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**FILED**

MAY 12 2016

BUREAU OF REAL ESTATE

By *[Signature]*

BEFORE THE BUREAU OF REAL ESTATE  
STATE OF CALIFORNIA

\* \* \*

In the Matter of the Accusation of	)	No. H-40041 LA
	)	
MICHAEL WILLIAM SCHWARTZ; and	)	
SERVICE FIRST FUNDING GROUP,	)	
INC.,	)	
	)	
Respondents.	)	
	)	

DECISION

This Decision is being issued in accordance with the provisions of California Government Code section 11520, on evidence of compliance with California Government Code section 11505 and pursuant to the Order of Default filed on April 11, 2016, and the findings of fact set forth herein are based on one or more of the following: (1) Respondents' express admissions; (2) affidavits; and (3) other evidence.

Pursuant to California Government Code section 11521, the Bureau of Real Estate may order reconsideration of this Decision on petition of any party. The Bureau of Real Estate's power to order reconsideration of this Decision shall expire 30 days after mailing of this Decision, or on the effective date of this Decision, whichever occurs first. The right to reinstatement of a revoked real estate license or to the reduction of a penalty is controlled by California Government Code section 11522. A copy of California Government Code sections

1 11521 and 11522 and a copy of the Commissioner's Criteria of Rehabilitation are attached  
2 hereto for the information of Respondents MICHAEL WILLIAM SCHWARTZ and SERVICE  
3 FIRST FUNDING GROUP, INC. (collectively "Respondents").  
4

5 FINDINGS OF FACT

6 1.

7 On November 24, 2015, Maria Suarez made the Accusation in her official  
8 capacity as a Supervising Special Investigator of the State of California. On November 24,  
9 2015, the Accusation, Statement to Respondent, and Notice of Defense were mailed by certified  
10 mail, return receipt requested, and by regular mail to Respondents' last known mailing  
11 addresses on file with the Bureau of Real Estate. To date, neither Respondent has submitted a  
12 Notice of Defense. On April 11, 2016, no Notice of Defense having been filed herein within  
13 the time prescribed by California Government Code section 11506, Respondents' default was  
14 entered herein.

15 2.

16 Respondent MICHAEL WILLIAM SCHWARTZ ("SCHWARTZ") is presently  
17 licensed and/or has license rights under the Real Estate Law, Part 1 of Division 4 of the  
18 California Business and Professions Code, as a real estate broker (license no. 01495958).

19 3.

20 Respondent SERVICE FIRST FUNDING GROUP, INC. ("SFFGI") is presently  
21 licensed and/or has license rights under the Real Estate Law, Part 1 of Division 4 of the  
22 California Business and Professions Code, as a real estate corporation (license no. 01525355).  
23 Respondent SERVICE FIRST FUNDING GROUP, INC.'s license expired on November 2,  
24 2014. The Bureau of Real Estate retains jurisdiction over the license pursuant to California  
25 Business and Professions Code section 10103.

26 4.

27 From on or about November 3, 2006 through the present, SCHWARTZ has been

1 and continues to be an officer, director, and/or person owning or controlling 10 percent or more  
2 of SFFGI's stock. From on or about November 3, 2010 through SFFGI's expiration date,  
3 SCHWARTZ was and is the designated officer of SFFGI.

4 5.

5 In August 2008, A. Munoz refinanced his home, and paid \$245,000 to  
6 Respondents as an investment. Respondents paid interest on the investment to Munoz as  
7 agreed upon until December 2012. However, Respondents failed to make any payments to A.  
8 Munoz from January 2013 through March 2014. As a result, approximately \$148,000 was left  
9 on the investment.

10 6.

11 The evidence established that the conduct, acts, and/or omissions of  
12 Respondents SCHWARTZ and SFFGI, as described herein, constitute the making of a  
13 substantial misrepresentation and fraud or dishonest dealing, and is cause for suspension or  
14 revocation of all real estate licenses and license rights of Respondents SCHWARTZ and SFFGI  
15 under the provisions of California Business and Professions Code section 10177(j) (fraud or  
16 dishonest dealing as a principal).

17  
18 DETERMINATION OF ISSUES

19 1.

20 The allegations set forth in Findings 1 through 6 above constitute cause under  
21 California Business and Professions Code section 10177(j) for the suspension or revocation of  
22 the license and license rights of Respondent under the Real Estate Law.

23 2.

24 The standard of proof applied was clear and convincing proof to a reasonable  
25 certainty.

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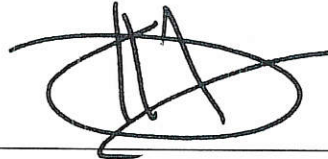
ORDER

The license and license rights of Respondents MICHAEL WILLIAM SCHWARTZ and SERVICE FIRST FUNDING GROUP, INC. under the provisions of Part I of Division 4 of the Business and Professions Code are revoked.

This Order shall become effective at 12 o'clock noon on MAY 01 2016.

DATED: MAY 3, 2016

WAYNE S. BELL  
REAL ESTATE COMMISSIONER



By: JEFFREY MASON  
Chief Deputy Commissioner

1 Bureau of Real Estate  
2 320 West Fourth Street, Suite 350  
3 Los Angeles, CA 90013  
4 (213) 576-6982

**FILED**

APR 11 2016

BUREAU OF REAL ESTATE

By *[Signature]*

7 BEFORE THE BUREAU OF REAL ESTATE  
8  
9 STATE OF CALIFORNIA

10 \* \* \*

11 In the Matter of the Accusation of ) NO. *H-40041 LA*  
12 MICHAEL WILLIAM )  
13 SCHWARTZ; and )  
14 SERVICE FIRST FUNDING ) DEFAULT ORDER  
15 GROUP, INC., )  
Respondent. )

16 Respondent MICHAEL WILLIAM SCHWARTZ and SERVICE FIRST  
17 FUNDING GROUP, INC., having failed to file a Notice of Defense within the time  
18 required by Section 11506 of the Government Code, is now in default. It is, therefore,  
19 ordered that a default be entered on the record in this matter.

20 IT IS SO ORDERED *April 11, 2016*.

21 REAL ESTATE COMMISSIONER

22  
23  
24 By: *[Signature]*  
25 DOLORES RAMOS  
26 Regional Manager  
27