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FILED
APRIL 1, 2009
DEPARTMENT OF REAL ESTATE

By C. B.

8 BEFORE THE DEPARTMENT OF REAL ESTATE

9 STATE OF CALIFORNIA

10 * * *

11 In the Matter of the Accusation of) DRE Case Nos.
12 FIRST MORTGAGE OF AMERICA INC.,) H-35068 LA
13) H-35571 LA
14 Respondent.)

15 ORDER ACCEPTING VOLUNTARY SURRENDER OF REAL ESTATE LICENSE

16 On October 28, 2008, a First Amended Accusation was
17 filed in this matter against Respondent FIRST MORTGAGE OF AMERICA
18 INC.

19 On March 4, 2009, Respondent petitioned the
20 Commissioner to voluntarily surrender its corporate real estate
21 broker license pursuant to Section 10100.2 of the Business and
22 Professions Code.

23 IT IS HEREBY ORDERED that Respondent FIRST MORTGAGE OF
24 AMERICA INC.'s petition for voluntary surrender of its corporate
25 real estate broker license is accepted as of the effective date
26 of this Order as set forth below, based upon the understanding
27 and agreement expressed in Respondent's Declaration dated

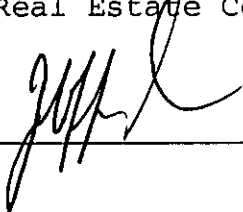
1 March 4, 2009 (attached as Exhibit "A" hereto). Respondent's
2 license certificate(s), pocket card(s) and any branch office
3 license certificate(s) shall be sent to the below listed address
4 so that they reach the Department on or before the effective date
5 of this Order:

6 Department of Real Estate
7 Atten: Licensing Flag Section
8 P.O. Box 187000
9 Sacramento, CA 95818-7000

10 This Order shall become effective at 12 o'clock noon
11 on APRIL 21, 2009.

12 DATED: 3/24/09

13 JEFF DAVI
14 Real Estate Commissioner

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BEFORE THE DEPARTMENT OF REAL ESTATE

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STATE OF CALIFORNIA

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* * *

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In the Matter of the Accusation of)	DRE Case Nos.
)	H-35068 LA
FIRST MORTGAGE OF AMERICA INC.,)	H-35571 LA
)	
)	
Respondent.)	
)	
)	

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DECLARATION

17

My name is SCOTT L. RICHARDS, ESQ., and I am acting on behalf of FIRST MORTGAGE OF AMERICA INC., which is licensed as a corporation and/or has license rights with respect to said license. I am authorized and empowered to sign this Declaration on behalf of FIRST MORTGAGE OF AMERICA INC.

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22

In lieu of proceeding in this matter in accordance with the provisions of the Administrative Procedure Act (Sections 11400 et seq., of the Government Code) FIRST MORTGAGE OF AMERICA INC. wishes to voluntarily surrender its real estate license issued by the Department of Real Estate ("Department"), pursuant to Business and Professions Code Section 10100.2.

23

24

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1 I understand that FIRST MORTGAGE OF AMERICA INC., by
2 so voluntarily surrendering its license, can only have it
3 reinstated in accordance with the provisions of Section 11522 of
4 the Government Code. I also understand that by so voluntarily
5 surrendering its license, FIRST MORTGAGE OF AMERICA INC. agrees
6 to the following:

7 The filing of this Declaration shall be deemed as its
8 petition for voluntary surrender. It shall also be deemed to be
9 an understanding and agreement by FIRST MORTGAGE OF AMERICA INC.
10 that, it waives all rights it has to require the Commissioner to
11 prove the allegations contained in the Accusation filed in this
12 matter at a hearing held in accordance with the provisions of
13 the Administrative Procedure Act (Government Code Sections 11400
14 et seq.), and that it also waives other rights afforded to it in
15 connection with the hearing such as the right to discovery, the
16 right to present evidence in defense of the allegations in the
17 Accusation and the right to cross-examine witnesses. I further
18 agree on behalf of FIRST MORTGAGE OF AMERICA INC. that upon
19 acceptance by the Commissioner, as evidenced by an appropriate
20 order, all affidavits and all relevant evidence obtained by the
21 Department in this matter prior to the Commissioner's
22 acceptance, and all allegations contained in the Accusation
23 filed in the Department Case No. H-35068 LA and H-35571 LA, may
24 be considered by the Department to be true and correct for the
25 purpose of deciding whether or not to grant reinstatement of
26 FIRST MORTGAGE OF AMERICA INC.'s license pursuant to Government
27 Code Section 11522.

1 Respondent can signify acceptance and approval of the
2 terms and conditions of this Declaration by faxing a copy of its
3 signature page, as actually signed by Respondent, to the
4 Department at fax number (213) 576-6917. Respondent agrees,
5 acknowledges and understands that by electronically sending to
6 the Department a fax copy of its actual signature as it appears
7 on the Declaration, that receipt of the faxed copy by the
8 Department shall be as binding on Respondent as if the
9 Department had received the original signed Declaration.

10 I declare under penalty of perjury under the laws of
11 the State of California that the above is true and correct and
12 that I am acting freely and voluntarily on behalf of FIRST
13 MORTGAGE OF AMERICA INC. to surrender its license and all
14 license rights attached thereto.

15 I declare under penalty of perjury under the laws of
16 the State of California that the above is true and correct and
17 that this declaration was executed March 4, 2009, at
18 San Antonio, California.

19
20 
21 SCOTT L RICHARDS, ESQ.
22 On behalf of
23 FIRST MORTGAGE OF AMERICA INC.
24
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SAC

FILED
NOV. 21, 2008
DEPARTMENT OF REAL ESTATE

By *[Signature]*

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BEFORE THE DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

* * * *

In the Matter of the Accusation of) No. H-35068 LA
)
FIRST MORTGAGE OF AMERICA, INC.;) L-2008090373
and BRUCE EUGENE MANGELS,)
individually and as designated)
broker-officer of First Mortgage)
of America, Inc.,)
)
Respondents.)

DISMISSAL

The First Amended Accusation herein filed on
October 28, 2008, against Respondent BRUCE EUGENE MANGELS,
is DISMISSED as to that Respondent only.

IT IS SO ORDERED 11-21-08

JEFF DAVIS
Real Estate Commissioner
[Signature]

1 MARTHA J. ROSETT, Counsel (SBN 142072)
2 Department of Real Estate
3 320 West Fourth St. #350
4 Los Angeles, CA 90013

FILED
OCT. 28, 2008
DEPARTMENT OF REAL ESTATE

4 (213) 576-6982
5 (213) 620-6430

By C. B.

8 BEFORE THE DEPARTMENT OF REAL ESTATE

9 STATE OF CALIFORNIA

10 * * * *

11 In the Matter of the Accusation of)	No. H-35068 LA
12)	L-2008090373
13 FIRST MORTGAGE OF AMERICA, INC.;)	
14 and BRUCE EUGENE MANGELS,)	<u>FIRST AMENDED</u>
15 individually and as designated)	<u>A C C U S A T I O N</u>
16 broker-officer of First Mortgage)	
17 of America, Inc.,)	
18)	
19 Respondents.)	
20)	

17 This Accusation amends the Accusation filed on June 26,
18 2008, in its entirety. The Complainant, Robin Trujillo, a Deputy
19 Real Estate Commissioner of the State of California, does hereby
20 amend the Accusation in this matter filed on June 26, 2008, and
21 for cause of Accusation against FIRST MORTGAGE OF AMERICA, INC.
22 and BRUCE EUGENE MANGELS (hereinafter "Respondents"), hereby
23 alleges in her official capacity as follows:

24 1.

25
26 The Complainant, Robin Trujillo, a Deputy Real Estate
27 Commissioner of the State of California, makes this Accusation in

1 her official capacity.

2 2.

3 At all times herein mentioned, Respondent FIRST
4 MORTGAGE OF AMERICA, INC. (hereinafter "FIRST MORTGAGE"), was and
5 still is licensed and/or has license rights under the Real Estate
6 Law (Part 1 of Division 4 of the Business and Professions Code)
7 as a corporate real estate broker. Respondent FIRST MORTGAGE was
8 originally licensed by the Department of Real Estate (hereinafter
9 "Department") as a corporate real estate broker on or about
10 October 27, 2003. Beginning on or about January 23, 2007, and
11 continuing through on or about April 17, 2008, Respondent FIRST
12 MORTGAGE was authorized to act by and through Respondent BRUCE
13 EUGENE MANGELS as its broker designated pursuant to Business and
14 Professions Code (hereinafter "Code") Section 10159.2 to be
15 responsible for ensuring compliance with the Real Estate Law.
16 Respondent FIRST MORTGAGE does not currently have a designated
17 broker-officer and therefore has an inactive license.

18 3.

19
20 At all times herein mentioned, Respondent BRUCE EUGENE
21 MANGELS (hereinafter "MANGELS") was and is licensed and/or has
22 license rights under the Code as a real estate broker.
23 Respondent MANGELS was first licensed as a real estate broker on
24 or about April 20, 1989. Beginning on or about January 23, 2007,
25 and continuing through on or about April 17, 2008, Respondent
26 MANGELS served as the designated broker-officer of Respondent
27

1 FIRST MORTGAGE.

2 4.

3 At all times herein mentioned, FIRST MORTGAGE was and
4 is a California corporation. Pepi Arthur Abad, aka Arthur Pepi
5 Abad (hereinafter "Abad"), is the corporate President, CEO and
6 Secretary. Abad is not now and has never been licensed in any
7 capacity by the Department. At all times relevant herein, Abad
8 has owned or controlled more than 10% of Respondent FIRST
9 MORTGAGE's stock.

10 FIRST CAUSE OF ACCUSATION:
11 FAILURE TO DISCLOSE PRIOR DISCIPLINE

12 5.

13 On or about July 14, 2005, in Cases No. S-01-0613 and
14 RS-02-0091, the Department of Motor Vehicles revoked Pepi Abad's
15 vehicle salesperson license, and denied his application for
16 reinstatement of his salesperson license, pursuant to Vehicle
17 Code Section 11806(i). The order, which was to become effective
18 on August 15, 2005; was affirmed on appeal to the Superior Court
19 and became a final judgment on September 19, 2006. The grounds
20 for the discipline of Abad's vehicle salesperson license stemmed
21 from his conduct as a managerial employee of a vehicle sales
22 dealership during the time persons under his direction and
23 control committed wrongful acts which resulted in the suspension
24 of the dealer's license.

25 ///

26 ///

6.

1
2 On or about January 23, 2007, Respondent MANGELS made
3 application to the Department for the issuance of a real estate
4 corporation license for Respondent FIRST MORTGAGE. In connection
5 with said application, on or about January 1, 2007, Respondent
6 MANGELS signed a statement certifying that none of the corporate
7 officers of Respondent FIRST MORTGAGE had, within the preceding
8 ten years, had a license to engage in or practice real estate or
9 other regulated profession, occupation or vocation, denied,
10 suspended or revoked. In truth and fact, as Respondent MANGELS
11 knew or should have known, FIRST MORTGAGE officer and shareholder
12 Abad had his vehicle salesperson license revoked and an
13 application for reinstatement denied by the Department of Motor
14 Vehicles on or about July 14, 2005. The revocation was upheld on
15 appeal on or about September 19, 2006.

7.

17
18 Respondent MANGELS' failure to disclose the discipline
19 of a corporate officer's vocational license within the preceding
20 ten years constitutes a material misstatement of fact made in the
21 application for Respondent FIRST MORTGAGE's real estate
22 corporation license, and therefore constitutes grounds to
23 discipline the real estate licenses and license rights of
24 Respondent MANGELS and Respondent FIRST MORTGAGE pursuant to Code
25 Sections 10177(a), 10176(a), 10177(g), 10176(i) and/or 10177(j).

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8.

Respondent MANGELS' material misstatement of fact in an application for a real estate corporation license constitutes grounds to discipline MANGELS' real estate license and license rights for failing to supervise the activities of a corporation, pursuant to Code Section 10177(h).

9.

The disciplinary action taken by the Department of Motor Vehicles against corporate officer Abad, as set forth above, constitutes grounds to discipline the real estate corporation license and license rights of Respondent FIRST MORTGAGE, pursuant to Code Section 10177(f).

SECOND CAUSE OF ACCUSATION:
DISCIPLINARY ACTION TAKEN IN OTHER STATES

10.

On or about July 26, 2007, the State of Connecticut Department of Banking suspended Respondent FIRST MORTGAGE OF AMERICA INC.'s Mortgage Lender/Broker License in that State. On August 28, 2007, Respondent's Mortgage Lender/Broker license was revoked by the State of Connecticut. The grounds for the revocation included failure to maintain a surety bond as required by Connecticut banking law.

11.

On or about March 5, 2008, the State of New Hampshire Banking Department revoked Respondent FIRST MORTGAGE OF AMERICA INC.'s Mortgage Banker license in that State. The grounds for

1 revocation included Respondent's failure to produce documents and
2 materials requested for examination, in violation of New
3 Hampshire banking law.

4 12.

5 On or about January 18, 2008, the State of Illinois,
6 Department of Financial & Professional Regulation, Division of
7 Banking, suspended Respondent FIRST MORTGAGE OF AMERICA INC.'s
8 residential mortgage license. Respondent was ordered to come
9 into compliance with the requirements for a bond and to pay
10 fines. On April 8, 2008, Respondent FIRST MORTGAGE OF AMERICA
11 INC.'s residential mortgage license in Illinois was revoked. The
12 grounds for discipline and revocation included Respondent's
13 failure to maintain a surety bond and failure to come into
14 compliance with the residential mortgage license requirements of
15 the State of Illinois after several requests.
16

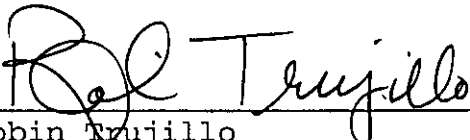
17 13.

18 In aggravation, on or about March 18, 2008, the State
19 of Washington, Department of Financial Institutions, Division of
20 Consumer Affairs, filed a State of Charges and Notice of
21 Intention to Enter an Order to Revoke Respondent FIRST MORTGAGE
22 OF AMERICA, INC.'s license to engage in the business of a
23 consumer loan company. The grounds for pending disciplinary
24 action in Washington include failure to notify the licensing
25 agency of Respondent's change of address, failure to maintain a
26 surety bond, and disciplinary actions taken by other states.
27

1 WHEREFORE, Complainant prays that a hearing be
2 conducted on the allegations of this Accusation and that upon
3 proof thereof, a decision be rendered imposing disciplinary
4 action against all licenses and/or license rights of Respondents
5 BRUCE EUGENE MANGELS and FIRST MORTGAGE OF AMERICA, INC., under
6 the Real Estate Law and for such other and further relief as may
7 be proper under other applicable provisions of law.
8

9 Dated at Los Angeles, California

10 this 27 day of October, 2008.

11
12 
13 Robin Trujillo
14 Deputy Real Estate Commissioner
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24 cc: Bruce Eugene Mangels
25 First Mortgage of America, Inc.
26 Robin Trujillo
27 Sacto.
OAH

5AC
1 MARTHA J. ROSETT, Counsel (SBN 142072)
2 Department of Real Estate
3 320 West Fourth St. #350
4 Los Angeles, CA 90013

4 (213) 576-6982
5 (213) 620-6430

FILED
JUNE 26, 2008
DEPARTMENT OF REAL ESTATE

By C. By

8 BEFORE THE DEPARTMENT OF REAL ESTATE

9 STATE OF CALIFORNIA

10 * * * *

11 In the Matter of the Accusation of) No. H-35068 LA
12)
13 FIRST MORTGAGE OF AMERICA, INC.;) A C C U S A T I O N
14 and BRUCE EUGENE MANGELS,)
15 individually and as designated)
16 broker-officer of First Mortgage)
of America, Inc.,)
Respondents.)

17 The Complainant, Robin Trujillo, a Deputy Real Estate
18 Commissioner of the State of California, for cause of Accusation
19 against FIRST MORTGAGE OF AMERICA, INC. and BRUCE EUGENE MANGELS
20 (hereinafter "Respondents"), is informed and alleges as follows:

21 1.

22 The Complainant, Robin Trujillo, a Deputy Real Estate
23 Commissioner of the State of California, makes this Accusation
24 in her official capacity.

25 ///
26
27

2.

1
2 At all times herein mentioned, Respondent FIRST
3 MORTGAGE OF AMERICA, INC. (hereinafter "FIRST MORTGAGE"), was and
4 still is licensed and/or has license rights under the Real Estate
5 Law (Part 1 of Division 4 of the Business and Professions Code)
6 as a corporate real estate broker. Respondent FIRST MORTGAGE was
7 originally licensed by the Department of Real Estate (hereinafter
8 "Department") as a corporate real estate broker on or about
9 October 27, 2003. Beginning on or about January 23, 2007, and
10 continuing through on or about April 17, 2008, Respondent FIRST
11 MORTGAGE was authorized to act by and through Respondent BRUCE
12 EUGENE MANGELS as its broker designated pursuant to Business and
13 Professions Code (hereinafter "Code") Section 10159.2 to be
14 responsible for ensuring compliance with the Real Estate Law.
15 Respondent FIRST MORTGAGE does not currently have a designated
16 broker-officer and therefore has an inactive license.
17

3.

18
19 At all times herein mentioned, Respondent BRUCE EUGENE
20 MANGELS (hereinafter "MANGELS") was and is licensed and/or has
21 license rights under the Code as a real estate broker.
22 Respondent MANGELS was first licensed as a real estate broker on
23 or about April 20, 1989. Beginning on or about January 23, 2007,
24 and continuing through on or about April 17, 2008, Respondent
25 MANGELS served as the designated broker-officer of Respondent
26 FIRST MORTGAGE.
27

4.

1
2 At all times herein mentioned, FIRST MORTGAGE was and
3 is a California corporation. Pepi Arthur Abad, aka Arthur Pepi
4 Abad (hereinafter "Abad"), is the corporate President, CEO and
5 Secretary. Abad is not now and has never been licensed in any
6 capacity by the Department. At all times relevant herein, Abad
7 has owned or controlled more than 10% of Respondent FIRST
8 MORTGAGE's stock.

9
10 5.

11 On or about July 14, 2005, in Cases No. S-01-0613 and
12 RS-02-0091, the Department of Motor Vehicles revoked Pepi Abad's
13 vehicle salesperson license, and denied his application for
14 reinstatement of his salesperson license, pursuant to Vehicle
15 Code Section 11806(i). The order, which was to become effective
16 on August 15, 2005, was affirmed on appeal to the Superior Court
17 and became a final judgment on September 19, 2006. The grounds
18 for the discipline of Abad's vehicle salesperson license stemmed
19 from his conduct as a managerial employee of a vehicle sales
20 dealership during the time persons under his direction and
21 control committed wrongful acts which resulted in the suspension
22 of the dealer's license.

23
24 6.

25 On or about January 23, 2007, Respondent MANGELS made
26 application to the Department for the issuance of a real estate
27 corporation license for Respondent FIRST MORTGAGE. In connection

1 with said application, on or about January 1, 2007, Respondent
2 MANGELS signed a statement certifying that none of the corporate
3 officers of Respondent FIRST MORTGAGE had, within the preceding
4 ten years, had a license to engage in or practice real estate or
5 other regulated profession, occupation or vocation, denied,
6 suspended or revoked. In truth and fact, as Respondent MANGELS
7 knew or should have known, FIRST MORTGAGE officer and shareholder
8 Abad had his vehicle salesperson license revoked and an
9 application for reinstatement denied by the Department of Motor
10 Vehicles on or about July 14, 2005. The revocation was upheld on
11 appeal on or about September 19, 2006.

12 7.

13 Respondent MANGELS' failure to disclose the discipline
14 of a corporate officer's vocational license within the preceding
15 ten years constitutes a material misstatement of fact made in the
16 application for Respondent FIRST MORTGAGE's real estate
17 corporation license, and therefore constitutes grounds to
18 discipline the real estate licenses and license rights of
19 Respondent MANGELS and Respondent FIRST MORTGAGE pursuant to Code
20 Sections 10177(a), 10176(a), 10177(g), 10176(i) and/or 10177(j).

22 8.

23 Respondent MANGELS' material misstatement of fact in an
24 application for a real estate corporation license constitutes
25 grounds to discipline MANGELS' real estate license and license
26 rights for failing to supervise the activities of a corporation,
27

1 pursuant to Code Section 10177(h).

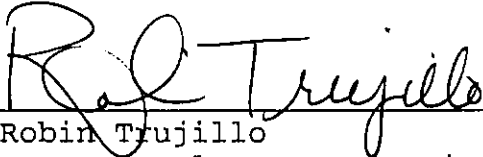
2 9.

3 The disciplinary action taken by the Department of
4 Motor Vehicles against corporate officer Abad, as set forth
5 above, constitutes grounds to discipline the real estate
6 corporation license and license rights of Respondent FIRST
7 MOARTGAGE, pursuant to Code Section 10177(f).

8 WHEREFORE, Complainant prays that a hearing be
9 conducted on the allegations of this Accusation and that upon
10 proof thereof, a decision be rendered imposing disciplinary
11 action against all licenses and/or license rights of Respondents
12 BRUCE EUGENE MANGELS and FIRST MORTGAGE OF AMERICA, INC., under
13 the Real Estate Law and for such other and further relief as may
14 be proper under other applicable provisions of law.

15 Dated at Los Angeles, California

16 this 24 day of June, 2008.

17
18 
19 _____
20 Robin Trujillo
21 Deputy Real Estate Commissioner

22
23
24 cc: Bruce Eugene Mangels
25 First Mortgage of America, Inc.
26 Robin Trujillo
27 Sacto.