

2180 Department of Corporations

Effective July 1, 2013, pursuant to the Governor's Reorganization Plan No. 2 of 2012, the 2013-14 information for the Department of Corporations is merging into the Department of Business Oversight (Organization Code 1701), which is created under this new Agency (Business, Consumer Services, and Housing). The Department of Corporations was previously reported within the Business, Transportation, and Housing Agency.

The Department of Corporations, under the direction of the California Corporations Commissioner, provides consumer and investor protections by regulating the conduct of a variety of businesses, including securities brokers and dealers, investment advisers and financial planners, and certain fiduciaries and lenders. The Department also oversees the offer and sale of securities, franchises and off-exchange commodities.

The mission of the Department of Corporations is to:

- Ensure an orderly and transparent marketplace for investors, borrowers, and industry through licensure and oversight.
- Promote financial literacy and educate the public about the risks and rewards in investing and borrowing.
- Foster a professional and innovative working environment.
- Protect the public from fraud and abuse through enforcing California's financial services laws.

3-YR EXPENDITURES AND POSITIONS

	Positions			Expenditures		
	2011-12	2012-13	2013-14	2011-12*	2012-13*	2013-14*
10 Investment Program	106.2	120.3	-	\$16,865	\$22,928	\$-
20 Lender-Fiduciary Program	115.2	123.7	-	18,930	21,815	-
50.01 Administration	55.1	65.0	-	5,916	6,321	-
50.02 Distributed Administration	-	-	-	-5,916	-6,321	-
TOTALS, POSITIONS AND EXPENDITURES (All Programs)	276.5	309.0	-	\$35,795	\$44,743	\$-
FUNDING				2011-12*	2012-13*	2013-14*
0067 State Corporations Fund				\$35,703	\$44,593	\$-
0942 Special Deposit Fund				92	-	-
0995 Reimbursements				-	150	-
TOTALS, EXPENDITURES, ALL FUNDS				\$35,795	\$44,743	\$-

LEGAL CITATIONS AND AUTHORITY

DEPARTMENT AUTHORITY

Corporations Code, Section 25600.

PROGRAM AUTHORITY

10-Investment Program:

Corporations Code Title 4 Divisions 1, 3, 4, 4.5, and 5; Title 10, California Code of Regulations, Sections 250.1-250.70, 260.000-260.617, 280.100-280.700, 290.570-290.571, and 310.000-310.505.

20-Lender-Fiduciary Program:

Financial Code Divisions 1.4, 1.7, 3, 6, 9, 10, 14, and 20; Title 10, California Code of Regulations, Sections 1400-1596, 1700-1769, 1772-1799.1, 1805.001-1805.213.1, 1950.003-1950.317, and 2020-2031.10.

DETAILED BUDGET ADJUSTMENTS

	2012-13*			2013-14*		
	General Fund	Other Funds	Positions	General Fund	Other Funds	Positions
Workload Budget Adjustments						
Other Workload Budget Adjustments						
• Employee Compensation Adjustments	\$-	-\$1,082	-	\$-	\$-	-
• Retirement Rate Adjustment	-	497	-	-	-	-
• One Time Cost Reductions	-	-	-	-	-2,542	-
• Miscellaneous Adjustments	-	-4	-	-	-42,790	-309.0
Totals, Other Workload Budget Adjustments	\$-	-\$589	-	\$-	-\$45,332	-309.0

* Dollars in thousands, except in Salary Range.

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	2012-13*			2013-14*		
	General Fund	Other Funds	Positions	General Fund	Other Funds	Positions
Totals, Workload Budget Adjustments	\$-	-\$589	-	\$-	-\$45,332	-309.0
Totals, Budget Adjustments	\$-	-\$589	-	\$-	-\$45,332	-309.0

PROGRAM DESCRIPTIONS

10 - INVESTMENT PROGRAM

The Investment Program protects investors in securities and franchise investment transactions and promotes efficient capital formation in California. The program qualifies the offer and sale of certain securities, registers the sale of franchises, and licenses and examines broker-dealers and investment advisers.

20 - LENDER-FIDUCIARY PROGRAM

The Lender-Fiduciary Program protects the public when borrowing and entering into financial transactions with lenders and fiduciaries licensed by the Department. The program licenses and examines mortgage bankers, finance lenders, escrow companies, deferred deposit originators, bill payers, and proraters.

50 - ADMINISTRATION

This program provides executive leadership and direction to the Department, including planning, policy development, budgeting, accounting, personnel, centralized support services, business and information technology services.

DETAILED EXPENDITURES BY PROGRAM

		2011-12*	2012-13*	2013-14*
PROGRAM REQUIREMENTS				
10	INVESTMENT PROGRAM			
	State Operations:			
0067	State Corporations Fund	\$16,865	\$22,778	\$-
0995	Reimbursements	-	150	-
	Totals, State Operations	\$16,865	\$22,928	\$-
ELEMENT REQUIREMENTS				
10.10	Corporate Securities Law	\$11,726	\$14,912	\$-
	State Operations:			
0067	State Corporations Fund	11,726	14,762	-
0995	Reimbursements	-	150	-
10.15	Broker/Dealers	\$1,066	\$3,349	\$-
	State Operations:			
0067	State Corporations Fund	1,066	3,349	-
10.25	Investment Advisers	\$2,525	\$2,800	\$-
	State Operations:			
0067	State Corporations Fund	2,525	2,800	-
10.35	Agent Monitoring Law	\$179	\$264	\$-
	State Operations:			
0067	State Corporations Fund	179	264	-
10.55	California Commodity Law	\$-	\$4	\$-
	State Operations:			
0067	State Corporations Fund	-	4	-
10.65	Franchise Investment Law	\$1,369	\$1,599	\$-
	State Operations:			
0067	State Corporations Fund	1,369	1,599	-
PROGRAM REQUIREMENTS				
20	LENDER-FIDUCIARY PROGRAM			

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	2011-12*	2012-13*	2013-14*
State Operations:			
0067 State Corporations Fund	\$18,930	\$21,815	\$-
Totals, State Operations	\$18,930	\$21,815	\$-
ELEMENT REQUIREMENTS			
20.20 Deferred Deposit Transaction Law	\$3,859	\$4,405	\$-
State Operations:			
0067 State Corporations Fund	3,859	4,405	-
20.30 Escrow Law	\$4,925	\$5,749	\$-
State Operations:			
0067 State Corporations Fund	4,925	5,749	-
20.85 California Mortgage Loan Originator	\$-	\$1,487	\$-
State Operations:			
0067 State Corporations Fund	-	1,487	-
20.90 California Finance Lenders Law	\$6,727	\$6,671	\$-
State Operations:			
0067 State Corporations Fund	6,727	6,671	-
20.95 Mortgage Bankers Law	\$3,419	\$3,503	\$-
State Operations:			
0067 State Corporations Fund	3,419	3,503	-
TOTALS, EXPENDITURES			
State Operations	35,795	44,743	-
Totals, Expenditures	\$35,795	\$44,743	\$-

EXPENDITURES BY CATEGORY

1 State Operations	Positions			Expenditures		
	2011-12	2012-13	2013-14	2011-12*	2012-13*	2013-14*
PERSONAL SERVICES						
Authorized Positions (Equals Sch. 7A)	276.5	309.0	309.0	\$18,568	\$20,756	\$22,035
Total Adjustments	-	-	-309.0	-	-	-22,035
Net Totals, Salaries and Wages	276.5	309.0	-	\$18,568	\$20,756	\$-
Staff Benefits	-	-	-	7,370	8,145	-
Totals, Personal Services	276.5	309.0	-	\$25,938	\$28,901	\$-
OPERATING EXPENSES AND EQUIPMENT						
				\$9,857	\$15,842	\$-
TOTALS, POSITIONS AND EXPENDITURES, ALL FUNDS				\$35,795	\$44,743	\$-
(State Operations)						

DETAIL OF APPROPRIATIONS AND ADJUSTMENTS

1 STATE OPERATIONS	2011-12*	2012-13*	2013-14*
0067 State Corporations Fund			
APPROPRIATIONS			
001 Budget Act appropriation	\$47,247	\$45,182	\$-
Allocation for employee compensation	72	133	-
Adjustment per Section 3.60	138	497	-
Adjustment per Section 3.90	-482	-1,215	-
Adjustment per Section 3.91 (b) Cell Phone Reductions	-17	-	-
Adjustment per Section 3.91 (b) Operational Efficiency Plan	-263	-	-
Adjustment per Section 15.25	-	-4	-

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1 STATE OPERATIONS	2011-12*	2012-13*	2013-14*
Adjustments per Section 3.91(b) (Technology Rate Reductions)	-8	-	-
Totals Available	\$46,687	\$44,593	\$-
Unexpended balance, estimated savings	-10,984	-	-
TOTALS, EXPENDITURES	\$35,703	\$44,593	\$-
0942 Special Deposit Fund			
APPROPRIATIONS			
Government Code Section 16370	\$92	\$-	\$-
TOTALS, EXPENDITURES	\$92	\$-	\$-
0995 Reimbursements			
APPROPRIATIONS			
Reimbursements	\$-	\$150	\$-
TOTALS, EXPENDITURES, ALL FUNDS (State Operations)	\$35,795	\$44,743	\$-

CHANGES IN AUTHORIZED POSITIONS

	Positions			Expenditures		
	2011-12	2012-13	2013-14	2011-12*	2012-13*	2013-14*
Totals, Authorized Positions	276.5	309.0	309.0	\$18,568	\$20,756	\$22,035
Reductions in Authorized Positions:						
Merged into Department of Business Oversight (Org 1701) per GRP 2	-	-	-309.0	-	-	-22,035
Total Adjustments	-	-	-309.0	\$-	\$-	-\$22,035
TOTALS, SALARIES AND WAGES	276.5	309.0	-	\$18,568	\$20,756	\$-

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