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BEFORE THE DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION
OF THE STATE OF CALIFORNIA

13 In the Matter of:) LIS No.: 2617
14)
14 THE COMMISSIONER OF FINANCIAL) NMLS ID: 1313855
15 PROTECTION AND INNOVATION,)
16)
16 Complainant,) STATEMENT IN SUPPORT OF ORDER
17) REVOKING CALIFORNIA MONEY
17 v.) TRANSMITTER LICENSE PURSUANT TO
18) FINANCIAL CODE SECTIONS 590 AND
18) 2149
19 NOBEL FINANCIAL INC.,)
20)
20 Respondent.)

22 The Commissioner of Financial Protection and Innovation (Commissioner) is informed and
23 believes, and based upon such information and belief, alleges and charges Respondent as follows:

24 I.

25 **Jurisdiction and Venue**

26 1. The Commissioner has jurisdiction to license and regulate persons and entities
27 engaged in the business of money transmission in California, pursuant to the Money Transmission
28 Act (MTA) (Fin. Code § 2000 et seq.).

1 2. The Commissioner is authorized to administer and enforce the MTA and the rules
2 issued under title 10 of the California Code of Regulations (Cal. Code Regs.) that regulate the
3 business and activities of money transmitters.

4 3. The Commissioner seeks to revoke the California money transmitter (MT) license of
5 Nobel Financial Inc. (Nobel) pursuant to Financial Code section 591, with reference to section 590,
6 subdivision (h), and Financial Code section 2150.2, with reference to section 2149, subdivision
7 (a)(1), and it is necessary for the protection of the public interest to revoke Nobel's MT license
8 because licensee has ceased to transact the business and has no intention to conduct business.

9 **II.**

10 **Statement of Facts**

11 4. At all relevant times, Nobel Financial Inc. (Nobel) has its principal place of business
12 located at 999 Riverview Drive, Suite 201 – Room 224, Totowa, New Jersey, 07512. On or around
13 October 8, 2018, the Commissioner issued California MT license number 2617 to Nobel pursuant to
14 Financial Code section 2031 and Cal. Code Regs., tit. 10, section 80.167. Nobel's Nationwide
15 Multistate Licensing System and Registry (NMLS) identification number is 131855.

16 5. At all relevant times, Richard Louis Mahfouz (Mahfouz), NMLS identification
17 number 1332788, is a control person and president of Nobel.

18 6. At all relevant times, Scott Kenneth McClain (McClain), NMLS identification
19 number 2252076, is a control person and chief compliance officer of Nobel.

20 7. At all relevant times, Thomas Christian Knobel (Knobel), NMLS identification
21 number 1393254, is a control person of Nobel.

22 8. On or around January 15, 2016, the Commissioner started using NMLS, a web-based
23 platform, which required MT licensees to file their financial reports on an ongoing basis. These
24 quarterly and annual reports are called "money services business (MSB) call reports." Pursuant to
25 Cal. Code Regs., tit.10, section 80.4302, MT licensees are mandated to file a MSB call report every
26 quarter that discloses the entity's financial condition, transaction activity, permissible investments,
27 and transactions destination country reporting.

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1 9. On or around April 29, 2022, Nobel filed on NMLS its California MSB call report
 2 for the first quarter (2022 Q1 MSB Call Report). The 2022 Q1 MSB Call Report showed that Nobel
 3 did not conduct any California state-specific transactions. The 2022 Q1 MSB Call Report was dated
 4 and electronically submitted by Camelia Tatuлесcu (Tatuлесcu), a person authorized to attest and to
 5 submit the filing on behalf of Nobel. Tatuлесcu certified “to the best of [her] knowledge and belief,
 6 the information contained in this submission is true, accurate and complete for the period described
 7 in the NMLS MSB Call Report filing.”

8 10. On or around August 2, 2022, Nobel filed on NMLS its California MSB call report
 9 for the second quarter (2022 Q2 MSB Call Report). The 2022 Q2 MSB Call Report showed that
 10 Nobel did not conduct any California state-specific transactions. Tatuлесcu electronically submitted
 11 the 2022 Q2 MSB Call Report and certified the accuracy of the period described in the NMLS MSB
 12 call report filing.

13 11. On or around November 11, 2022, Nobel filed on NMLS its California MSB call
 14 report for the third quarter (2022 Q3 MSB Call Report). The 2022 Q3 MSB Call Report showed
 15 that Nobel did not conduct any California state-specific transactions. Tatuлесcu electronically
 16 attested the 2022 Q3 MSB Call Report and certified the accuracy of the period described in the
 17 NMLS MSB call report filing.

18 12. On or around February 8, 2023, Nobel filed on NMLS its California MSB call report
 19 for the fourth quarter (2022 Q4 MSB Call Report). The 2022 Q4 MSB Call Report showed that
 20 Nobel did not conduct any California state-specific transactions. Tatuлесcu electronically attested
 21 the 2022 Q4 MSB Call Report and certified the accuracy of the period described in the NMLS MSB
 22 call report filing.

23 **III.**

24 **Applicable Statutes**

25 13. Financial Code section 552, provides:

26 (a) Within 30 days after an order is issued pursuant to Section 567,
 27 581, 582, 586, or 591, . . . the person to whom the order is issued may
 28 file with the commissioner an application for a hearing on the order

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(b) If the commissioner fails to commence the hearing within 15 business days after the application is filed with the commissioner or within any longer period to which the person subject to the order consents, the order shall be deemed rescinded.

(c) Within 30 days after the hearing, or within any longer period to which the person consents, the commissioner shall affirm, modify, or rescind the order. If the commissioner fails to affirm, modify, or rescind the order within that time limit, the order shall be deemed rescinded.

(d) The right to petition for judicial review of the order shall not be affected by the failure of the person subject to the order to apply to the commissioner for a hearing on the order pursuant to subdivision (a).

14. Financial Code section 590, provides in pertinent part:

The commissioner may revoke or suspend any license issued by, or under the authority of, the commissioner, if, after notice and opportunity to be heard, the commissioner finds any of the following:

...
(h) The licensee has ceased to transact the business the licensee is authorized to conduct pursuant to its license.

15. Financial Code section 591, provides:

If the commissioner finds that any of the facts set forth in Section 590 is true with respect to any licensee and that it is necessary for the protection of the public interest, the commissioner may issue an order immediately suspending or revoking the licensee’s license.

16. Financial Code section 2149, provides in pertinent part:

(a) The commissioner may issue an order suspending or revoking a license, ... if after notice and opportunity for hearing, the commissioner finds that:

(1) The licensee is violating this division or a regulation adopted or an order issued under this division, or a condition of approval issued under this division.

17. Financial Code section 2150.2, provides in pertinent part:

(a) If the commissioner finds that any of the factors set forth in Section 2149 is true with respect to any licensee and that it is necessary for the protection of the public interest, the commissioner may issue an order immediately suspending or revoking the licensee’s license.

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(b) Within 30 days after the license is suspended or revoked pursuant to subdivision (a), the licensee may file with the commissioner an application for a hearing on the suspension or revocation.

(c) If the commissioner fails to commence within 15 business days after the application is filed with the commissioner pursuant to subdivision (b) or within a longer period of time agreed to by the licensee, the suspension or revocation shall be deemed rescinded.

(d) Within 30 days after the hearing, the commissioner shall affirm, modify, or rescind the suspension or revocation. Otherwise, the suspension or revocation shall be deemed rescinded.

(e) The right of the licensee to petition for judicial review of the suspension or revocation shall not be affected by the failure of the licensee to apply to the commissioner for a hearing on the suspension or revocation pursuant to subdivision (b).

18. Nobel has not conducted any money transmission business since the fourth quarter of 2021. Pursuant to Financial Code section 591, with reference to section 590, subdivision (h), and Financial Code section 2150.2, with reference to section 2149, subdivision (a)(1), and it is necessary for the protection of the public interest to revoke Nobel’s money transmitter license because licensee has ceased to transact the business and has no intention to conduct business.

IV.

Prayer

The Commissioner finds that, by reason of the foregoing, grounds exist to revoke the money transmitter license of Nobel Financial immediately pursuant to Financial Code sections 591 and 2150.2, subdivision (a).

WHEREFORE, IT IS PRAYED that under Financial Code sections 591 and 2150.2, subdivision (a), the money transmitter license of Nobel Financial Inc. is revoked.

Dated: April 27, 2023
San Diego, CA

CLOTHILDE V. HEWLETT
Commissioner of Financial Protection and Innovation

By _____

Vanessa T. Lu
Senior Counsel
Enforcement Division