    </u>	<u>                    </u>
9.1	<u>Automobiles and Other Motor Vehicles . . . . .</u>	<u>                    </u>	<u>                    </u>
9.2	<u>Auto Title Loans . . . . .</u>	<u>                    </u>	<u>                    </u>
10.	<u>Wage Assignment . . . . .</u>	<u>                    </u>	<u>                    </u>
11.	<u>Other Security . . . . .</u>	<u>                    </u>	<u>                    </u>
12.	<u>Total Loans Made (sum of lines 7 through 11) . . . . .</u>	<u>                    </u>	<u>\$                      </u>

**Loans \$5,000 to \$9,999**

13.	<u>Unsecured . . . . .</u>	<u>                    </u>	<u>\$                      </u>
14.	<u>Personal Property (household items) . . . . .</u>	<u>                    </u>	<u>                    </u>
15.1	<u>Automobiles and Other Motor Vehicles . . . . .</u>	<u>                    </u>	<u>                    </u>
15.2	<u>Auto Title Loans . . . . .</u>	<u>                    </u>	<u>                    </u>

**CONSUMER LOANS**

	<u>Type of Security</u>	<u>Number of Loans</u>	<u>Principal Amount</u>
16.	<u>Wage Assignment . . . . .</u>	<u>                    </u>	<u>                    </u>
17.	<u>Real Property . . . . .</u>	<u>                    </u>	<u>                    </u>
18.	<u>Other Security . . . . .</u>	<u>                    </u>	<u>                    </u>
19.	<u>Total Loans Made (sum of lines 13 through 18) . . .</u>	<u>                    </u>	<u>\$                   </u>

**Loans \$10,000 or More**

20.	<u>Unsecured . . . . .</u>	<u>                    </u>	<u>\$                   </u>
21.	<u>Personal Property (Household Items) . . . . .</u>	<u>                    </u>	<u>                    </u>
22.1	<u>Automobiles and Other Motor Vehicles . . . . .</u>	<u>                    </u>	<u>                    </u>
22.2	<u>Auto Title Loans . . . . .</u>	<u>                    </u>	<u>                    </u>
23.	<u>Wage Assignment . . . . .</u>	<u>                    </u>	<u>                    </u>
24.	<u>Real Property . . . . .</u>	<u>                    </u>	<u>                    </u>
25.	<u>Other Security . . . . .</u>	<u>                    </u>	<u>                    </u>

**CONSUMER LOANS**

	<u>Type of Security</u>	<u>Number of Loans</u>	<u>Principal Amount</u>
26.	<u>Total Loans Made (sum of lines 20 through 25) . . . .</u>	<u>                    </u>	<u>\$                      </u>
27.	<b><u>Total Consumer Loans Made</u></b> (sum of lines 6, 12, 19, and 26). Totals must equal Schedule E, line 7 and Schedule G, line 40). . . . .	<u>                    </u>	<u>\$                      </u>

**COMMERCIAL LOANS ONLY**

28.	<u>Unsecured . . . . .</u>	<u>                    </u>	<u>\$                      </u>
29.	<u>Personal Property . . . . .</u>	<u>                    </u>	<u>                    </u>
30.	<u>Automobiles and Other Motor Vehicles . . . . .</u>	<u>                    </u>	<u>                    </u>
31.	<u>Business Equipment . . . . .</u>	<u>                    </u>	<u>                    </u>
32.	<u>Real Property . . . . .</u>	<u>                    </u>	<u>                    </u>
33.	<u>Other Security . . . . .</u>	<u>                    </u>	<u>                    </u>
34.	<b><u>Total Commercial Loans Made</u></b> (Sum of lines 28 through 33. Totals must equal Schedule E, line 9 and Schedule G, line 49.). . . . .	<u>                    </u>	<u>\$                      </u>

**CONSUMER LOANS**

	<u>Type of Security</u>	<u>Number of Loans</u>	<u>Principal Amount</u>
35.	<b><u>Total Loans Made – All Categories</u></b> (sum of lines 27 and 34). Totals must equal Schedule E, line 10 and Schedule G, line 50.).....		
		_____	\$ _____

**SCHEDULE G**

**CALIFORNIA FINANCE LENDERS**

**LOANS MADE OR REFINANCED DURING THE YEAR BY RATES CHARGED**

**FOR CALENDAR YEAR 20XX**

**CONSUMER LOANS ONLY**

	<u>Annualized Rate of Charge</u>	<u>Number of Loans</u>	<u>Principal Amount</u>
<b><u>Loans under \$2,5000</u></b>			
1.	<u>Step Rate: 2.5%, 2%, 1.5%, &amp; 1% Per Month</u>	_____	\$ _____
	<u>Alternate Rates:</u>		
2.	<u>1.6% Per Month</u> .....	_____	_____
3.	<u>Federal Reserve Bank Rate plus 10%</u> .....	_____	_____

Other Rates:

<u>4.</u>	<u>Up to 14.999</u>	<u>APR . . . . .</u>	_____	_____
<u>5.</u>	<u>15.000 to 19.999</u>	<u>APR . . . . .</u>	_____	_____
<u>6.</u>	<u>20.000 to 24.999</u>	<u>APR . . . . .</u>	_____	_____
<u>7.</u>	<u>25.000 to 29.999</u>	<u>APR . . . . .</u>	_____	_____
<u>8.</u>	<u>30.000 to 34.999</u>	<u>APR . . . . .</u>	_____	_____
<u>9.</u>	<u>35.000 to 39.999</u>	<u>APR . . . . .</u>	_____	_____
<u>10.1</u>	<u>40.000 to 69.999</u>	<u>APR . . . . .</u>	_____	_____
<u>10.2</u>	<u>70.000 to 99.999</u>	<u>APR . . . . .</u>	_____	_____
<u>10.3</u>	<u>100.000 or More</u>	<u>APR . . . . .</u>	_____	_____
<u>11.</u>	<u>Variable Rates Based on Index . . . . .</u>		_____	_____
<u>12.</u>	<u>Total Loans Made (sum of lines 1 through 11) . . . . .</u>		_____	\$ _____

**Loans \$2,500 to \$4,999**

<u>13.</u>	<u>Up to 14.999</u>	<u>APR . . . . .</u>	_____	\$ _____
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<u>14.</u>	<u>15.000 to 19.999</u>	<u>APR . . . . .</u>	<u>                    </u>	<u>                    </u>
<u>15.</u>	<u>20.000 to 24.999</u>	<u>APR . . . . .</u>	<u>                    </u>	<u>                    </u>
<u>16.</u>	<u>25.000 to 29.999</u>	<u>APR . . . . .</u>	<u>                    </u>	<u>                    </u>
<u>17.</u>	<u>30.000 to 34.999</u>	<u>APR . . . . .</u>	<u>                    </u>	<u>                    </u>
<u>18.</u>	<u>35.000 to 39.999</u>	<u>APR . . . . .</u>	<u>                    </u>	<u>                    </u>
<u>19.1</u>	<u>40.000 to 69.999</u>	<u>APR . . . . .</u>	<u>                    </u>	<u>                    </u>
<u>19.2</u>	<u>70.000 to 99.999</u>	<u>APR . . . . .</u>	<u>                    </u>	<u>                    </u>
<u>19.3</u>	<u>100.000 or More</u>	<u>APR . . . . .</u>	<u>                    </u>	<u>                    </u>
<u>20.</u>	<u>Variable Rates Based on Index . . . . .</u>		<u>                    </u>	<u>                    </u>
<u>21.</u>	<u>Total Loans Made (sum of lines 13 through 20). . .</u>		<u>                    </u>	<u>\$                      </u>

**Loans \$5,000 to \$9,999**

<u>22.</u>	<u>Up to 14.999</u>	<u>APR . . . . .</u>	<u>                    </u>	<u>\$                      </u>
<u>23.</u>	<u>15.000 to 19.999</u>	<u>APR . . . . .</u>	<u>                    </u>	<u>                    </u>

<u>24.</u>	<u>20.000 to 24.999</u>	<u>APR . . . . .</u>	<u>                    </u>	<u>                    </u>
<u>25.</u>	<u>25.000 to 29.999</u>	<u>APR . . . . .</u>	<u>                    </u>	<u>                    </u>
<u>26.</u>	<u>30.000 to 34.999</u>	<u>APR . . . . .</u>	<u>                    </u>	<u>                    </u>
<u>27.</u>	<u>35.000 to 39.999</u>	<u>APR . . . . .</u>	<u>                    </u>	<u>                    </u>
<u>28.1</u>	<u>40.000 to 69.999</u>	<u>APR . . . . .</u>	<u>                    </u>	<u>                    </u>
<u>28.2</u>	<u>70.000 to 99.999</u>	<u>APR . . . . .</u>	<u>                    </u>	<u>                    </u>
<u>28.3</u>	<u>100.000 or More</u>	<u>APR . . . . .</u>	<u>                    </u>	<u>                    </u>
<u>29.</u>	<u>Variable Rates Based on Index . . . . .</u>		<u>                    </u>	<u>                    </u>
<u>30.</u>	<u>Total Loans Made (sum of lines 22 through 29). . . .</u>		<u>                    </u>	<u>\$                      </u>

**Loans \$10,000 or More**

<u>31.</u>	<u>Up to 14.999</u>	<u>APR . . . . .</u>	<u>                    </u>	<u>\$                      </u>
<u>32.</u>	<u>15.000 to 19.999</u>	<u>APR . . . . .</u>	<u>                    </u>	<u>                    </u>
<u>33.</u>	<u>20.000 to 24.999</u>	<u>APR . . . . .</u>	<u>                    </u>	<u>                    </u>

<u>34.</u>	<u>25.000 to 29.999</u>	<u>APR .....</u>	_____	_____
<u>35.</u>	<u>30.000 to 34.999</u>	<u>APR .....</u>	_____	_____
<u>36.</u>	<u>35.000 to 39.999</u>	<u>APR .....</u>	_____	_____
<u>37.1</u>	<u>40.000 to 69.999</u>	<u>APR .....</u>	_____	_____
<u>37.2</u>	<u>70.000 to 99.999</u>	<u>APR .....</u>	_____	_____
<u>37.3</u>	<u>100.000 or More</u>	<u>APR .....</u>	_____	_____
<u>38.</u>	<u>Variable Rates Based on Index .....</u>		_____	_____
<u>39.</u>	<u>Total Loans Made (sum of line 31 through 38) .....</u>		=====	_____
<u>40.</u>	<b><u>Total Consumer Loans Made</u></b> (Sum of lines 12, 21, 30, and 39. Totals must equal Schedule E, line 7 and Schedule F, line 27.)		=====	\$ _____

**COMMERCIAL LOANS ONLY**

	<u>Note Rate or Contract Rate</u>	<u>Number of Loans</u>	<u>Principal Amount</u>
<hr/>			
<u>41.</u>	<u>Up to 14.999</u>	<u>.....</u>	\$ _____

<u>42.</u>	<u>15.000 to 19.999</u>	<u>.....</u>	<u>                    </u>	<u>                    </u>
<u>43.</u>	<u>20.000 to 24.999</u>	<u>.....</u>	<u>                    </u>	<u>                    </u>
<u>44.</u>	<u>25.000 to 29.999</u>	<u>.....</u>	<u>                    </u>	<u>                    </u>
<u>45.</u>	<u>30.000 to 34.999</u>	<u>.....</u>	<u>                    </u>	<u>                    </u>
<u>46.</u>	<u>35.000 to 39.999</u>	<u>.....</u>	<u>                    </u>	<u>                    </u>
<u>47.1</u>	<u>40.000 to 69.999</u>	<u>.....</u>	<u>                    </u>	<u>                    </u>
<u>47.2</u>	<u>70.000 to 99.999</u>	<u>.....</u>	<u>                    </u>	<u>                    </u>
<u>47.3</u>	<u>100.000 or More</u>	<u>.....</u>	<u>                    </u>	<u>                    </u>
<u>48.</u>	<u>Variable Rates Based on Index</u>	<u>.....</u>	<u>                    </u>	<u>                    </u>
<u>49.</u>	<b><u>Total Commercial Loans Made</u></b> (Sum of lines 41 through 48. Totals must equal Schedule E, line 9 and Schedule F, line 34.). <u>                    </u>		<u>                    </u>	<u>\$</u> <u>                    </u>
<u>50.</u>	<b><u>Totals Loans Made – All Categories</u></b> (Sum of lines 40 and 49. Totals must equal Schedule E, line 10 and Schedule F, line 35.). <u>                    </u>		<u>                    </u>	<u>\$</u> <u>                    </u>

**SCHEDULE H**  
**CREDIT INSURANCE**  
**GENERAL INFORMATION**

1. Provide the name(s) and address(s) of insurance company(s) underwriting your credit insurance.

Name: \_\_\_\_\_

Address: \_\_\_\_\_

2. Is the insurance company(s) named in item 1 above a parent corporation, affiliated company, or in any other manner connected with you:                      Yes ☐                      No ☐

If the answer to item 2 is "yes", explain the relationship:

\_\_\_\_\_

3. Credit insurance premiums charged per year per hundred dollars of initial indebtedness:

<u>Single Premium</u>	<u>Credit Life</u>	<u>Joint Coverage</u>
<hr/>		
\$ _____	<u>Personal Property</u>	\$ _____
\$ _____	<u>Real Property</u>	\$ _____

Credit Disability

---

\$ \_\_\_\_\_ Personal Property \$ \_\_\_\_\_

\$ \_\_\_\_\_ Real Property \$ \_\_\_\_\_

Credit Loss-of-Income

---

\$ \_\_\_\_\_ Personal Property \$ \_\_\_\_\_

\$ \_\_\_\_\_ Real Property \$ \_\_\_\_\_

4. Is the credit insurance premium deducted from loan proceeds? Yes ☐ No ☐

If the answer is "no", explain how the credit insurance proceeds are paid:

---

5. Are the credit insurance premiums that have been collected from borrowers remitted in total to the carrier?

Yes ☐ No ☐

If the answer is "no", provide an explanation:

---

6. What is the age limit to qualify for credit insurance?

	<u>Minimum</u>	<u>Maximum</u>
<u>Credit Life</u>	_____	_____
<u>Credit Disability</u>	_____	_____
<u>Credit Loss-of-Income</u>	_____	_____

7. Does the credit disability policy contain a “14-day” non-retroactive provision?      Yes ☐      No ☐

If the answer is “No”, provide an explanation:

\_\_\_\_\_

8. List exclusions from coverage, if any:

\_\_\_\_\_

\_\_\_\_\_

### **SCHEDULE I**

### **SALE OF LOANS TO INSTITUTIONAL INVESTORS AND LOANS SERVICED**

### **FOR CALENDAR YEAR 20XX**

1. Loans Sold Pursuant to Financial Code Sections 22340, 22340.1, 22600 or 22600.1:

Report only those loans originated under your California Finance Lenders license(s), or purchased from an institutional lender or from another licensee pursuant to Division 9 of the Financial Code, and subsequently sold to institutional investors.

<u>Dollar Amount of Loans</u>			
<u>No. of Loans Sold</u>	<u>Dollar Value of Loans Sold</u>	<u>Sold Retained for Servicing</u>	<u>Servicing Fees Earned</u>
_____	\$ _____	\$ _____	\$ _____

Are these loans sold to institutional investors? Yes ☐ No ☐

Did you sell any of those loans to affiliated companies? Yes ☐ No ☐

Are trust accounts established for those loans serviced? Yes ☐ No ☐

2. Loans Serviced Under the California Finance Lenders License (includes all loans originated, purchased or sold):

Report all loans you serviced as of December 31, 20XX.

<u>Loan Type</u>	<u>Number of Loans</u>	<u>Balance</u>	<u>Servicing Fees Earned</u>
<u>Residential Real Estate Secured</u>	_____	\$ _____	\$ _____
<u>All Other Loans</u>	_____	\$ _____	\$ _____

**SCHEDULE J**

## OTHER BUSINESS ACTIVITIES AND COVERED LOANS

### A. OTHER BUSINESS ACTIVITIES:

Schedule J must be completed for ***any*** other activities conducted at the licensed locations(s), in addition to making and/or brokering loans under your California Finance Lender license(s).

<u>1. SALE OF INSURANCE PRODUCTS</u>	<u>Insurer</u>	<u>20XX Revenue</u>
<u>Credit Life Insurance</u>		\$
<u>Credit Disability Insurance</u>		
<u>Accidental Death &amp; Dismemberment</u>		
<u>Personal Property Insurance</u>		
<u>Real Estate Loan Insurance</u>		
<u>Others (auto, whole life, etc.)</u>		

### 2. OTHER SERVICES PROVIDED (Examples: loan servicing, leasing, automobile contracts, etc.)

		<u>License Authority</u>
--	--	--------------------------

<u>Description of Services Provided</u>	<u>20XX Revenue</u>	<u>(If Applicable)</u>
	\$	

3. BUSINESS CONDUCTED PURSUANT TO THE COMMODITY BROKERS LAW OF 1990

(Example: Sale and/or financing of precious metals or other commodities)

<u>Describe Activity</u>	<u>20XX Revenue</u>	<u>License Authority</u> <u>(If Applicable)</u>

4. OTHER BUSINESS ACTIVITY CONDUCTED AT LICENSED LOCATION (not already included in items 1, 2, or 3 above.)

<u>Describe Activity</u>	<u>20XX Revenue</u>	<u>License Authority</u> <u>(If Applicable)</u>

5. LIST ANY OTHER LICENSES ISSUED BY STATE OF CALIFORNIA GOVERNMENT AGENCIES AND HELD BY THE LICENSEE:

<u>Name of License</u>	<u>Name of Agency</u>	<u>License Number</u>

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**B. COVERED LOANS:**

This section must be completed by a licensee that made “covered loans” as defined in Financial Code Section 4970(b)(1).

<u>Number of Covered Loans</u>	<u>Principal Amount</u>
<hr/>	<hr/>
<hr/>	\$ <hr/>

**SCHEDULE K**

**DIRECTORY OF DIRECTORS, OFFICERS, MEMBERS, MANAGING MEMBERS, BRANCH MANAGERS AND ANY  
PERSON OWNING OR CONTROLLING (DIRECTLY OR INDIRECTLY) 10% OR MORE OF INTEREST OR EQUITY SECURITIES**

Name of Licensee: \_\_\_\_\_ CFLL License No. \_\_\_\_\_

Complete the following directory for **ALL** directors, officers, members, managing members, branch managers and any person (as defined in Section 22008 of the Financial Code) owning or controlling directly or indirectly 10 percent or more of the outstanding interest or equity securities. If an individual was required to be included in the initial application for a license under the California Finance Lenders Law or in a subsequent report of changes in personnel, the individual must be included in this directory.

A self-designed form may be substituted in place of Schedule K if a licensee has more than 21 directors, officers, members, managing members, branch managers and persons holding 10 percent or more of the outstanding interests. The self designed form must contain at a minimum the following information.

In addition to this directory, submit a Statement of Identity and Questionnaire (SIQ), for those individuals who did not submit the SIQ to the Department previously. The SIQ form is available on the Department of Corporations' website at [www.corp.ca.gov](http://www.corp.ca.gov).

<u>FULL NAME</u>			<u>POSITION HELD</u>	<u>% OF</u>	<u>BUSINESS ADDRESS</u>	<u>DATE OF</u>	<u>DRIVERS</u>
<u>FIRST</u>	<u>MIDDLE</u>	<u>LAST</u>	<u>OR TO BE HELD</u>	<u>OWNERSHIP</u>	( <u>Street, City, State &amp;</u> <u>Zip Code</u> )	<u>BIRTH</u>	<u>LICENSE NO.</u> <u>AND STATE</u>





COMPANY NAME: \_\_\_\_\_

LICENSE NUMBER: \_\_\_\_\_

NMLS NUMBER: \_\_\_\_\_

CONTACT PERSON: \_\_\_\_\_

TELEPHONE NUMBER: \_\_\_\_\_

1. During calendar year 20XX, did you make or arrange non-traditional mortgage products or adjustable rate mortgage products as defined by the Guidance?

a. Made non-traditional mortgage products? Yes ☐ \_\_\_\_\_ ☐

b. Arranged non-traditional mortgage products? Yes ☐ \_\_\_\_\_ ☐  
No

c. Made adjustable rate mortgage products? Yes ☐ \_\_\_\_\_ ☐  
No

d. Arranged adjustable rate mortgage products? Yes ☐ \_\_\_\_\_ ☐  
No

No

If the answer is “yes” to any of the above, complete items 1 through 4 of the Non-Traditional, Adjustable Rate and Mortgage Loan Survey below.

If the answer is “no” to all of the above, complete item 1 of the Non-Traditional, Adjustable Rate and Mortgage Loan Survey below.

### **NON-TRADITIONAL, ADJUSTABLE RATE AND MORTGAGE LOAN SURVEY**

<b>1. License Information</b> (to be completed by all licensees)	
<u>CFL License Number:</u>	
<u>Licensee Name:</u>	
<u>Name of Person Who Prepared this Survey:</u>	
<u>Preparer's Title:</u>	
<u>Telephone Number:</u>	
<u>Email Address:</u>	

<b>2. Does your company offer non-traditional mortgage products?</b>  (Place an “x” in the appropriate category.)   (If “yes”, complete remaining survey)	<u>Yes</u>	
	<u>No</u>	

3. If “yes”, are they retained on the books or sold?  (Place an “x” in one or both categories.)	<u>Retained</u>	
	<u>Sold</u>	

4. Provide the dollar volume in thousands and number of loans retained as of December 31, 20XX, and the dollar volume in thousands and number of loans sold over the 12-month period ending December 20XX. For loans with multiple non-traditional characteristics, include them in each applicable category.	<u>Retained</u>  (Number of Loans)	<u>Retained</u>  (Dollar Amount)	<u>Sold</u>  (Number of Loans)	<u>Sold</u>  (Dollar Amount)
a. <u>Interest-only Mortgage Loan</u>				
b. <u>Payment Option ARM</u>				
c. <u>Reduced Documentation</u>				
d. <u>Simultaneous Second-lien Loan</u>				
e. <u>Home Equity Line of Credit</u>				
f. <u>Covered Loans</u>				
g. <u>Adjustable Rate Mortgage Loans</u>				
5. <u>All Loans (Non-Traditional and Traditional)</u>				

**NON-TRADITIONAL, ADJUSTABLE RATE AND MORTGAGE LOAN SURVEY**

## DEFINITIONS

<u>Definitions</u>		
a.	<u>Interest-only Mortgage Loan</u>	<u>A nontraditional mortgage in which, for a specified number of years (e.g., three or five years), the borrower is required to pay only the interest due on the loan, during which time the interest rate may fluctuate or may be fixed. After the interest-only period, the rate may be fixed or fluctuate based on the prescribed index and payments include both principal and interest.</u>
b.	<u>Payment Option ARM</u>	<u>A nontraditional mortgage that allows the borrower to choose from a number of different payment options. For example, each month, the borrower may choose a minimum payment option based on a “start” or introductory interest rate, an interest-only payment option based on the fully indexed interest rate, or a fully amortizing principal and interest payment option based on a 15-year or 30-year loan term, plus any required escrow payments. The minimum payment option can be less than the interest accruing on the loan, resulting in negative amortization. The interest-only option avoids negative amortization but does not provide for principal amortization. After a specified number of years, or if the loan reaches a certain negative amortization cap, the required monthly payment amount is recast to require payments that will fully amortize the outstanding balance over the remaining loan term.</u>

c.	<u>Reduced Documentation</u>	<u>A loan feature that is commonly referred to as “low doc/no doc”, “no income/no asset”, “stated income” or “stated assets.” For mortgage loans with this feature, an institution sets reduced minimal documentation standards to substantiate the borrower’s income and assets.</u>
d.	<u>Simultaneous Second-lien Loan</u>	<u>A lending arrangement where either a closed-end second-lien or a home equity line of credit (HELOC) is originated simultaneously with the first lien mortgage loan, typically in lieu of a higher down payment.</u>
e.	<u>Home Equity Line of Credit</u>	<u>An open-end loan, usually recorded as a second mortgage, that permits borrowers to obtain cash advances based on an approved line of credit.</u>
f.	<u>Covered Loans</u>	<p><u>Covered loan (under Section 4970 of the Financial Code) – a consumer loan in which the original principal balance of the loan does not exceed the most current conforming loan limit for a single-family first mortgage loan established by Fannie Mae and where one of the following conditions are met:</u></p> <p><u>a) the APR at consummation will exceed by more than 8 percentage points the yield on Treasury securities having comparable maturity periods on the 15<sup>th</sup> day of the month immediately preceding the month in which the loan application is received, or</u></p>

		<u>b) the total points and fees payable by the consumer at or before closing will exceed 6% of the total loan amount.</u>
g.	<u>Adjustable Rate Mortgage Loans (ARMS)</u>	<u>An adjustable rate mortgage loan that has one or more of the following characteristics: (1) low initial payments based on a fixed introductory rate that expires after a short period and then adjusts to a variable index rate plus a margin for the remaining term of the loan; (2) very high or no limits on how much the payment amount or the interest rate may increase (“payment or rate caps”) on reset dates; (3) limited or no documentation of borrower’s income; (4) product features likely to result in frequent refinancing to maintain an affordable monthly payment; and/or (5) substantial prepayment penalties and/or prepayment penalties that extend beyond the initial fixed interest rate period. As an example of item (1) above, ARMs known as “2/28” loans feature a fixed rate for two years and then adjust to a variable rate for the remaining 28 years, and the spread between the initial fixed interest rate and the fully indexed interest rate in effect at loan origination typically ranges from 300 to 600 basis points.</u>

**SCHEDULE M**

**ADDITIONAL LOAN INFORMATION - SAFE**

Information on the Secure and Fair Enforcement for Mortgage Licensing Act of 2008 (SAFE Act) is available on the Department of Corporations' website at [www.corp.ca.gov](http://www.corp.ca.gov).

A. Did you make, arrange or service any residential mortgage loans as defined by the SAFE Act? Yes ☐ No ☐

B. How many mortgage loan originators did you employ as of 12/31/XX in this activity? \_\_\_\_\_

C. Provide the NMLS Unique Identifier Number: \_\_\_\_\_

Under your California Finance Lender license, indicate which of the following type(s) of loan programs were provided to applicants during the calendar year:

A. Consumer First Mortgage Loans (1-4 units) Yes ☐ No ☐

B. Consumer Unsecured Loans Yes ☐ No ☐

C. Consumer Personal Property Loans Yes ☐ No ☐

D. Automobiles and Other Motor Vehicles Yes ☐ No ☐

E. Auto Title Loans Yes ☐ No ☐

F. Affordable Credit-Building Opportunity Loans Yes ☐ No ☐

G. Commercial Real Estate Loans

Yes ☐ No ☐

H. Commercial Unsecured Loans

Yes ☐ No ☐

I. Commercial Business Equipment

Yes ☐ No ☐

J. Commercial Automobiles and Other Motor Vehicles

Yes ☐ No ☐

K. Accounts Receivable Financing

Yes ☐ No ☐

L. Other CFLL Activity (describe below)

Yes ☐ No ☐

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**SCHEDULE N**

**SCHEDULE OF LOAN ACTIVITY**

**AS OF DECEMBER 31, 20XX**

	<u>Automobiles and Other</u>							
	<u>Unsecured</u>		<u>Personal Property Loans</u>		<u>Motor Vehicles</u>		<u>Auto Title Loans</u>	
	<u>—</u>	<u>Amount</u>	<u>—</u>	<u>Amount</u>	<u>—</u>	<u>Amount</u>	<u>—</u>	<u>Amount</u>
<b><u>A. Consumer Loans Serviced:</u></b>			No.		No.		No.	
1. <u>Loans outstanding prior year at 12/31</u>	_____	_____	_____	_____	_____	_____	_____	_____
2. <u>Loans outstanding at year end 12/31</u>	_____	_____	_____	_____	_____	_____	_____	_____
3. <u>Loans with one or more past due payments, which</u> <u>are past due 30 or more days at 12/31/XX</u>	_____	_____	_____	_____	_____	_____	_____	_____
4. <u>For calendar year 20XX provide the following:</u>								
<u>Total loans made</u>	_____	_____	_____	_____	_____	_____	_____	_____
a. <u>Number of loans charged one or more late fees</u>								
b. <u>No.</u>	_____		_____		_____		_____	
<u>Total late fees collected</u>	_____	_____	_____	_____	_____	_____	_____	_____
c. <u>Total number of repossessions</u>	_____		_____		_____		_____	
d. <u></u>								

Total number of loans reinstated or collateral  
e.

redeemed.

Total collateral sales  
f.

Total charge-offs  
g.

5. Average contracted term of loan ( in months)

_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____

**B. Schedule of Other Consumer Loans Made** (must be completed by any licensee who originated consumer loans not under the California Finance Lenders Law.)

Total Number  
of Loans Made

Total Principal Amount of  
Other Loans Made

\_\_\_\_\_

=====

\_\_\_\_\_

\$ \_\_\_\_\_

Provide the name of the agency and your license number that authorizes you to originate other consumer loans: \_\_\_\_\_

**C. Schedule of Other Commercial Loans Made** (must be completed by any licensee who originated commercial loans not under the California Finance Lenders Law.)

Total Number  
of Loans Made

Total Principal Amount of  
Other Loans Made

\_\_\_\_\_ \$ \_\_\_\_\_

State the name of the agency and your license number that authorizes you to originate other commercial loans: \_\_\_\_\_

Note: Authority cited: Sections 22150 and 22159, Financial Code. Reference: Sections 22159 and 22160, Financial Code.

9. Section 1581 is amended to read:

§ 1581. Application Under the Affordable Credit-Building Opportunities Program: Form.

(a) The application under the Affordable Credit-Building Opportunities program pursuant to Section 22349 of the Financial Code shall be filed upon the form set forth in subdivision (c) of this section.

(b) Within 30 calendar days from the receipt of the application, the California Corporations Commissioner shall inform the applicant in writing that the application is complete and the licensee is approved to participate in the program or disapproved, and if disapproved, the reason(s) for disapproval; or that the application is deficient and specify what information is required to complete the application.

(c) An application to make loans under the Affordable Credit-Building Opportunities program shall be submitted to the California Corporations Commissioner on the following form:

STATE OF CALIFORNIA  
DEPARTMENT OF CORPORATIONS  
  
INFORMATION ON THE APPLICATION FOR  
  
THE PILOT PROGRAM FOR  
  
AFFORDABLE CREDIT-BUILDING OPPORTUNITIES  
  
UNDER THE CALIFORNIA FINANCE LENDERS LAW

The following is provided as general information for finance lenders licensed under the California Finance Lenders Law who wish to participate in the Pilot Program for Affordable Credit-Building Opportunities in accordance with Financial Code Section 22349.

## **GENERAL INFORMATION**

Senate Bill 1146 (Chap. 640, Stats. 2010) was signed into law on September 30, 2010 and is operative January 1, 2011. The bill created the Pilot Program for Affordable Credit-Building Opportunities to increase the availability of affordable short-term credit and to expand credit-building opportunities for individuals.

Finance lenders who are license under the California Finance Lenders Law and approved by the California Corporations Commissioner to participate in the program may charge specified alternative interest rates and charges, including an administrative fee and delinquency fees, on loans of at least \$250 and less than \$2,500, subject to certain requirements. Licensees participating in the program are also permitted to use the services of a “finder” as defined in Section 22353(b) of the Financial Code.

## **APPLICATION TO PARTICIPATE IN THE PROGRAM**

- An application form to participate in the program may be obtained from any office of the Department of Corporations and from the website at [www.corp.ca.gov](http://www.corp.ca.gov). The office locations are as follows:

320 W. 4 <sup>th</sup> Street, Suite 750	Los Angeles, CA 90013
One Sansome Street, Suite 600	San Francisco, CA 94104
1515 K Street, Suite 200	Sacramento, CA 95814
1350 Front Street, Room 2034	San Diego, CA 92101

- Questions regarding completing and filing an application should be directed to 1-866-ASK-CORP (866-275-2677).
- Completed applications must be filed with the Los Angeles office. The application **MUST** be accompanied by **NON REFUNDABLE** fees as follows.

NUMBER OF LICENSED FINANCE LENDER LOCATIONS	APPLICATION FEE
1 to 10	\$250
11 to 50	\$450
51 to 100	\$650
Over 100	\$850

- Within 30 calendar days from the receipt of the application, the California Corporations Commissioner shall inform the applicant in writing, that the application is complete and the licensee is approved to participate in the program or disapproved, and if disapproved, the reason(s) for disapproval; or that the application is deficient and specify what information is required to complete the application.

APPLICATION FOR THE PILOT PROGRAM FOR  
AFFORDABLE CREDIT-BUILDING OPPORTUNITIES  
FOR LENDERS LICENSED UNDER THE  
CALIFORNIA FINANCE LENDERS LAW

1. Name of Licensee:

\_\_\_\_\_

Fictitious Business Name:

\_\_\_\_\_

2. CFLL License Number: \_\_\_\_\_

Primary Mailing (988) Number, if applicable: \_\_\_\_\_

3. Mailing Address: \_\_\_\_\_

\_\_\_\_\_

4. Contact Person/Title: \_\_\_\_\_

5. Telephone Number: \_\_\_\_\_ Email Address: \_\_\_\_\_

6. Are you in good standing with the California Corporations Commissioner? Yes ☐ No ☐

☐

If no, please attach an explanation, marked as Exhibit 1, and any documentation.

7. Do you have any outstanding enforcement actions or deficiencies with any government agency at the time of this application?      Yes ☐      No ☐

If yes, please attach an explanation, marked as Exhibit 2, and documentation of the enforcement actions or deficiencies.

8. Has your credit education program or seminar been approved by the California Corporations Commissioner as required under Section 22352(g)(1) of the Financial Code?

Yes ☒ ☐, approved by the California Corporations Commissioner on [ ]  
(month/day/year)

No ☐, attached is the credit education program or seminar, marked as Exhibit 3, for the California Corporations Commissioner's review and approval.

No ~~\_\_\_\_\_~~, the credit education program or seminar will be submitted to the California Corporations Commissioner for review and approval at a later time. Licensee shall not offer any credit education program or seminar that has not been previously reviewed and approved by the California Corporations Commissioner for use, and licensee shall not disburse loan proceeds to a borrower prior to offering an approved credit education program or seminar to the borrower.

9. Are you a data furnisher with a national credit reporting agency? Yes ☐ No ☐

If yes, provide the following information:

Name of Credit Reporting Agency

Date Accepted

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

10. Will you report to a national credit reporting agency the payment performance of each borrower on all loans made under this program as required under Section 22352(g)(2) of the Financial Code?

Yes ☒ No ☐

11. Do you plan to use the services of a finder as defined under Section 22353(b) of the Financial Code? Yes ☒ No ☐

If yes, please attach a list of the name of the finder(s), marked as Exhibit 4, and a completed Notification to Commissioner of Finder Registration for each finder, marked as Exhibit 5.

12. Provide the social security number of the applicant if an individual (sole proprietor), or the federal taxpayer identification number if a business entity other than a sole proprietorship, marked as Exhibit 6. The Department of Corporations is required to collect from all applicants social security numbers under Family Code Section 17520, and social security numbers or federal taxpayer identification numbers

under Business and Professions Code Section 494.5. The social security number or federal taxpayer identification number is used to match the information to the names on the list provided by the Department of Child Support Services under Family Code Section 17520, and the lists of tax delinquencies provided by the State Board of Equalization and the Franchise Tax Board under Business and Professions Code Section 494.5. Any disclosed social security numbers or federal taxpayer identification numbers in the completed application will be considered confidential information, and will be filed and maintained as part of the confidential records not subject to public inspection. Refer to Commissioner's Release 2-G for further information concerning privacy protection of personal information.

The licensee has duly caused this application to be signed on its behalf by the undersigned, thereunto duly authorized.

The undersigned, on behalf of the licensee, acknowledges that this application and all exhibits thereto which are not designated as confidential are subject to public inspection pursuant to Section 250.9.1, Chapter 3, Title 10, California Code of Regulations. A request for confidentiality of certain documents may be requested pursuant to Section 250.10. If a request for confidential treatment is granted (or denied), the person making such request will be notified in writing.

The undersigned also acknowledges on behalf of the licensee that the State Board of Equalization and the Franchise Tax Board are authorized to share taxpayer information with the Department of Corporations, and in the event the state tax obligation is not paid by a licensee after a license is issued, the Department of Corporations may be required to suspend the license (Business and Professions Code Sections 31 and 494.5).

I declare under penalty of perjury that I have read the foregoing application, including Exhibits attached thereto, or filed therewith, and know the contents thereof, and that the statements therein are true and correct. I further declare, on behalf of the licensee, that I have read and understand the Financial Code and regulations pertaining to the California Finance Lenders Law and the Pilot Program for Affordable Credit-Building Opportunities under the California Finance Lenders Law.

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(Licensee)

Executed at \_\_\_\_\_  
(City, County, and State)

---

(Signature of Declarant)

Date \_\_\_\_\_

---

(Typed Name of Declarant)

---

(Title)

Note: Authority cited: Section 22150, Financial Code. Reference: Sections 22349 and 22349.1, Financial Code; and Sections 31 and 494.5, Business and Professions Code.

10. Section 1582 is amended to read:

§ 1582. Finder Registration: Form.

(a) A licensee shall notify the California Corporations Commissioner within 15 days of entering into a contract with a finder on the form set forth in subdivision (c) of this section.

(b) Within 15 calendar days from the receipt of the finder registration form, the California Corporations Commissioner shall inform the licensee in writing, that the registration is complete and that use of the finder by the licensee is accepted or rejected, and if rejected, the reason(s) for the rejection; or that the registration is deficient and specify what information is required to complete the registration. A licensee shall not use an unregistered finder or a finder that has been rejected by the California Corporations Commissioner.

(c) Registration of a finder under the Affordable Credit-Building Opportunities program shall be submitted to the California Corporations Commissioner on the following form:

NOTIFICATION TO CALIFORNIA CORPORATIONS COMMISSIONER  
OF FINDER REGISTRATION

(Required under Section 22357(a) of the Financial Code)

Instructions:

- The finder registration form may be obtained from any office of the Department of Corporations and from the website at [www.corp.ca.gov](http://www.corp.ca.gov). The office locations are as follows:

320 W. 4 <sup>th</sup> Street, Suite 750	Los Angeles, CA 90013
One Sansome Street, Suite 600	San Francisco, CA 94105
1515 K Street, Suite 200	Sacramento, CA 95814

- Questions regarding completing and filing a finder registration form should be directed to 1-866-ASK-CORP (866-275-2677).
- Completed finder registration forms must be filed with the Los Angeles Office.
- Within 15 calendar days from the receipt of the finder registration form, the California Corporations Commissioner shall inform the licensee in writing, that the registration is complete and the finder is accepted to participate in the program or rejected, and if rejected, the reason(s) for rejection; or that the registration is deficient and specify what information is required to complete the registration.

1. Name of Licensee:

---

2. Licensee's Business Address: \_\_\_\_\_

---

3. CFLL License Number: \_\_\_\_\_

4. Name of Finder:

---

5. Finder's Main Business Address: \_\_\_\_\_

6. Have you entered into a written agreement with the finder as required under Section 22358 of the Financial Code?      Yes ☒      No ☐

7. Does the written agreement include a provision that the finder agrees to comply with all regulations established by the California Corporations Commissioner concerning the activities of finders as required under Section 22358 of the Financial Code?      Yes ☒      No ☐

8. Does the written agreement include a provision that the finder agrees to provide the California Corporations Commissioner access to all of the finder's books and records pertaining to the finder's operations under the agreement with the licensee?      Yes ☒      No ☐

9. Provide the following information for an employee of the finder who is knowledgeable about, and has the authority to execute, the contract governing the business relationship between the finder and the licensee:

Name: \_\_\_\_\_

Address: \_\_\_\_\_

Telephone Number: \_\_\_\_\_ Email: \_\_\_\_\_

10. Attach a list, marked as Exhibit A, of the business addresses of all locations at which the finder will perform the services described in Section 22354(a) of the Financial Code. Any subsequent locations or changes to locations must be reported to the California Corporations Commissioner in accordance with Title 10, of the California Code of Regulations, Section 1580.

11. Attach a list, marked as Exhibit B, providing the name, title, physical business location, telephone number, and email of each employee responsible for the activities of the finder at each of its locations.

12. Attach a list, marked as Exhibit C, identifying the services and activities that the finder will perform for the licensee at the finder's physical location for business.

13. Attach a copy of the written agreement with the finder, marked as Exhibit D.

14. Attach a list, marked as Exhibit E, providing the social security number or federal taxpayer identification number of each finder named in item number 4 of the finder registration. The Department of Corporations is required to collect from all registrants social security numbers under Family Code Section 17520, and social security numbers or federal taxpayer identification numbers under Business and Professions Code Section 494.5. The social security number or federal taxpayer identification number is used to match the information to the names on the list provided by the Department of Child Support Services under Family Code Section 17520, and the lists of tax delinquencies provided by the

State Board of Equalization and the Franchise Tax Board under Business and Professions Code Section 494.5. Any disclosed social security numbers or federal taxpayer identification numbers in the completed registration will be considered confidential information, and will be filed and maintained as part of the confidential records not subject to public inspection. Refer to Commissioner's Release 2-G for further information concerning privacy protection of personal information.

The licensee has duly caused this registration to be signed on its behalf by the undersigned, thereunto duly authorized.

The undersigned, on behalf of the licensee, acknowledges that this registration and all exhibits thereto which are not designated as confidential are subject to public inspection pursuant to Section 250.9.1, Chapter 3, Title 10, California Code of Regulations. A request for confidentiality of certain documents may be requested pursuant to Section 250.10. If a request for confidential treatment is granted (or denied), the person making such request will be notified in writing.

The undersigned also acknowledges on behalf of the licensee that the State Board of Equalization and the Franchise Tax Board are authorized to share taxpayer information with the Department of Corporations, and in the event the state tax obligation is not paid by a registrant after a registration has been accepted, the Department of Corporations may be required to suspend the registration (Business and Professions Code Sections 31 and 494.5).

I declare under penalty of perjury that I have read the foregoing registration, including all exhibits attached thereto, or filed therewith, and know the contents thereof, and that the statements therein are true and correct.

\_\_\_\_\_  
(Licensee)

Executed at \_\_\_\_\_  
(City, County, and State)

\_\_\_\_\_  
(Signature of Declarant)

Date \_\_\_\_\_

\_\_\_\_\_  
(Typed Name of Declarant)

\_\_\_\_\_  
(Title)

**EXHIBIT A**

Business addresses of all locations at which the finder will perform the services described in Section 22354(a) of the Financial Code:

Street Address	City	State	Zip Code
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____




## EXHIBIT B

Name and contact information of the employee responsible for the activities of the finder at each of its locations:

Name of Employee	Title	Physical Business Location	Telephone No.	Email


## EXHIBIT C

Licensee Name: \_\_\_\_\_

License No: \_\_\_\_\_

Services that a finder may perform for the licensee at the finder's physical location for business in accordance with Section 22354(a) of the Financial Code. Please check the box for the type of services that the finder will perform for the licensee:

- ☐ Distributing, circulating, using, or publishing preprinted brochures, flyers, factsheets, or other written materials relating to loans that the licensee may make or negotiate and that have been reviewed and approved in writing by the licensee prior to their being distributed, circulated, or published.
- ☐ Providing written factual information about loan terms, conditions, or qualification requirements to a prospective borrower that has been either prepared by the licensee or reviewed and approved in writing by the licensee. A finder may discuss that information with a prospective borrower in general terms, but may not provide counseling or advice to a prospective borrower.
- ☐ Notifying a prospective borrower of the information needed in order to complete a loan application without providing counseling or advice to a prospective borrower.
- ☐ Entering information provided by the prospective borrower on a preprinted or electronic application form or onto a preformatted computer database without providing counseling or advice to a prospective borrower.

- ☐ Assembling credit application and other materials obtained in the course of a credit application transaction for submission to the licensee.
- ☐ Contacting the licensee to determine the status of a loan application.
- ☐ Communicating the licensee's underwriting decision to a borrower or a prospective borrower.
- ☐ Obtaining a borrower's signature on documents prepared by the licensee, delivering the final copies of the documents to the borrower, and returning the signed original documents to the licensee.

**Services or activities that a finder shall not engage in accordance with Section 22354(b) of the Financial Code:**

1. Providing counseling or advice to a borrower or prospective borrower.
2. Providing loan related marketing material that has not previously been approved by the licensee to a borrower or a prospective borrower.
3. Interpreting or explaining the relevance, significance, or effect of any of the marketing materials or loan documents the finder provides to a borrower or prospective borrower.

**A person who performs any of the following activities is a broker within the meaning of Section 22004 of the Financial Code and is required to obtain a broker's license:**

1. Negotiating the price, length, or any other loan term between a licensee and a prospective borrower.
2. Advising either a prospective borrower or a licensee as to any loan term.
3. Offering information pertaining to a single prospective borrower to more than one licensee, except that, if a licensee has declined to offer a loan to a prospective borrower and has so notified that prospective borrower in writing, the person may then offer information pertaining to a single prospective borrower to another licensee with which it has a finder's agreement.
4. Personally contacting or providing services to a borrower or prospective borrower at any place other than a finder's physical location for business, that has previously been reported to the California Corporations Commissioner.

Completed by: \_\_\_\_\_

(Name and Title)

(Date Completed)

Note: Authority cited: Section 22150, Financial Code. Reference: Sections 22351 and 22357(a), Financial Code; and Sections 31 and 494.5, Business and Professions Code.

11. Section 1805.204 is amended to read:

§ 1805.204. Application for Certificate.

An application for a certificate as a securities depository shall be made on the following form:

\_\_\_\_\_

\_\_\_\_\_

DEPARTMENT OF CORPORATIONS

FILE NO.

\_\_\_\_\_

(insert file number of previous filings  
before the Department, if any.)

FEE: \$25.00 \_\_\_\_\_

(not refundable)

Date of Application \_\_\_\_\_

DEPARTMENT OF CORPORATIONS

STATE OF CALIFORNIA

INDICATE THE TYPE OF FILING BY CHECKING EITHER THE ORIGINAL OR AMENDMENT  
APPLICATION HEADING SHOWN BELOW.

⇌ ☐ ORIGINAL APPLICATION FOR A CERTIFICATE AS A SECURITIES DEPOSITORY  
PURSUANT TO SECTION 30204 OF THE SECURITIES DEPOSITORY LAW.

⇌ ☐ AMENDMENT TO APPLICATION FOR A CERTIFICATE AS A SECURITIES  
DEPOSITORY PURSUANT TO SECTION 1805.213.1 OF TITLE 10 OF THE CALIFORNIA  
CODE OF REGULATIONS.

1. Name of Applicant (Complete name as appearing on articles of incorporation)

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2. Address of principal office of applicant

Number and Street	City	State	ZIP Code
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3. Address of principal office of applicant in the State of California

Number and Street	City	State	ZIP Code
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4. Name and address of person to whom communications should be addressed concerning this  
application

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5. (a) State in which applicant was incorporated:

\_\_\_\_\_

(b) Date on which applicant was incorporated:

\_\_\_\_\_

(c) Is applicant in good standing in the State of its incorporation?

\_\_\_\_\_

Indicate “yes” or “no”

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6. The name and address of the independent certified public accountant or independent public accountant retained, or to be retained, by the applicant to report upon or certify its financial statements in accordance with Section 30213 of the Financial Code is:

Name: \_\_\_\_\_

Address: \_\_\_\_\_

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7. There are attached as exhibits the following which are incorporated herein by reference:

A. A list of the incorporators, directors and officers of the applicant, showing the full name of each such person, his residence address and the position or positions he occupies with the applicant.

B. A list of all addresses at which facilities of the applicant will be located, setting forth as to each such address the following information:

(1) The functions or operations which will be conducted.

(2) The facilities (including staff) to be there employed.

(3) A statement as to whether or not any other business will be conducted at such address and, if so, the name of the person conducting such other business and a description thereof, together with a detailed statement of the reasons for such joint occupancy and of the safeguards to be employed by the applicant by reason thereof.

C. A detailed description of the proposed method of operation of the applicant, including a description of the books, records and accounts to be maintained, its description of its operational procedures (e.g. interfacing with other depositories, dividend payments, stock transfers, dividend claims, proxies and proxy statements, loans and pledges of depositors' securities), and a description of the safeguards to be employed with respect to the custody, handling, record-keeping, insurance and auditing of securities on deposit.

D. An analysis of the financial needs of the applicant for a period of not less than 12 months of operation from the date it anticipates receiving a securities depository certificate, showing projected

income and disbursements and the source and allocation of funds to be employed in its business, together with a statement of the facts and assumptions underlying such analysis and projections.

E. Financial statements of the applicant, which include at least a balance sheet and profit and loss statement certified by an independent public accountant or certified public accountant, and if such certified financial statements are prepared as of a date more than 60 days prior to the filing of this application, a balance sheet and profit and loss statement, which need not be certified, prepared as of a date within such 60-day period, together with profit and loss statements covering at least three years of its operations, or such lesser period as the applicant may have operated, to the date of such certified balance sheet.

F. A copy (which may be in the form of a restated or composite copy) of applicant's articles of incorporation, bylaws, depository agreement and custody agreement.

G. A list in columnar form showing, as to each person who is or who will be a holder of capital stock of the applicant, the following information:

(1) Such person's full name and address.

(2) The class of capital stock to be held by such person and the percentage of that class to be held by such person.

(3) A statement of the capacity in which such person holds or will hold capital stock in compliance with Section 30201 of the Financial Code.

H. A bond as required by Section 1805.205.1 of Title 10 of the California Code of Regulations.

I. Applicant's federal taxpayer identification number provided on a separate document which is removable from the completed application. The Department of Corporations is required to collect from all applicants federal taxpayer identification numbers under Business and Professions Code Section 494.5. The federal taxpayer identification number is used to match the information to the names on the lists of tax delinquencies provided by the State Board of Equalization and the Franchise Tax Board under Business and Professions Code Section 494.5. Any disclosed federal taxpayer identification numbers in the completed application will be considered confidential information, and will be filed and maintained as part of the confidential records not subject to public inspection. Refer to Commissioner's Release 2-G for further information concerning privacy protection of personal information.

8. There is attached, for each person identified in Exhibit A to this application as an incorporator, director or officer of the applicant, a statement executed by such person in the form prescribed by Section 1805.204.1 of Title 10 of the California Code of Regulations.

9. Pursuant to Section 1805.213.1 of Title 10 of the California Administrative Code, applicant hereby undertakes to notify the Commissioner promptly, and in no event later than 30 days after the occurrence, of any changes in the information set forth in this application by filing with the Commissioner an amendment to this application on this form setting forth the changed items only. (Instruction: Such undertaking is applicable to all matters except financial statements which are otherwise covered by the provisions of Section 1805.213 of Title 10 of the California Code of Regulations.)

10. The name of the applicant's workmen's compensation insurance carrier, if any, is. The applicant is aware of the provisions of Section 3700 of the Labor Code which requires every employer to be insured against liability for workmen's compensation.

11. The applicant acknowledges on behalf of the undersigned that the State Board of Equalization and the Franchise Tax Board are authorized to share taxpayer information with the Department of Corporations, and in the event the state tax obligation is not paid by a certificate holder after a certificate has been accepted, the Department of Corporations may be required to suspend the certificate (Business and Professions Code Sections 31 and 494.5).

~~11.~~ 12. The applicant has duly caused this application to be signed on its behalf by the undersigned, thereunto duly authorized.

\_\_\_\_\_  
(Applicant)

By \_\_\_\_\_

\_\_\_\_\_  
(Title)

I declare under penalty of perjury that I have read this application and the exhibits thereto and know the contents thereof and that the statements therein are true.

Executed at \_\_\_\_\_ California, \_\_\_\_\_ 20 \_\_\_\_\_

\_\_\_\_\_  
(Signature of Declarant)

(If executed outside of California, attach a verification executed and sworn to before a notary public.)

Note: Authority cited: Sections 30006 and 30204, Financial Code. Reference: Section 30204, Financial Code; and Sections 31 and 494.5, Business and Professions Code.

12. Section 1950.122.8 is amended to read:

§ 1950.122.8 Notices Included with Applications.

The following notices required by state and federal law are hereby provided for those completing an application for a residential mortgage lender, mortgage servicer, or residential mortgage lender and mortgage servicer license in Section 1950.122.4 of Subchapter 11.5 of these rules, and an application for a mortgage loan originator license in Section 1950.122.5 of Subchapter 11.5 of these rules:

#### NOTICES REQUIRED UNDER STATE AND FEDERAL LAW

##### INFORMATION PRACTICES ACT OF 1977

(California Civil Code Section 1798.17)

(a) The Department of Corporations of the State of California is requesting the information specified in the application for licensure of residential mortgage lenders, mortgage servicers, residential mortgage lender and mortgage servicers, and mortgage loan originators.

(b) The Chief Administrative Officer, the Department of Corporations, 1515 K Street, Suite 200 Sacramento, CA 95814, telephone (916) 445-5541, is responsible for the system of records and shall, upon request, inform individuals regarding the location of the Department of Corporations' records and the categories of persons who use the information in the records.

(c) The records are maintained pursuant to the California Residential Mortgage Lending Act (Financial Code Section 50000, et seq.).

(d) The submission of all items of information is mandatory unless otherwise noted. ~~Section 17520 of the Family Code requires the Department of Corporations to collect social security numbers from all applicants.~~ The Department of Corporations is required to collect from all applicants social security numbers under Family Code Section 17520, and social security numbers or federal taxpayer identification numbers under Business and Professions Code Section 494.5. The Privacy Act of 1974 prohibits a state agency from denying an individual any right, benefit or privilege provided by law because of the individual's refusal to disclose the individual's social security account number.

(e) Failure to provide all or any part of the information requested may preclude the Department of Corporations from approving the application.

(f) The principal purposes within the Department of Corporations for which the information is to be used are to determine whether (1) a license, registration, or other authority, as allowed under the law, should be accepted, granted, approved, denied, revoked or limited in any way; (2) business entities or individuals licensed or otherwise regulated by the Department of Corporations are conducting themselves in accordance with applicable laws; and/or (3) laws administered by the Department of Corporations are being or have been violated and whether administrative action, civil action, or referral to appropriate federal, state or local law enforcement or regulatory agencies, as authorized by law, is appropriate.

(g) Any known or foreseeable disclosures of the information pursuant to subdivision (e) or (f) of Civil Code Section 1798.24 may include transfers to other federal, state, or local law enforcement and regulatory agencies, including NMLS as a channeling agent to, from, or on behalf of those federal, state, and local law enforcement and regulatory agencies, as authorized by law.

(h) Except for Section 50151 of the Financial Code, the Information Practices Act grants an individual a right of access to personal information concerning the requesting individual that is maintained by the Department of Corporations.

#### FEDERAL PRIVACY ACT OF 1974 (Public Law 93-579)

In accordance with Section 7 of the Privacy Act of 1974 (found at 5 U.S.C. § 552a note (Disclosure of Social Security Number)), the following is information on whether the disclosure of a social security account number is voluntary or mandatory, by what statutory or other authority such number is solicited, and what uses will be made of it.

(1) ~~Section 17520 of the Family Code requires the Department of Corporations to collect social security numbers from all applicants.~~ The Department of Corporations is required to collect from all applicants social security numbers under Family Code Section 17520, and social security numbers or federal taxpayer identification numbers under Business and Professions Code Section 494.5. The Privacy Act of 1974 prohibits a state agency from denying an individual any right, benefit or privilege provided by law because of the individual's refusal to disclose the individual's social security account number.

(2) A social security account number or federal taxpayer identification number is solicited pursuant to one or more of the following authorities: Sections 1950.122 of Title 10, California Code of

Regulations; ~~and~~ Section 17520 of the Family Code; and Section 494.5 of the Business and Professions Code.

(3) For all persons disclosing a social security account number or federal taxpayer identification number, the number is used to match the information to the names on the list provided by the Department of Child Support Services under Family Code Section 17520, and the lists of tax delinquencies provided by the State Board of Equalization and the Franchise Tax Board under Business and Professions Code Section 494.5. The social security number may be used, in addition to other information provided, to conduct a background investigation of the individual by the Department of Justice's Identification and Information Branch or by other federal, state or local law enforcement agencies, as authorized by law. The social security number may also be used to respond to requests for this number made by child support agencies.

#### NOTICE REGARDING TAXPAYER INFORMATION

(4) The State Board of Equalization and the Franchise Tax board are authorized to share taxpayer information with the Department of Corporations and in the event the state tax obligation is not paid by a licensee, the Department of Corporations may be required to suspend the license.

Note: Authority cited: Section 50304, Financial Code. Reference: Sections 31 and 494.5, Business and Professions Code; Section 1798.17, Civil Code; Sections 50002, 50003, 50120, 50121, 50122, 50124, 50130, 50140, 50146 and 50151, Financial Code; Section 17520, Family Code; Sections 7470, 7473, 7490 and 13140-13144, Government Code; and Section 7 of Public Law 93-579 (5 U.S.C. Section 552a note).