

FILED
MAY 05 2005

BEFORE THE
DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA

DEPARTMENT OF REAL ESTATE

By Candace Mawver

* * *

In the Matter of the Accusation of)
CHL MORTGAGE GROUP, INC.) NO. H-9077 SF
Respondent.) OAH NO. L-2005020118
_____)

DECISION

The Proposed Decision dated April 13, 2005, of the Administrative Law Judge of the Office of Administrative Hearings is hereby adopted as the Decision of the Real Estate Commissioner in the above-entitled matter.

The Decision suspends or revokes one or more real estate licenses on grounds of the conviction of a crime.

The right to reinstatement of a revoked real estate license or to the reduction of a suspension is controlled by Section 11522 of the Government Code. A copy of Section 11522 and a copy of the Commissioner's Criteria of Rehabilitation are attached hereto for the information of respondent.

This Decision shall become effective at 12 o'clock noon
on MAY 25, 2005.

IT IS SO ORDERED 5-3 05

JEFF DAVI
Real Estate Commissioner

[Signature]

BEFORE THE
DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA

In the Matter of the Accusation of:

CHL MORTGAGE GROUP, INC.,

Respondent.

Case No. H-9077 SF

OAH No. N2005020118

PROPOSED DECISION

Administrative Law Judge Melissa G. Crowell, State of California, Office of Administrative Hearings, heard this matter in Oakland, California, on March 29, 2005.

Real Estate Counsel Truly Sughrue represented complainant Deputy Real Estate Commissioner Les R. Bettencourt.

There was no appearance on behalf of respondent CHL Mortgage Group, Inc.

The matter was submitted on March 29, 2005.

FACTUAL FINDINGS

1. Complainant Les R. Bettencourt filed the accusation in his capacity as a Deputy Real Estate Commissioner of the State of California.
2. Respondent CHL Mortgage Group, Inc., was licensed under the Real Estate Law (Bus. & Prof. Code, div. 4, pt. 1) as a real estate broker. The license was originally issued on January 18, 2001, and was cancelled as of January 10, 2005. Gennaro James Pollio was listed as the designated officer from October 22, 2001 to January 10, 2005. Respondent continues to have license rights under the Real Estate Law.
3. Upon a determination that respondent had been properly served with the accusation and the notice of hearing in accordance with the requirements of the Administrative Procedure Act, this matter proceeded as a default hearing pursuant to Government Code section 11520.
4. Laurence Seidenfeld is chief executive officer, chief financial officer, president and secretary of respondent. It was neither alleged nor established that Seidenfeld holds a real estate license.

5. On November 12, 2003, Seidenfeld was convicted in the United States District Court, Northern District of California, on his plea of guilty to violating United States Code, title 18, section 1344, subdivision (1), bank fraud. Bank fraud is a crime involving moral turpitude and it is substantially related to the qualifications, functions, and duties of a real estate licensee. In his plea agreement, Seidenfeld admitted to knowingly carrying out a scheme to obtain money or property from Provident Bank of Cincinnati by making false statements or promises in connection with loan documents he submitted to the bank.

6. No evidence in mitigation or rehabilitation was presented or considered.

LEGAL CONCLUSIONS

1. Under Business and Professions Code section 10177, subdivision (b), the Commissioner may suspend or revoke the real estate license and license rights of a corporation if an officer, director, or person owning or controlling 10 percent or more of the corporation's stock has been convicted of a felony, or of a crime involving moral turpitude. By reason of the matters set forth in Factual Findings 4 and 5, it was established that an officer of the corporation has been convicted of bank fraud, an offense that involves moral turpitude. The offense is substantially related to the qualifications, functions, and duties of a real estate licensee in that it involves the fraudulent taking, obtaining, appropriating or retaining of funds or property belonging to another person (Cal. Code Regs., tit. 10, § 2910, subd. (a)(1)), and involves the employment of fraud to achieve an end (Cal. Code Regs., tit. 10, § 2910, subd. (a)(4)). Cause exists to suspend or revoke respondent's real estate license and license rights pursuant to Business and Professions Code section 10177, subdivision (b).

2. It would be contrary to the public interest to allow respondent to retain its corporate license and/or license rights.

ORDER

All license and license rights of CHL Mortgage Group, Inc., under the Real Estate Law are revoked.

DATED: April 13, 2005



MELISSA G. CROWELL
Administrative Law Judge
Office of Administrative Hearings

**BEFORE THE DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA**

FILED
JAN 31 2005

DEPARTMENT OF REAL ESTATE

By Anne Shawyer

In the Matter of the Accusation of

CHL MORTGAGE GROUP, INC.

} Case No. 9077 SF

} OAH No.

Respondents

NOTICE OF HEARING ON ACCUSATION

To the above named respondent:

You are hereby notified that a hearing will be held before the Department of Real Estate at **THE OFFICE OF ADMINISTRATIVE HEARINGS, 1515 CLAY STREET, SUITE 206, OAKLAND, CA 94612** on **THURSDAY, MARCH 10, 2005**, at the hour of **1:30 P.M.**, or as soon thereafter as the matter can be heard, upon the Accusation served upon you. If you object to the place of hearing, you must notify the presiding administrative law judge of the Office of Administrative Hearings within ten (10) days after this notice is served on you. Failure to notify the presiding administrative law judge within ten days will deprive you of a change in the place of the hearing.

You may be present at the hearing. You have the right to be represented by an attorney at your own expense. You are not entitled to the appointment of an attorney to represent you at public expense. You are entitled to represent yourself without legal counsel. If you are not present in person nor represented by counsel at the hearing, the Department may take disciplinary action against you based upon any express admission or other evidence including affidavits, without any notice to you.

You may present any relevant evidence and will be given full opportunity to cross-examine all witnesses testifying against you. You are entitled to the issuance of subpoenas to compel the attendance of witnesses and the production of books, documents or other things by applying to the Department of Real Estate.

The hearing shall be conducted in the English language. If you want to offer the testimony of any witness who does not proficiently speak the English language, you must provide your own interpreter and pay his or her costs. The interpreter must be certified in accordance with Sections 11435.30 and 11435.55 of the Government Code.

DEPARTMENT OF REAL ESTATE

Dated: JANUARY 31, 2005

By Truly Sughrue
TRULY SUGHRUE, Counsel

1 TRULY SUGHRUE, Counsel
2 State Bar No. 223266
3 Department of Real Estate
4 P.O. Box 187007
5 Sacramento, CA 95818-7007
6
7 Telephone: (916) 227-0781

FILED

JAN 03 2005

DEPARTMENT OF REAL ESTATE

By Jean Dumont

8 BEFORE THE DEPARTMENT OF REAL ESTATE

9 STATE OF CALIFORNIA

10 * * *

11 In the Matter of the Accusation of)
12 CHL MORTGAGE GROUP, INC.,)
13 Respondent.)

No. H- 9077 SF

ACCUSATION

14
15 The Complainant, LES R. BETTENCOURT, a Deputy Real
16 Estate Commissioner of the State of California, for cause of
17 Accusation against CHL MORTGAGE GROUP, INC. (hereinafter
18 "Respondent"), is informed and alleges as follows:

19 I

20 The Complainant, LES R. BETTENCOURT, a Deputy Real
21 Estate Commissioner of the State of California, makes this
22 Accusation in his official capacity.

23 II

24 Respondent is presently licensed and/or has license
25 rights under the Real Estate Law (Part 1 of Division 4 of the
26 Business and Professions Code) (Code) as a real estate broker
27 corporation.

III

Beginning at least on or about January 18, 2001 and continuing thereafter, LAURENCE SEIDENFELD was a director and Chief Executive Officer of, and owned or controlled ten percent (10%) or more of the corporate stock of Respondent CHL MORTGAGE GROUP, INC.

IV

On or about November 13, 2003, in the United States District Court, Northern District of California, LAURENCE SEIDENFELD was convicted of a violation of Title 18 United States Code Section 1344(1) (Bank Fraud), a crime involving moral turpitude which bears a substantial relationship under Section 2910, Title 10, California Code of Regulations, to the qualifications, functions, or duties of a real estate licensee.

V

The facts alleged above are grounds for the suspension or revocation of the real estate licenses and license rights of Respondent under Section 10177(b) of the Code.

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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 the provisions of law.

Les R. Beaucourt

LES R. BETTENCOURT
Deputy Real Estate Commissioner

Dated at Oakland, California,
this 24th day of December, 2004