

1 DEPARTMENT OF REAL ESTATE
2 P. O. Box 187007
3 Sacramento, CA 95818-7007
4 Telephone: (916) 227-0789
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FILED

AUG 10 2009

DEPARTMENT OF REAL ESTATE

By [Signature]

8 BEFORE THE DEPARTMENT OF REAL ESTATE
9 STATE OF CALIFORNIA

10 * * *

11 In the Matter of the Accusation of)
12) NO. H-3422 SD
13)
14 SAN FRANCISCO FUNDING, INC., and) STIPULATION AND AGREEMENT
15 SARAH McBRIDE SELLIS,)
16 Respondents.)
17)

18 It is hereby stipulated by and between Respondent SARAH McBRIDE SELLIS
19 (hereinafter referred to as "Respondent"), acting by and through her attorney of record, Frank
20 M. Buda, and the Complainant, acting by and through Michael B. Rich, Counsel for the
21 Department of Real Estate, as follows for the purpose of settling and disposing of the
22 Accusation filed on February 23, 2006, in this matter (hereinafter "the Accusation"):

23 1. All issues which were to be contested and all evidence which was to be
24 presented by Complainant and Respondent at a formal hearing on the Accusation, which
25 hearing was to be held in accordance with the provisions of the Administrative Procedure Act
26 (APA), shall instead and in place thereof be submitted solely on the basis of the provisions of
27 this Stipulation and Agreement.

///

H-3422 SD

SARAH McBRIDE SELLIS

1 2. Respondent has received, read and understands the Statement to
2 Respondent, the Discovery Provisions of the APA and the Accusation filed by the Department
3 of Real Estate in this proceeding.

4 3. On March 9, 2006, Respondent filed a Notice of Defense pursuant to
5 Section 11505 of the Government Code for the purpose of requesting a hearing on the
6 allegations in the Accusation. Respondent hereby freely and voluntarily withdraws said Notice
7 of Defense. Respondent acknowledges that Respondent understands that by withdrawing said
8 Notice of Defense, Respondent will thereby waive Respondent's right to require the
9 Commissioner to prove the allegations in the Accusation at a contested hearing held in
10 accordance with the provisions of the APA and that Respondent will waive other rights
11 afforded to Respondent in connection with the hearing such as the right to present evidence in
12 defense of the allegations in the Accusation and the right to cross-examine witnesses.

13 4. Respondent, pursuant to the limitations set forth below, hereby admits that
14 the factual allegations in the Accusation, only as set forth below in the Determination of Issues,
15 pertaining to Respondent are true and correct and stipulates and agrees that the Real Estate
16 Commissioner shall not be required to provide further evidence of such allegations.

17 5. It is understood by the parties that the Real Estate Commissioner may adopt
18 the Stipulation and Agreement as his decision in this matter, thereby imposing the penalty and
19 sanctions on Respondent's real estate license and license rights as set forth in the "Order" below.
20 In the event that the Commissioner in his discretion does not adopt the Stipulation and
21 Agreement, it shall be void and of no effect, and Respondent shall retain the right to a hearing
22 and proceeding on the Accusation under all the provisions of the APA and shall not be bound by
23 any admission or waiver made herein.

24 6. This Stipulation and Agreement shall not constitute an estoppel, merger or
25 bar to any further administrative or civil proceedings by the Department of Real Estate with
26 respect to any matters which were not specifically alleged to be causes for accusation in this
27 proceeding.

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SARAH McBRIDE SELLIS

1 without a hearing, vacate and set aside the stay order, and order the immediate execution of all
2 or any part of the stayed suspension.

3 (d) No final subsequent determination be made, after hearing or upon
4 stipulation, that cause for disciplinary action against Respondent SARAH McBRIDE SELLIS
5 occurred within two (2) years of the effective date of the Decision herein. Should such a
6 determination be made, the Commissioner may, in his or her discretion, vacate and set aside the
7 stay order, and order the execution of all or any part of the stayed suspension, in which event the
8 Respondent shall not be entitled to any repayment nor credit, prorated or otherwise, for money
9 paid to the Department under the terms of this Decision.

10 (e) If Respondent SARAH McBRIDE SELLIS pays the monetary penalty and
11 if no further cause for disciplinary action against the real estate license of Respondent occurs
12 within two (2) years from the effective date of the Decision herein, then the stay hereby granted
13 shall become permanent.

14
15
16 3/16/09
DATED

Michael B. Rich
MICHAEL B. RICH, Counsel
Department of Real Estate

17
18 * * *

19 I have read the Stipulation and Agreement and its terms are understood by
20 me and are agreeable and acceptable to me. I understand that I am waiving rights given to me
21 by the California Administrative Procedure Act (including but not limited to Sections 11506,
22 11508, 11509, and 11513 of the Government Code), and I willingly, intelligently, and
23 voluntarily waive those rights, including the right of requiring the Commissioner to prove the
24 allegations in the Accusation at a hearing at which I would have the right to cross-examine
25 witnesses against me and to present evidence in defense and mitigation of the charges.

26 ///

27 //

H-3422 SD

SARAH McBRIDE SELLIS

1
2 3/4/09
3 DATED

Sarah McBride Sellis
SARAH McBRIDE SELLIS
Respondent

5 Approved as to form and content by counsel for Respondent.

6
7 3-8-09
8 DATED

Frank M. Buda
FRANK M. BUDA
Attorney for Respondents

11 * * *

12 The foregoing Stipulation and Agreement is hereby adopted by me as my
13 Decision in this matter as to Respondent SARAH McBRIDE SELLIS and shall become
14 effective at 12 o'clock noon on AUG 31 2009

15 IT IS SO ORDERED 7/31, 2009.

17 JEFF DAVI
18 Real Estate Commissioner

19
20 Barbara J. Bigby

21 BY: Barbara J. Bigby
22 Chief Deputy Commissioner

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FILED

AUG 10 2009

DEPARTMENT OF REAL ESTATE
By *[Signature]*

BEFORE THE DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA

In the Matter of the Accusation of

SAN FRANCISCO FUNDING, INC. and
SARAH McBRIDE SELLIS,

Respondents.

No. H-3422 SD

ORDER ACCEPTING VOLUNTARY SURRENDER OF REAL ESTATE LICENSE

On February 23, 2006, an Accusation was filed in this matter against Respondents
SAN FRANCISCO FUNDING, INC. and SARAH McBRIDE SELLIS.

On June 10, 2009, Respondent SAN FRANCISCO FUNDING, INC. petitioned the
Commissioner to voluntarily surrender its real estate license(s) pursuant to Section 10100.2 of
the Business and Professions Code.

IT IS HEREBY ORDERED that Respondent SAN FRANCISCO FUNDING,
INC.'S petition for voluntary surrender of its real estate license(s) is accepted as of the effective
date of this Order as set forth below, based upon the understanding and agreement expressed in
Respondent's Declaration dated June 10, 2009 (attached as Exhibit "A" hereto). Respondent's
license certificate and pocket card shall be sent to the below listed address so that they reach the
Department on or before the effective date of this Order:

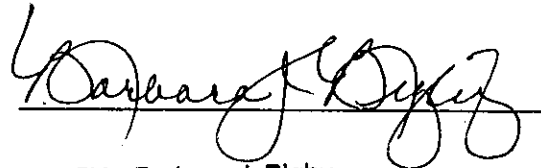
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1 DEPARTMENT OF REAL ESTATE
2 Attn: Licensing Flag Section
3 P. O. Box 187000
4 Sacramento, CA 95818-7000

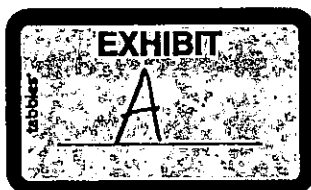
5 This Order shall become effective at 12 o'clock noon on AUG 31 2009
6

7 DATED: 7/31/09
8

9 JEFF DAVI
10 Real Estate Commissioner

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12

13 BY: Barbara J. Bigby
14 Chief Deputy Commissioner
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BEFORE THE DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA

In the Matter of the Accusation of)
) NO. H-3422 SD
)
SAN FRANCISCO FUNDING, INC., and)
SARAH McBRIDE SELLIS,)
)
Respondents.)

DECLARATION

My name is SARAH McBRIDE SELLIS and I am currently an officer of SAN FRANCISCO FUNDING, INC., which is licensed as a real estate broker and/or has license rights with respect to said license. I am authorized and empowered to sign this declaration on behalf of SAN FRANCISCO FUNDING, INC. SAN FRANCISCO FUNDING, INC., is represented in this matter by Frank M. Buda, Attorney at Law.

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

1 SAN FRANCISCO FUNDING, INC., understands that by so voluntarily
2 surrendering its license(s), it may be relicensed as a broker only by petitioning for reinstatement
3 pursuant to Section 11522 of the Government Code. SAN FRANCISCO FUNDING, INC.,
4 also understands that by so voluntarily surrendering its license(s), it agrees to the following:

5 1. The filing of this Declaration shall be deemed as the petition of SAN
6 FRANCISCO FUNDING, INC., for voluntary surrender.

7 2. It shall also be deemed to be an understanding and agreement by SAN
8 FRANCISCO FUNDING, INC., that it waives all rights it has to require the Commissioner to
9 prove the allegations contained in the Accusation filed in this matter at a hearing held in
10 accordance with the provisions of the Administrative Procedure Act (Government Code
11 Sections 11400 et seq.), and that it also waives other rights afforded to it in connection with the
12 hearing such as the right to discovery, the right to present evidence in defense of the allegations
13 in the Accusation and the right to cross-examine witnesses.

14 3. SAN FRANCISCO FUNDING, INC., further agrees that upon acceptance
15 by the Commissioner, as evidenced by an appropriate order, all affidavits and all relevant
16 evidence obtained by the Department in this matter prior to the Commissioner's acceptance, and
17 all allegations contained in the Accusation filed in the Department Case No. H-3422 SD, may be
18 considered by the Department to be true and correct for the purpose of deciding whether to grant
19 relicensure or reinstatement pursuant to Government Code Section 11522.

20 4. SAN FRANCISCO FUNDING, INC., freely and voluntarily surrenders
21 all of its licenses and license rights under the Real Estate Law.

22 I declare under penalty of perjury under the laws of the State of California that
23 the above is true and correct and that this declaration was executed Jun 10
24 2009, at San Diego, California.

25
26 
27 SARAH McBRIDE SELLES

1 MICHAEL B. RICH, Counsel
2 State Bar No. 84257
3 Department of Real Estate
4 P. O. Box 187007
5 Sacramento, CA 95818-7007
6
7 Telephone: (916) 227-0789

FILED
FEB 23 2006

DEPARTMENT OF REAL ESTATE

By S. Chy

8 BEFORE THE DEPARTMENT OF REAL ESTATE
9 STATE OF CALIFORNIA

10 * * *

11 In the Matter of the Accusation of)
12 SAN FRANCISCO FUNDING, INC.,) NO. H-3422 SD
13 and SARAH McBRIDE SELIS,)
14 Respondents.) ACCUSATION

15
16 The Complainant, J. CHRIS GRAVES, a Deputy Real Estate
17 Commissioner of the State of California, for Causes of Accusation
18 against SAN FRANCISCO FUNDING, INC., doing business under the
19 fictitious name of LENDERS ORGINATION SERVICES, and against SARAH
20 McBRIDE SELIS, is informed and alleges as follows:

21 FIRST CAUSE OF ACTION

22 I

23 Respondents SAN FRANCISCO FUNDING, INC., (hereafter
24 referred to as "Respondent SFFI") and SARAH McBRIDE SELIS
25 (hereafter referred to as "Respondent SELIS") are presently
26 licensed and/or have license rights under the Real Estate Law,

27 ///

1 Part 1 of Division 4 of the California Business and Professions
2 Code (hereafter "the Code").

3 II

4 The Complainant, J. CHRIS GRAVES, a Deputy Real Estate
5 Commissioner of the State of California, makes this Accusation
6 against Respondents in his official capacity and not otherwise.

7 III

8 At all times herein mentioned, Respondent SFFI was and
9 is licensed by the Department of Real Estate (hereafter "the
10 Department") as a real estate broker corporation and through
11 Respondent SELIS as its designated broker officer.

12 IV

13 At all times herein mentioned, Respondent SELIS was
14 and is licensed by the Department as a real estate broker, and
15 individually as the designated broker officer of Respondent
16 SFFI. As said designated officer/broker, Respondent SELIS was at
17 all times mentioned herein responsible pursuant to Section
18 10159.2 of the Code for the supervision of the activities of the
19 officers, agents, real estate licensees and employees of
20 Respondent VLI for which a license is required.

21 V

22 Whenever reference is made in an allegation in this
23 Accusation to an act or omission of Respondent SFFI, such
24 allegation shall be deemed to mean that the officers, directors,
25 employees, agents and real estate licensees employed by or
26 associated with Respondent SFFI committed such act or omission
27 while engaged in the furtherance of the business or operations of

1 Respondent SFFI and while acting within the course and scope of
2 their corporate authority and employment.

3 VI

4 At all times herein mentioned, Respondent SFFI engaged
5 in the business of, acted in the capacity of, advertised, or
6 assumed to act as a real estate broker within the State of
7 California within the meaning of Section 10131(d) of the Code,
8 including the operation of and conduct of a mortgage loan
9 brokerage business with the public wherein lenders and borrowers
10 were solicited for loans secured directly or collaterally by
11 liens on real property, wherein such loans were arranged,
12 negotiated, processed, and consummated on behalf of others for
13 compensation or in expectation of compensation, and/or wherein
14 such loans were serviced and payments thereon were collected on
15 behalf of others.

16 VII

17 In so acting as a mortgage loan broker and agent as set
18 forth in Paragraph VI, above, Respondent SFFI accepted or
19 received funds in trust (hereinafter "trust funds") from or on
20 behalf of lenders or investors, borrowers, and others in
21 connection with the solicitation, negotiation, processing,
22 packaging, and consummation of mortgage loans by Respondent SFFI
23 as alleged herein.

24 VIII

25 The aforesaid trust funds accepted or received by
26 Respondent SFFI were deposited or caused to be deposited by
27 Respondent SFFI into a bank account maintained by Respondent SFFI

1 for the handling of trust funds at Wells Fargo Bank, P. O. Box
2 6995, Portland, Oregon, Account No. 167-0311792, entitled "San
3 Francisco Funding, Inc. dba Lenders Origination Services Trust
4 Account" (hereinafter "Trust Account #1);

5 IX

6 Within the three year period next preceding the filing
7 of this Accusation, in connection with the receipt and
8 disbursement of trust funds as above alleged, Respondent CFRI:

9 (a) Failed to maintain a written control record of all
10 trust funds received and disbursed containing all
11 information required by Section 2831 of the
12 Regulations, including but not limited to
13 recordation of all deposits, from whom received,
14 amount of deposit, check numbers and dates of
15 disbursements, recordation of dates of receipt, and
16 recordation of accurate dates of deposit of trust
17 funds for Trust Account #1; and,

18 (b) Failed to keep a separate record for each
19 beneficiary or transaction, accounting for all
20 funds that have been deposited to the broker's
21 trust account, containing all of the information
22 required by Section 2831.1 of the Regulations,
23 including, but not limited to an accurate daily
24 balance after posting transactions for Trust
25 Account #1.
26
27

1 X

2 Respondent SFFI failed to maintain copies of all
3 listings, deposit receipts, canceled checks and trust records and
4 other documents executed by it or obtained by it in connection
5 with transactions for which a real estate license is required for
6 a period of three years as required by Section 10148 of the Code.

7 XI

8 Respondent SFFI failed to maintain on file with the
9 Real Estate Commissioner a new address for its principal place of
10 business and/or its current mailing address for its real estate
11 brokerage activities.

12 XII

13 The acts and/or omissions of Respondent SFFI as alleged
14 above constitute grounds for disciplinary action under the
15 following provisions:

- 16 (a) As to Respondent SFFI as alleged in Paragraph
17 IX(a), under Section 2831 of the Regulations in
18 conjunction with Section 10177(d) of the Code;
19 (b) As to Respondent SFFI as alleged in Paragraph
20 IX(b), under Section 2831.1 of the Regulations in
21 conjunction with Section 10177(d) of the Code;
22 (c) As to Respondent SFFI as alleged in Paragraph X,
23 under Section 10148 of the Code in conjunction
24 with Section 10177(d) of the Code;
25 (d) As to Respondent SFFI as alleged in Paragraph XI,
26 under Section 2715 of the Regulations and/or
27

1 Section 10162 of the Code under the provisions of
2 Section 10165 and/or Section 10177(d) of the Code.

3 SECOND CAUSE OF ACTION

4 XIII

5 There is hereby incorporated in this Second, separate
6 and distinct Cause of Action, all of the allegations contained in
7 Paragraphs I through XI, inclusive, of the First Cause of Action
8 with the same force and effect as if herein fully set forth.

9 XIV

10 At all times above mentioned, Respondent SELIS was
11 responsible, as the designated broker officer of Respondent SFFI,
12 for the supervision and control of the activities conducted on
13 behalf of the corporation by its officers and employees.
14 Respondent SELIS failed to exercise reasonable supervision and
15 control over the mortgage brokering activities of Respondent
16 SFFI. In particular, Respondent SELIS permitted, ratified and/or
17 caused the conduct described in the First Cause of Action, above,
18 to occur, and failed to take reasonable steps, including but not
19 limited to the handling of trust funds, supervision of employees,
20 and the implementation of policies, rules, procedures, and
21 systems to ensure the compliance of the corporation with the Real
22 Estate Law.

23 XV

24 The above acts and/or omissions of Respondent SELIS
25 constitute grounds for disciplinary action under the provisions
26 of Section 10177(h) of the Code and/or Section 10159.2 of the
27 Code in conjunction with Section 10177(d) of the Code.

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 action
4 against all license(s) and license rights of Respondent under the
5 Real Estate Law (Part 1 of Division 4 of the Business and
6 Professions Code), and for such other and further relief as may
7 be proper under other provisions of law.

8
9 *J. Chris Graves*
10 J. CHRIS GRAVES
 Deputy Real Estate Commissioner

11 Dated at San Diego,
12 this 25th day of January, 2006.
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