

By K. Contreras

* * *

DECISION

FINDINGS OF FACT

I

On July 9, 2003, no Notice of Defense having been filed herein within the time prescribed by Section 11506 of the Government Code, Respondent's default was entered herein.

II

Respondent is presently licensed and/or has license rights under the Real Estate Law, Part 1 of Division 4 of the California Business and Professions Code (hereinafter "Code") as an expired real estate broker with the right to late renew said license.

III

Within the last three years, Respondent engaged in activities on behalf of others for which a real estate license is required, for or in expectation of compensation, under Sections 10131(d) and 10131(e) of the Code. Said acts include the operation and conduct of a mortgage loan brokerage business with the public wherein, on behalf of others, for compensation or in expectation of compensation, Respondent solicited lenders and borrowers for loans secured directly or collaterally by liens on real property, wherein Respondent arranged, negotiated, processed, and consummated such loans, and wherein Respondent serviced and collected payments on such loans.

IV

Beginning in or about December of 2002, the Department conducted an audit of the books and records of Respondent for the time period of January 1, 2001 to December 31, 2002.

V

During the course of the activities described in Paragraph III above, Respondent received and disbursed funds in trust on behalf of others.

VI

Within the last three years, Respondent deposited trust funds into a bank account as follows: "Redwood Financial Trust Account," a checking account at Roseville 1st National Bank, in Roseville, California, account number 146390.

VII

In connection with the collection and disbursement of trust funds, Respondent failed to deposit and maintain trust funds in a trust account or neutral escrow depository, or to deliver them into the hands of the owners of the funds as required by Section 10145 of the Code, in such a manner that as of October 31, 2002, there was a total trust fund shortage of not less than \$37,601.43 in Respondent's Trust Account.

VIII

Respondent failed to obtain the prior written consent of the principals for the reduction of the aggregate balance of trust funds in the trust account to an amount less than the existing aggregate trust fund liability to the owners of said funds.

DETERMINATION OF ISSUES

I

Cause for disciplinary action against Respondent exists pursuant to Business and Professions Code Section 10177(d) in conjunction with Section 10145 and Section 2832.1 of Title 10, California Code of Regulations.

II

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

ORDER

All licenses and licensing rights of Respondent REDWOOD FINANCIAL, INC., under the provisions of Part I of Division 4 of the Business and Professions Code are revoked.

This Decision shall become effective at 12 o'clock noon
on August 9, 2005.

DATED: 6 30, 2005

JEFF DAVI
Real Estate Commissioner



1 Department of Real Estate
2 P. O. Box 187000
3 Sacramento, CA 95818-7000
4 Telephone: (916) 227-0789

FILED
JUL - 9 2003

DEPARTMENT OF REAL ESTATE

By Kathleen Contreras

8 BEFORE THE DEPARTMENT OF REAL ESTATE

9 STATE OF CALIFORNIA

10 * * *

11 In the Matter of the Accusation of)

12 REDWOOD FINANCIAL, INC.)

13 Respondent.)
14

NO. H-3812 SAC

DEFAULT ORDER

15 Respondent, REDWOOD FINANCIAL, INC., having failed to
16 file a Notice of Defense within the time required by Section
17 11506 of the Government Code, is now in default. It is,
18 therefore, ordered that a default be entered on the record in
19 this matter.

20 IT IS SO ORDERED JULY 9, 2003.

21 PAULA REDDISH ZINNEMANN
22 Real Estate Commissioner

23
24
25 By:

Steven J. Ellis
26 STEVEN J. ELLIS
27 Regional Manager

LARRY A. ALAMAO, Counsel (SBN 47379)
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FILED
MAY 15 2003

DEPARTMENT OF REAL ESTATE

By *Kathleen Contreras*

BEFORE THE DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

* * *

In the Matter of the Accusation of)	
REDWOOD FINANCIAL INC.,)	No. H-3812 SAC
Respondent.)	<u>ACCUSATION</u>

The Complainant, Charles W. Koenig, a Deputy Real Estate Commissioner of the State of California, for causes of Accusation against REDWOOD FINANCIAL INC., is informed and alleges as follows:

I

Respondent REDWOOD FINANCIAL INC. is presently licensed and/or has license rights under the Real Estate Law, Part 1 of Division 4 of the California Business and Professions Code (hereafter the Code).

II

The Complainant, Charles W. Koenig, a Deputy Real Estate Commissioner of the State of California, makes this Accusation against Respondent in his official capacity and not otherwise.

1 III

2 At all times herein mentioned, REDWOOD FINANCIAL INC.,
3 (hereafter Respondent) was licensed by the State of California
4 Department of Real Estate (hereafter Department) as a real estate
5 broker corporation. Respondent currently has a right of late
6 renewal of said license.

7 IV

8 Within the last three years, Respondent engaged in
9 activities on behalf of others for which a real estate license
10 is required, for or in expectation of compensation, under
11 Sections 10131(d) and 10131(e) of the Code. Said acts include
12 the operation and conduct of a mortgage loan brokerage business
13 with the public wherein, on behalf of others, for compensation
14 or in expectation of compensation, Respondent solicited lenders
15 and borrowers for loans secured directly or collaterally by
16 liens on real property, wherein Respondent arranged, negotiated,
17 processed, and consummated such loans, and wherein Respondent
18 serviced and collected payments on such loans.

19 V

20 Beginning in or about December of 2002, the Department
21 conducted an audit of the books and records of Respondent for
22 the time period of January 1, 2001 to December 31, 2002
23 (hereafter the audit period), as set forth in more detail in
24 Department Audit Report No. SC020068, dated February 23, 2003,
25 and accompanying working papers and exhibits.

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27 ///

1 VI

2 During the course of the activities described in
3 Paragraph IV above, Respondent received and disbursed funds in
4 trust on behalf of others.

5 VII

6 Within the last three years, Respondent deposited
7 trust funds into a bank account as follows:

8 Trust Account #1: "Redwood Financial Trust
9 Account," a checking account at Roseville 1st
10 National Bank, in Roseville, California, account
11 number 146390.

12 VIII

13 In connection with the collection and disbursement of
14 trust funds, Respondent failed to deposit and maintain trust
15 funds in a trust account or neutral escrow depository, or to
16 deliver them into the hands of the owners of the funds as
17 required by Section 10145 of the Code, in such a manner that as
18 of October 31, 2002, there was a total trust fund shortage of
19 not less than \$37,601.43 in Trust Account #1.

20 IX

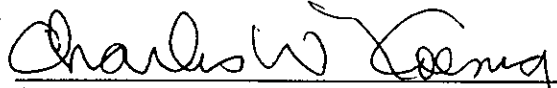
21 Respondent failed to obtain the prior written consent
22 of the principals for the reduction of the aggregate balance of
23 trust funds in the trust account to an amount less than the
24 existing aggregate trust fund liability to the owners of said
25 funds, in conformance with Section 2832.1 of Title 10, California
26 Code of Regulations (hereafter, Regulations).

27 ///

X

The acts and/or omissions of Respondent as alleged above violate Section 10145 of the Code and Section 2832.1 of the Regulations and constitute grounds for disciplinary action under Section 10177(d) of the Code.

WHEREFORE, Complainant prays that a hearing be conducted on the allegations of this Accusation and that upon proof thereof, a decision be rendered imposing disciplinary action against all licenses and license rights of Respondent under the Real Estate Law (Part 1 of Division 4 of the Business and Professions Code), and for such other and further relief as may be proper under other provisions of law.


CHARLES W. KOENIG
Deputy Real Estate Commissioner

Dated at Sacramento, California,
this 27th day of March, 2003.