

Monthly Bulletin

California Department of Business Oversight



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Miranda LeKander Promoted Deputy Commissioner for Legal

Governor Edmund G. Brown Jr. has appointed Miranda LeKander the Department of Business Oversight's new deputy commissioner for legal. Miranda assumed the position on May 7.

Miranda joined the DBO in 2007 as senior counsel in the Enforcement Division and worked her way up to assistant chief counsel in 2016, supervising all Northern California enforcement attorneys and staff. Miranda has represented the Commissioner on the legislative committee of the North American Securities Administrators Association and consulted with the Conference of State Bank Supervisors on issues involving national mortgage servicers. She served as the Department of Corporations' legal liaison during the 2013 merger with the Department of Financial Institutions.

Previously, Miranda was publication editor and research attorney at the California District Attorneys Association from 1998 to 2002. She also served as an adjunct professor at both Lincoln Law School and McGeorge School of Law between 2011 and 2014.

Miranda earned a Juris Doctor degree from the University of the Pacific, McGeorge School of Law. She is originally from Monterey County.

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Credit Union Annual Audit Reports Due July 14 for Fiscal Years Ending March 31

Credit unions with fiscal years ending on March 31, 2018 are required to file their annual audit report with the DBO by July 14, 2018. Please ensure all financial statements and management letters required by [FC 14252](#) and [CCR 30.1000](#) are included, as well as reports of confirmation of member accounts where required by [CCR 30.302\(b\)](#). Reports should be submitted to cuannual.auditreports@dbo.ca.gov.

If a credit union fails to submit this required report on time, the Department has the authority under [FC 14256\(b\)](#) and [FC 329](#) to impose fines for each day late. Questions about the audit report may be addressed to the DBO credit union portfolio manager for your region. The DBO website identifies the [DBO contact for each credit union](#).



Notice of Modifications to Proposed Regulations Under the Student Loan Servicing Act

In response to public comments, Commissioner of Business Oversight Jan Lynn Owen intends to modify rules proposed to implement the Student Loan Servicing Act (SLSA), which is scheduled to become operational on July 1. The deadline to submit comments on the revised rules is June 18, 2018.

The SLSA authorizes the Commissioner to license, regulate and oversee student loan servicers. Prior to enactment of the law, student loan servicers were not regulated by the DBO.

The DBO published a Notice of Rulemaking for the SLSA in the California Register on September 8, 2017. The Commissioner is proposing to adopt regulations to implement the SLSA.

Specifically, the Commissioner proposes to adopt Sections 2032-2056 in Subchapter 15, Chapter 3, of Title 10 of the California Code of Regulations. The Commissioner received comments on the proposed rules during an earlier 45-day public comment period.

In response to the comments, the Commissioner is making the modified rules available for a 15-day public comment period. The [Notice of Modifications](#) to Proposed Regulations Under the Student Loan Servicing Act, and the [Proposed Changes Under the Student Loan Servicing Act](#) (text of the modified rules) are available at the [DBO SLSA page](#). Comments may be e-mailed to regulations@dbo.ca.gov.



Three Openings Soon on Escrow Advisory Committee

Licensed escrow agents and Certified Public Accountants are encouraged to apply for three openings on the DBO Escrow Advisory Committee starting in September.

The Committee consists of 11 members, including the Commissioner or the Commissioner's designee. The Commissioner appoints the members, other than those representing the Escrow Institute of California and Escrow Agents' Fidelity Corporation. The Committee is established in [Financial Code section 17214](#) to help the Commissioner carry out her duties under the Escrow Law.

Appointed members serve for two years without compensation or reimbursement for expenses. The committee meets quarterly at the Department's Los Angeles 4th Street office. The next meeting is tentatively scheduled for Sept. 11, 2018.

The current vacancies are positions for representatives from a small escrow company, an escrow company that has a different type of business ownership and a CPA who has escrow agent clients.

Examples of a different business ownership include companies owned by title companies or brokers. Managers or corporate officers of independent escrow companies are eligible to serve on the committee.

Licensed escrow agents and CPAs who meet the criteria for one of the above categories are encouraged to apply by sending a letter of qualifications and/or resume to Kathleen Partin at the Department of Business Oversight, 320 West 4th Street, Suite 750, Los Angeles, CA 90013. The application deadline is July 13, 2018. Questions should be directed to Kathleen.Partin@dbo.ca.gov or (213) 576-7614.



FFIEC Issues New Customer Due Diligence and Beneficial Ownership Exam Procedures

The Federal Financial Institutions Examination Council (FFIEC) has issued new examination procedures on the final rule, “Customer Due Diligence Requirements for Financial Institutions” issued by the Financial Crimes Enforcement Network (FinCEN) on May 11, 2016.

These examination procedures apply to banks, savings and loan associations, savings associations, credit unions, and branches, agencies, and representative offices of foreign banks.

The new procedures replace those in the current “Customer Due Diligence — Overview and Examination Procedures” section of the FFIEC’s [Bank Secrecy Act/Anti-Money Laundering Examination Manual](#). In addition, new overview and examination procedures were developed for the beneficial ownership requirements for legal entity customers.

The FFIEC member agencies created these procedures in close collaboration with FinCEN and the U.S. Department of the Treasury. FinCEN’s 2016 final rule clarifies customer due diligence requirements and includes a new requirement for covered financial institutions to identify and verify the identity of beneficial owners of certain legal entity customers. Banks and other covered financial institutions must comply with this rule effective May 11, 2018.

The FFIEC website has an [overview of the Customer Due Diligence policy](#) and the [Beneficial Ownership Requirements for Legal Entity Customers](#).

Commercial Bank Activity

Merger

Blue Gate Bank, Costa Mesa, to merge with and into Poppy Bank, Santa Rosa
Filed: 4/20/18

Community Business Bank, West Sacramento, to merge with and into Suncrest Bank, Visalia
Approved: 5/14/18
Effectuated: 5/21/18

Grandpoint Bank, Los Angeles, to merge with and into Pacific Premier Bank, Irvine
Filed: 5/3/18

Pacific Commerce Bank, Los Angeles, to merge with and into First Choice Bank, Cerritos
Approved: 5/25/18

United American Bank, San Mateo, to merge with and into Heritage Bank of Commerce
Effectuated: 5/4/18

Acquisition of Control

Farmers & Merchants Bancorp, to acquire control of Bank of Rio Vista
Filed: 5/2/18

Sale/Purchase of Partial Business Unit

Bank of the Sierra to acquire the banking business of the Lompoc Community Bank, a division of Community Bank of Santa Maria
Effectuated: 5/21/18

Community Valley Bank to acquire the banking business of the Borrego Springs branch office of Umpqua Bank
Approved: 5/18/18

Farmers & Merchants Bank of Central California to sell the whole business unit of Bank of Rio Vista to Farmers & Merchants Bank of Central California (related to the acquisition of control application)
Filed: 5/2/18

Application for Trust Powers

Premier Valley Bank
255 East River Park Circle, Fresno
Approved: 5/4/18

Change of Name

Commerce Bank of Temecula Valley to change its name to Nano Banc
Effected: 5/1/18

Premium Finance Company Activity**New Premium Finance Company**

AIB Financial Services, Inc.
660 Newport Center Drive, Newport Beach
Filed: 5/30/18

Banco Rosso Finance, Inc.
1520 Washington Boulevard, Montebello
Withdrawn: 5/21/18

Equinox Premium Acceptance, Inc.
660 Newport Center Drive, Newport Beach
Approved: 5/11/18

Mepco PFA, Inc.
10877 Wilshire Boulevard, Los Angeles
Filed: 5/14/18

Ripple Premium Finance Co.
660 Newport Center Drive, Newport Beach
Approved: 5/11/18

Sale of Whole Business Unit

Royal Premium Budget of California requests approval to purchase the whole business unit of Stonemark, Inc.
Effected: 4/30/18

Credit Union Activity

Change of Name

California State & Federal Employees #20 Credit Union to change its name to
Compass Community Credit Union
Effected: 5/2/18

Fresno Fire Department Credit Union to change its name to Central Valley
Firefighters Credit Union
Effected: 5/1/18

Money Transmitter Activity

New Money Transmitter

Envios de Valores La Nacional Corp.
Approved: 5/17/18

Prabhu Group, Inc. dba Prabhu Money Transfer
Opened: 5/14/18

Acquisition of Control

BHN Intermediate Holdings, Inc., to acquire control of Blackhawk Network
California, Inc.
Filed: 3/26/18
Approved: 5/4/18

LBC Express Holdings, Inc., to acquire control of LBC Mundial Corporation
Filed: 5/2/18

Voluntary Surrender of License

Dollar Delivery, Inc.
Effected: 5/8/18

JAN LYNN OWEN

Commissioner of Business Oversight

