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9
10 BEFORE THE DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION
11 OF THE STATE OF CALIFORNIA
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13 In the Matter of:) CFL LICENSE NO.: 6053535
) NMLS ID: 1908212
14 THE COMMISSIONER OF FINANCIAL)
PROTECTION AND INNOVATION,) ACCUSATION IN SUPPORT OF ORDER:
15) (1) REVOKING CALIFORNIA FINANCING
) LAW LICENSE OF QUICK CASH FUNDING
16 Complainant,) LLC; AND (2) SUSPENDING MICHAEL
) HIJOON SHIM FROM ANY POSITION OF
17 v.) EMPLOYMENT, MANAGEMENT, OR
) CONTROL OF ANY FINANCE LENDER,
18 QUICK CASH FUNDING LLC AND) BROKER, OR MORTGAGE LOAN
MICHAEL HIJOON SHIM,) ORIGINATOR PURSUANT TO FINANCIAL
19 Respondents.) CODE 22169
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1 The Complainant, the Commissioner of Financial Protection and Innovation (Commissioner),
2 is informed and believes, and based upon such information and belief, alleges and charges as follows:

3 **I.**

4 **Introduction**

5 1. The Commissioner has jurisdiction over the licensing and regulation of persons and
6 entities engaged in the business of finance lending or brokering under the California Financing Law
7 (CFL) (Cal. Fin. Code § 22000 et seq.)¹

8 2. Respondent Quick Cash Funding LLC (Quick Cash) is a California limited liability
9 company with its principal place of business at 119 S. Atlantic Boulevard, Suite 215, Monterey Park,
10 California 91754. Quick Cash is licensed by the Commissioner under the CFL with the license
11 number 6053535. Quick Cash’s primary business is making auto title loans.

12 3. Respondent Michael Hijoan Shim (Shim) is the Chief Executive Officer, managing
13 member, and 100% owner of Quick Cash.

14 **II.**

15 **2015 Examination of Quick Cash**

16 4. On August 10, 2015, the Commissioner commenced a regulatory examination of
17 Quick Cash. The examination concluded that Quick Cash had made loans in excess of \$2,500.00 for
18 the purpose of evading the regulatory ceiling provisions of the CFL, in violation of Section 22251. In
19 other words, the Commissioner found that Quick Cash had loaned more money than was necessary to
20 borrowers to circumvent the law and lend at higher interest rates, which, at the time, had no statutory
21 interest rate cap.

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27 ¹ Cal. Fin. Code § 22000, *et seq.* All subsequent statutory references are to the California Financial
28 Code unless otherwise specified.

1 8. Neither Quick Cash nor Shim responded to the examination entrance letter. Instead,
2 on May 16, 2022, Shim sent an email to the Department attaching a letter. The letter purported to
3 surrender Quick Cash’s CFL license. On May 23, 2022, the Department responded, telling Shim that
4 the company needed to submit an application to surrender its license through the Nationwide
5 Multistate Licensing System & Registry⁴ (NMLS), pursuant to the Department’s procedures.

6 9. Pursuant to the Financial Code and the Code of Code of Regulations, a CFL license
7 remains in effect unless it is offered to be surrendered by the licensee and that surrender has been
8 accepted by the Commissioner pursuant to the applicable regulations. *See* Cal. Fin. Code § 22770(c);
9 Cal. Code Regs. tit. 10, § 1422.9. Section 1422.10 of Title 10 of the Code of Regulations provides
10 that, to properly surrender its CFL license, a licensee must file a surrender application through NMLS
11 in accordance with procedures for transmission provided by the Commissioner.

12 10. Pursuant to Section 22770(c), an application to surrender a CFL license becomes
13 effective 30 days after receipt by the Commissioner unless “a proceeding to revoke or suspend or to
14 impose conditions upon the surrender is instituted within 30 days after the application is filed.”

15 11. After no application to surrender Quick Cash’s license was submitted via NMLS, the
16 Department emailed Shim on June 21, 2022, to follow up regarding submitting a surrender
17 application.

18 12. On June 27, 2022, the Commissioner received an application from Quick Cash to
19 surrender its license through NMLS. As the instant Accusation to revoke Quick Cash’s license was
20 initiated within 30 days of receipt of its properly filed application to surrender on the NMLS, the
21 Commissioner retains the ability to revoke Quick Cash’s license and its application for surrender is
22 not self-executing.

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26 ⁴ The NMLS is the system of record for non-depository, financial services licensing or registration in
27 participating agencies, including the District of Columbia and the U.S. Territories of Puerto Rico, the
28 U.S. Virgin Islands, and Guam. In these jurisdictions, NMLS is the official system for companies
and individuals seeking to apply for, amend, renew and surrender licenses authorities managed
through NMLS.

1 19. To date, Quick Cash has not submitted its Annual Report for the year 2021, which was
2 due to be filed no later than March 15, 2022.

3 V.

4 **Violation # 1: Failure to Maintain Books and Records and Produce Them Upon Demand**

5 20. Subsection (a) of Section 22701 states that:

6 For the purpose of discovering violations of this division or securing information
7 required by him or her in the administration and enforcement of this division, the
8 commissioner may at any time investigate the loans, assessment contracts, and
9 business, and examine the books, accounts, records, and files used in the business,
10 of every person engaged in the business of a finance lender, broker, or program
11 administrator, whether the person acts or claims to act as principal or agent, or
12 under or without the authority of this division. For the purpose of examination,
13 the commissioner and his or her representatives shall have free access to the
14 offices and places of business, books, accounts, papers, records, files, safes, and
15 vaults of all these persons.

16 21. Subsection (a) of Section 22156 states in relevant part that CFL licensees “shall keep
17 and use in their business, books, accounts, and records which will enable the commissioner to
18 determine if the licensee is complying with the provisions of this division and with the rules and
19 regulations made by the commissioner.”

20 22. Specifically with respect to information about originated loans, subsection (a) of
21 Section 22157 requires that CFL licensees “shall preserve their books, accounts, and records, if any,
22 for at least three years after making the final entry on any loan recorded therein.” The Commissioner
23 seeks information about loans made within the last three years as part of her examination; such loans
24 would be within the document retention period prescribed by Section 22157.

25 23. Section 22158 requires that CFL licensees must furnish information demanded by the
26 Commissioner within 48 hours.

27 24. As noted above, Shim has refused to provide documents demanded by the
28 Commissioner pursuant to her regulatory examination of Quick Cash. The Commissioner demanded
29 certain documents and information from Quick Cash on April 29, 2022. To date, neither Shim nor

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1 Quick Cash have provided any of the information demanded, possibly under the mistaken belief that
2 filing an application for license surrender relieved them of the obligation to respond.⁵

3 25. Accordingly, the Commissioner finds that Shim and Quick Cash have violated the
4 following sections of the CFL:

- 5 i. Section 22158 by failing to provide information demanded by the Commissioner
6 within 48 hours.
- 7 ii. Subsection (a) of Section 22701 by failing to provide free access to Quick Cash’s
8 loan files upon request.
- 9 iii. Subsection (a) of Section 22156 and subsection (a) of Section 22157 by failing to
10 keep the company’s books and records in such a condition that they could be
11 easily accessed and provided to the Commissioner upon demand pursuant to a
12 regulatory examination.

13 **VI.**

14 **Violation 2: Failure to Submit 2021 Annual Report**

15 26. As noted above, Section 22159 requires that CFL licensees submit an Annual Report
16 to the Department each year by no later than March 15.

17 27. Quick Cash has not submitted an Annual Report for the year 2021, thereby frustrating
18 the Commissioner’s ability to determine whether, and to what extent, Quick Cash has continued to
19 violate the CFL.

20 28. Notably, by the time of Shim’s May 16, 2022, letter purporting to surrender Quick
21 Cash’s license—which as discussed above was ineffective—the company’s 2021 Annual Report was
22 already two months delinquent.

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27 ⁵ Even if the Commissioner had accepted Quick Cash’s surrender application, which she has not, the
28 Commissioner retains the power and authority to examine, investigate, and prosecute violations of the
CFL even after a license is surrendered. *See* Cal. Fin. Code §§ 22000, 22704, 22705, 22711.

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VII.

Relief Available to the Commissioner

29. Subsection (a)(2) of Section 22714 provides that the Commissioner shall revoke any CFL license, upon notice and reasonable opportunity to be heard, if the Commissioner finds that the licensee has violated any provision of the CFL, or any rule or regulation made by the Commissioner under and within the authority of the CFL.

30. Subsection (a) of Section 22169 provides that the Commissioner, after notice and an opportunity to be heard, may suspend a person for a period not exceeding twelve months from any position of employment with, or management or control of, any finance lender or broker, if the Commissioner finds that the bar is in the public interest and that the person has committed or caused to be committed a violation of the CFL, which the person knew or should have known by the person committing it. By this action the Commissioner seeks to suspend Michael Hijoan Shim from any further position of employment with, or management or control of, any finance lender or broker for a period of 12 months due to the violations of the CFL he caused, including without limitation his failure to cooperate with the Commissioner’s regulatory examination of Quick Cash.

VIII.

Prayer for Relief

WHEREFORE, IT IS PRAYED that

31. Pursuant to subsection (a)(2) of Section 22714, the California Financing Law license of Respondent Quick Cash Funding LLC be revoked due to violations of the following provisions of the CFL and rules and regulations made by the Commissioner under and within the authority of the CFL:

- a. Subsection (a) of Section 22701;
- b. Subsection (a) of Section 22156
- c. Subsection (a) of Section 22157;
- d. Section 22158; and
- e. Subsection (a) of Section 22159.

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1 32. Pursuant to subsection (a) of Section 22169 that Respondent Quick Cash Funding
2 LLC’s CEO and managing member, Michael Hijoan Shim, be suspended from any further position of
3 employment with, or management or control of, any finance lender or broker for a period of twelve
4 months due to his violations of the CFL, such as: (a) his failure to cooperate with the
5 Commissioner’s examination of Quick Cash and his attempt to avoid this obligation by
6 unsuccessfully submitting a request to surrender Quick Cash’s CFL license; and (b) his failure to
7 keep Quick Cash’s books and records in good order such that they could be provided to the
8 Commissioner upon demand and within the time period provide by the CFL.

9 33. The Commissioner finds that suspending Shim is in the public interest, that Shim has
10 committed or caused a violation of the CFL, and that Shim knew or should knave known that his
11 actions would violate the CFL.

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13 Dated: July 25, 2022
14 Los Angeles, CA

CLOTHILDE V. HEWLETT
Commissioner of Financial Protection and Innovation

15 By _____
16 Taylor Steinbacher
17 Senior Counsel
18 Enforcement Division
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