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**FILEC**

MAY 26 2009

DEPARTMENT OF REAL ESTATE  
BY: *Pelley*

BEFORE THE DEPARTMENT OF REAL ESTATE  
STATE OF CALIFORNIA

\* \* \*

In the Matter of the Accusation of	)	No. H-34636 LA
	)	
<u>HARTFORD MORTGAGE SERVICES</u>	)	
<u>INC.</u> ; and ANTHONY P. CARA,	)	
individually and as designated	)	
officer of Hartford Mortgage	)	
Services Inc.,	)	
	)	
Respondents	)	
	)	

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DECISION

This Decision is being issued in accordance with the provisions of Section 11520 of the Government Code, on evidence of compliance with Section 11505 of the Government Code and pursuant to the Order of Default filed on May 8, 2009, and the findings of fact set forth herein are based on one or more of the following: (1) Respondent HARTFORD MORTGAGE SERVICES INC.'s and ANTHONY P. CARA's express admissions; (2) affidavits; and (3) Department Audit Report LA 060055 and (4) other evidence.

## FACTUAL FINDINGS

1.

On December 7, 2007, Robin Trujillo made the Accusation in her official capacity as a Deputy Real Estate Commissioner of the State of California. The Accusation, Statement to Respondent, and Notice of Defense were mailed by certified mail, to Respondents' last known mailing addresses on file with the Department of Real Estate ("Department") on January 11, 2008.

2.

On January 24, 2008, ANTHONY P. CARA filed a Notice of Defense. On April 13, 2009, a Stipulation and Agreement was filed, in which ANTHONY P. CARA withdrew his Notice of Defense and agreed to penalties and sanctions, as set forth in the Order of the Stipulation and Agreement.

3.

On May 8, 2009, no Notice of Defense having been filed by HARTFORD MORTGAGE SERVICES INC. within the time prescribed by Section 11506 of the Government Code, Respondents HARTFORD MORTGAGE SERVICES INC.'s ("HMSI") default was entered herein.

## LICENSE HISTORY

4.

At all times mentioned, HMSI was licensed or had license rights issued by the Department as a real estate broker. On October 29, 2003, HMSI was originally licensed as a corporate real estate broker.

## BROKERAGE

5.

At all times mentioned, in the City of Lake Forest, County of Orange, HMSI acted as a real estate broker and conducted licensed activities within the meaning of:

Code Section 10131(d). HMSI operated a mortgage and loan brokerage dba Hartford Mortgage Company, Hartford Mortgage Services and Hartford Mortgage.

## AUDIT

6.

On June 11, 2007, the Department completed an audit examination of the books and records of HMSI pertaining to the mortgage and loan activities described in Finding 5, which require a real estate license. The audit examination covered a period of time beginning on January 3, 2006 to March 31, 2007. The audit examination revealed violations of the Code and the Regulations as set forth in the following paragraphs, and more fully discussed in Audit Reports LA 060055 and the exhibits and workpapers attached to said audit reports.

## TRUST ACCOUNT

7.

During the audit period HMSI did not maintain a trust account.

## VIOLATIONS

8.

In the course of activities described in Finding 5 above, and during the examination period described in Finding 6, Respondent HMSI acted in violation of the Code and the Regulations in that it:

(a) (1) On January 26, 2006, Respondent HMSI issued a Non Sufficient Funds check (#1454) in the amount of \$375 from its general account to borrower Lorraine Pesetti in reimbursement for her payment of appraisal fees, in violation of Code Section 10177(g).

(a) (2) On March 2, 2006, Respondent HMSI issued a Non Sufficient Funds check (#1462) in the amount of \$375 from its general account to borrower Lynne Ray in reimbursement for her payment of appraisal fees, in violation of Code Section 10177(g).

(b) Permitted and/or caused the disbursement of trust funds to credit report companies and appraisers on the representation that these amounts were needed to pay for credit report and appraisal fees, which payments exceeded the actual costs of these services. Respondent did not disclose these "mark-ups" to trust fund beneficiaries Ross Quam, Vladimir Meisner, Larry Albright, Maria Elena Banks, Deidre Boone, and Margaret Garrison, nor did HMSI obtain these beneficiaries consent to these "mark-ups". Respondent HMSI retained the difference between the amounts paid

and the actual costs of the services, in violation of Code Sections 10176(a), 10176(g) and 10177(g).

(c) Mixed and commingled trust funds and personal funds by depositing appraisal and credit report fees received at the close of escrow into HMSI's general operating account and issuing checks therefrom to the appraisers or credit companies after the escrow checks were deposited, in violation of Code Sections 10145, 10176(e) and 2832(a).

(d) Failed to maintain a control record in the form of a columnar record in chronological order of all "Trust Funds Received, Not Placed Broker's Trust Account", in violation of Code Section 10145 and Regulation 2831.

(e) Failed to maintain an accurate and complete separate record for each beneficiary or transaction, thereby failing to account for all trust funds received in the form of appraisal and credit report fees for each loan transaction, in violation of Code Section 10145 and Regulation 2831.1.

(f) Failed to provide, maintain or retain a true and correct copy of a Department of Real Estate approved Mortgage Loan Disclosure Statement signed by the broker for borrowers Billy/Shelia Sakoda, Ross Quam, Larry Albright and Margaret Garrison, in violation of Code Section 10240 and Regulation 2840.

(g) Failed to display HMSI's corporation's license number on all Mortgage Loan Disclosure Statements, in violation of Code Section 10236.4.

(h) Used the fictitious names of "Hartford Mortgage Company", "Hartford Mortgage Services" and "Hartford Mortgage" to conduct licensed activities including mortgage loans and broker-controlled escrows without holding a license bearing said fictitious business names, in violation of Code Section 10159.5 and Regulation 2731.

#### NEGLIGENCE

9.

The overall conduct of Respondent HMSI constitutes negligence or incompetence. This conduct and violation are cause for the suspension or revocation of the real estate license and license rights of said Respondents pursuant to Code Section 10177(g).

DETERMINATION OF ISSUES

1.

The conduct of Respondent HMSI as described in Finding 8, herein above, is in violation of Code Sections 10145, 10240, 10236.4 and 10159.5 and Title 10, Chapter 6; California Code of Regulations ("Regulations") 2731, 2831, 2831.1, 2832(a) and 2840, and is cause for disciplinary action pursuant to Code Sections 10176(a), 10176(e), 10176(g), 10177(d) and 10177(g).

2.

The conduct of Respondent HMSI, as described in Findings 8 and 9, herein above, constitutes negligence and is cause for disciplinary action pursuant to Code Section 10177(g).

3.

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

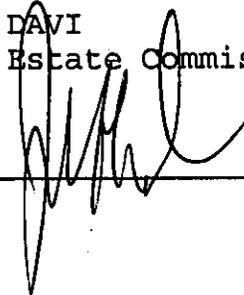
ORDER

The real estate broker license and license rights of Respondent HARTFORD MORTGAGE SERVICES 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 June 15, 2009

DATED: 5-19, 2009

JEFF DAVI  
Real Estate Commissioner



\_\_\_\_\_

1 Department of Real Estate  
2 320 West 4th Street, Ste. 350  
3 Los Angeles, California 90013-1105

4 (213) 576-6982

**FILED**

MAY - 8 2009

DEPARTMENT OF REAL ESTATE

BY: *Healy*

6  
7  
8 BEFORE THE DEPARTMENT OF REAL ESTATE

9 STATE OF CALIFORNIA

10 \* \* \*

11 In the Matter of the Accusation of )

No. H-34636 LA

12 HARTFORD MORTGAGE SERVICES INC. )  
13 and, ANTHONY P. CARA, individually )  
14 and as designated officer of )  
15 Hartford Mortgage Services Inc., )

16 Respondents )

17 DEFAULT ORDER

18 Respondent HARTFORD MORTGAGE SERVICES INC., having  
19 failed to file a Notice of Defense within the time required by  
20 Section 11506 of the Government Code, are now in default. It  
21 is, therefore, ordered that a default be entered on the record  
22 in this matter.

23 IT IS SO ORDERED

*May 8, 2009*  
JEFF DAVI

Real Estate Commissioner

24 *Dolores Weeks*  
25 By: DOLORES WEEKS

Regional Manager

*Sack*

1 Department of Real Estate  
2 320 West 4th Street, Ste. 350  
3 Los Angeles, California 90013-1105  
4  
5 Telephone: (213) 576-6982 (office)  
6  
7

**FILED**

APR 13 2009

DEPARTMENT OF REAL ESTATE  
BY: *Denise J*

8 BEFORE THE DEPARTMENT OF REAL ESTATE  
9 STATE OF CALIFORNIA

10 \* \* \*

11 In the Matter of the Accusation of )  
12 )  
13 HARTFORD MORTGAGE SERVICES INC.; )  
14 and ANTHONY P. CARA, individually )  
15 and as designated officer of )  
16 Hartford Mortgage Services Inc. )  
17 Respondents, )  
18 )

No. H-34636 LA  
STIPULATION  
AND  
AGREEMENT

17 It is hereby stipulated by and between Respondent  
18 ANTHONY P. CARA, individually and as designated officer of  
19 Hartford Mortgage Services Inc. (sometimes referred to as  
20 "Respondent"), represented by Kenneth Richard, Esq. and the  
21 Complainant, acting by and through Elliott Mac Lennan, Counsel  
22 for the Department of Real Estate, as follows for the purpose of  
23 settling and disposing of the Accusation ("Accusation") filed on  
24 January 11, 2008, in this matter:

25 1. All issues which were to be contested and all  
26 evidence which was to be presented by Complainant and Respondent  
27

1 at a formal hearing on the Accusation, which hearing was to be  
2 held in accordance with the provisions of the Administrative  
3 Procedure Act ("APA"), shall instead and in place thereof be  
4 submitted solely on the basis of the provisions of this  
5 Stipulation and Agreement (Stipulation).

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

10           3. Respondent filed a Notice of Defense pursuant to  
11 Section 11506 of the Government Code for the purpose of  
12 requesting a hearing on the allegations in the Accusation.  
13 Respondent hereby freely and voluntarily withdraws said Notice of  
14 Defense. Respondent acknowledges that he understands that by  
15 withdrawing said Notice of Defense he thereby waives his right to  
16 require the Commissioner to prove the allegations in the  
17 Accusation at a contested hearing held in accordance with the  
18 provisions of the APA and that he will waive other rights  
19 afforded to him in connection with the hearing such as the right  
20 to present evidence in his defense of the allegations in the  
21 Accusation and the right to cross-examine witnesses.

22           4. This Stipulation is based on the allegations  
23 contained in the Accusation above. In the interest of expedience  
24 and economy, Respondent chooses not to contest these allegations,  
25 but to remain silent and understands that, as a result thereof,  
26  
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1 these allegations, without being admitted or denied, will serve  
2 as a prima facie basis for the disciplinary action stipulated to  
3 herein. The Real Estate Commissioner shall not be required to  
4 provide further evidence to prove said allegations.

5 5. This Stipulation is made for the purpose of  
6 reaching an agreed disposition of this proceeding and is  
7 expressly limited to this proceeding and any other proceeding or  
8 case in which the Department of Real Estate ("Department"), the  
9 state or federal government, or any agency of this state, another  
10 state or federal government is involved, and otherwise shall not  
11 be admissible in any other criminal or civil proceedings.

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

23 7. The Order or any subsequent Order of the Real  
24 Estate Commissioner made pursuant to this Stipulation shall not  
25 constitute an estoppel, merger or bar to any further  
26 administrative or civil proceedings by the Department of Real  
27

1 Estate with respect to any matters which were not specifically  
2 alleged to be causes for Accusation in this proceeding but do  
3 constitute a bar, estoppel and merger as to any allegations  
4 actually contained in the Accusation against Respondent herein.

5 8. Respondent understands that by agreeing to this  
6 Stipulation, Respondent agrees to pay, pursuant to Business and  
7 Professions Code Section 10148, the cost of the audit. The  
8 amount of said cost for the audit is \$4,690.50.

9 9. Respondent has received, read, and understands the  
10 "Notice Concerning Costs of Subsequent Audit". Respondent  
11 further understands that by agreeing to this Stipulation, the  
12 findings set forth below in the Determination of Issues become  
13 final, and the Commissioner may charge Respondent for the cost of  
14 any subsequent audit conducted pursuant to Business and  
15 Professions Code Section 10148 to determine if the violations  
16 have been corrected. The maximum cost of the subsequent audit  
17 will not exceed \$4,690.50.

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DETERMINATION OF ISSUES

1 By reason of the foregoing, it is stipulated and agreed  
2 that the following determination of issues shall be made:  
3

4 The conduct of ANTHONY P. CARA, as described in  
5 Paragraph 4, above, constitutes violations of Business and  
6 Professions Code Sections 10145 and 10236.4 and is a basis for  
7 discipline of Respondent's license and license rights as  
8 violation of the Real Estate Law pursuant to Code Section  
9 10177(d).

ORDER

10 WHEREFORE, THE FOLLOWING ORDER is hereby made:  
11

12 I.A. All licenses and licensing rights of Respondent  
13 ANTHONY P. CARA under the Real Estate Law are suspended for a  
14 period of ninety (90) days from the effective date of this  
15 Decision; provided, however, that forty-five (45) days of said  
16 suspension shall be stayed for two (2) years upon the following  
17 terms and conditions:  
18

19 1. Respondent shall obey all laws, rules and  
20 regulations governing the rights, duties and responsibilities of  
21 a real estate licensee in the State of California.

22 2. That no final subsequent determination be made,  
23 after hearing or upon stipulation, that cause for disciplinary  
24 action occurred within two (2) years of the effective date of  
25 this Decision. Should such determination be made, the  
26 Commissioner may, in his discretion, vacate and set aside the  
27

1 stay order and reimpose all or a portion of the stayed  
2 suspension. Should no such determination be made, the stay  
3 imposed herein shall become permanent.

4 I.B. The initial forty-five (45) day portion of said  
5 ninety (90) day suspension shall commence on the effective date  
6 of this Decision; provided, however, that if Respondent  
7 petitions, said suspension shall be stayed upon condition that:

8 1. Pursuant to Section 10175.2 of the Business and  
9 Professions Code, Respondent shall pay a monetary penalty of One  
10 Hundred dollars (\$100.00) per day or Four Thousand Five Hundred  
11 Dollars (\$4,500).

12 2. Said payment shall be in the form of a cashier's  
13 check or certified check made payable to the Recovery Account of  
14 the Real Estate Fund. Said check must be received by the  
15 Department prior to the effective date of the Decision.

16 3. No further cause for disciplinary action against  
17 the real estate license of Respondent occurs within two (2) years  
18 from the effective date of the Decision in this matter.

19 4. If Respondent fails to pay the monetary penalty in  
20 accordance with the terms and conditions of the Decision, the  
21 Commissioner may, without a hearing, order the immediate  
22 execution of all or any part of the stayed suspension in which  
23 event Respondent shall not be entitled to any repayment nor  
24 credit, prorated or otherwise, for money paid to the Department  
25 under the terms of this Decision.  
26  
27

1 5. If Respondent pays the monetary penalty and  
2 provides evidence as required, above, and if no further cause for  
3 disciplinary action against the real estate license of Respondent  
4 occurs within two (2) years from the effective date of the  
5 Decision, the stay hereby granted shall become permanent.

6 II. All licenses and licensing rights of Respondent  
7 ANTHONY P. CARA are indefinitely suspended unless or until  
8 Respondent provides proof satisfactory to the Commissioner, of  
9 having taken and successfully completed the continuing education  
10 course on trust fund accounting and handling specified in  
11 paragraph (3) of subdivision (a) of Section 10170.5 of the  
12 Business and Professions Code. Proof of satisfaction of this  
13 requirement includes evidence that respondent has successfully  
14 completed the trust fund account and handling continuing  
15 education course within 120 days prior to the effective date of  
16 the Decision in this matter.

17 III. Pursuant to Section 10148 of the Business and  
18 Professions Code, Respondent ANTHONY P. CARA shall pay the  
19 Commissioner's reasonable cost for (a) the underlying audit (b) a  
20 subsequent audit to determine if of Hartford Mortgage Services  
21 Inc., is now in compliance with the Real Estate Law. The cost of  
22 the audit which led to this disciplinary action is \$4,690.50. In  
23 calculating the amount of the Commissioner's reasonable cost, the  
24 Commissioner may use the estimated average hourly salary for all  
25 persons performing audits of real estate brokers, and shall  
26 include an allocation for travel time to and from the auditor's  
27

1 place of work. Said amount for the prior and subsequent audits  
2 shall not exceed \$9,381.00.

3 Respondent shall pay such cost within 60 days of  
4 receiving an invoice from the Commissioner detailing the  
5 activities performed during the audit and the amount of time  
6 spent performing those activities.

7 The Commissioner may suspend the license of Respondent  
8 pending a hearing held in accordance with Section 11500, et seq.,  
9 of the Government Code, if payment is not timely made as provided  
10 for herein, or as provided for in a subsequent agreement between  
11 the Respondent and the Commissioner. The suspension shall remain  
12 in effect until payment is made in full or until Respondent  
13 enters into an agreement satisfactory to the Commissioner to  
14 provide for payment, or until a decision providing otherwise is  
15 adopted following a hearing held pursuant to this condition.

16  
17 IV. Prior to the effective date of the Decision,  
18 Respondent shall provide evidence satisfactory to the  
19 Commissioner that borrower Lynne Ray's appraisal fees in amount  
20 of \$375 have been reimbursed to her.

21  
22  
23 DATED: 3-19-09

ELI  
ELLIOTT MAC LENNAN, Counsel for  
the Department of Real Estate

\* \* \*

EXECUTION OF THE STIPULATION

1  
2  
3 I have read the Stipulation and discussed it with my  
4 counsel. Its terms are understood by me and are agreeable and  
5 acceptable to me. I understand that I am waiving rights given to  
6 me by the California Administrative Procedure Act (including but  
7 not limited to Sections 11506, 11508, 11509 and 11513 of the  
8 Government Code), and I willingly, intelligently and voluntarily  
9 waive those rights, including the right of requiring the  
10 Commissioner to prove the allegations in the Accusation at a  
11 hearing at which I would have the right to cross-examine  
12 witnesses against me and to present evidence in defense and  
13 mitigation of the charges.

MAILING AND FACSIMILE

14  
15 Respondent (1) shall mail the original signed signature  
16 page of the stipulation herein to Elliott Mac Lennan: Attention:  
17 Legal Section, Department of Real Estate, 320 W. Fourth St.,  
18 Suite 350, Los Angeles, California 90013-1105. Additionally,  
19 Respondent shall also (2) facsimile a copy of signed signature  
20 page, to the Department at the following telephone/fax number:  
21 (213) 576-6917, Attention: Elliott Mac Lennan. A facsimile  
22 constitutes acceptance and approval of the terms and conditions  
23 of this stipulation.

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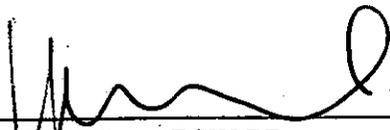
27

1 Respondent agrees, acknowledges and understands that by  
2 electronically sending to the Department a facsimile copy of  
3 Respondent's actual signature as it appears on the stipulation  
4 that receipt of the facsimile copy by the Department shall be as  
5 binding on Respondent as if the Department had received the  
6 original signed stipulation.

7  
8  
9 DATED: 10/21/08

  
ANTHONY P. CARA, Respondent

10  
11  
12 DATED: 10/28/08

  
KENNETH RICHARD,  
Attorney for Respondent  
Approved as to form

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The foregoing Stipulation and Agreement is hereby  
adopted as my Decision as to Respondent ANTHONY P. CARA and shall  
become effective at 12 o'clock noon on May 13, 2009.

IT IS SO ORDERED 3/25/, 2009.

JEFF DAVI  
Real Estate Commissioner



A handwritten signature in cursive script, appearing to read 'Jeff Davi', is written over a horizontal line.

1 ELLIOTT MAC LENNAN, (CSB#066674)  
2 Department of Real Estate  
3 320 West 4th Street, Ste. 350  
4 Los Angeles, California 90013-1105

5 Telephone: (213) 576-6911 (direct)  
6 -or- (213) 576-6982 (office).

**FILED**

JAN 11 2008

DEPARTMENT OF REAL ESTATE

BY: *H. J. J. J.*

8 BEFORE THE DEPARTMENT OF REAL ESTATE

9 STATE OF CALIFORNIA

10 \* \* \*

11 In the Matter of the Accusation of )

No. H-34636 LA

12 HARTFORD MORTGAGE SERVICES )  
13 INC.; and ANTHONY P. CARA, )  
14 individually and as designated )  
15 officer of Hartford Mortgage )  
16 Services Inc., )

A C C U S A T I O N

Respondents. )

17 The Complainant, Robin Trujillo, a Deputy Real Estate  
18 Commissioner of the State of California, for cause of Accusation  
19 against HARTFORD MORTGAGE SERVICES INC. and ANTHONY P. CARA,  
20 individually and as designated officer of Hartford Mortgage  
21 Services Inc., alleges as follows:

22 1.

23 The Complainant, Robin Trujillo, acting in her official  
24 capacity as a Deputy Real Estate Commissioner of the State of  
25 California, makes this Accusation against HARTFORD MORTGAGE  
26 SERVICES INC. and ANTHONY P. CARA.  
27

2.

1  
2 All references to the "Code" are to the California  
3 Business and Professions Code and all references to "Regulations"  
4 are to Title 10, Chapter 6, California Code of Regulations.

5 LICENSE HISTORY

6 3.

7 A. At all times mentioned, HARTFORD MORTGAGE SERVICES  
8 INC. ("HARTFORD MORTGAGE") and ANTHONY P. CARA ("CARA") were  
9 licensed or had license rights issued by the Department of Real  
10 Estate ("Department") as real estate brokers.

11 B. At all times mentioned, HARTFORD MORTGAGE was  
12 licensed by the Department as a corporate real estate broker by  
13 and through CARA, as the designated officer and broker  
14 responsible, pursuant to Code Section 10159.2 for supervising the  
15 activities requiring a real estate license conducted on behalf  
16 HARTFORD MORTGAGE of by HARTFORD MORTGAGE's officers, agents and  
17 employees, including CARA. HARTFORD MORTGAGE was originally  
18 licensed on October 29, 2003.

19  
20 C. At all times mentioned, ANTHONY P. CARA ("CARA")  
21 was licensed or had license rights issued by the Department as a  
22 real estate broker. On January 2, 2001, CARA was originally  
23 licensed as a real estate broker. On January 3, 2006, CARA was  
24 licensed as the designated officer of HARTFORD MORTGAGE.

25 ///

26 ///

27

BROKERAGE

HARTFORD MORTGAGE SERVICES INC.

4.

At all times mentioned, in the City of Lake Forest, County of Orange, HARTFORD MORTGAGE and CARA acted as real estate brokers conducting licensed activities within the meaning of Code Section 10131(d) by operating a mortgage and loan brokerage dba Hartford Mortgage Company, Hartford Mortgage Services and Hartford Mortgage.

AUDIT

HARTFORD MORTGAGE SERVICES INC.

5.

On June 11, 2007, the Department completed an audit examination of the books and records of HARTFORD MORTGAGE pertaining to the mortgage and loan activities described in Paragraph 4, that require a real estate license. The audit examination covered a period of time beginning on January 3, 2006 to March 31, 2007. The audit examination revealed violations of the Code and the Regulations as set forth in the following paragraphs, and more fully discussed in Audit Report LA 060055 and the exhibits and workpapers attached to said audit report.

TRUST ACCOUNT

6.

During the audit period HARTFORD MORTGAGE did not maintain a trust account.

1 VIOLATIONS OF THE REAL ESTATE LAW

2 7.

3 In the course of activities described in Paragraphs 4  
4 and 6, above, and during the examination period described in  
5 Paragraph 5, Respondents HARTFORD MORTGAGE and CARA acted in  
6 violation of the Code and the Regulations in that they:

7 (a) (1) On January 26, 2006, Respondent HARTFORD  
8 MORTGAGE issued a Non Sufficient Funds check (#1454) in the  
9 amount of \$375 from its general account to borrower Lorraine  
10 Pesetti in reimbursement for her payment of appraisal fees, in  
11 violation of Code Section 10177(g).

12 (a) (2) On March 2, 2006, Respondent HARTFORD MORTGAGE  
13 issued a Non Sufficient Funds check (#1462) in the amount of \$375  
14 from its general account to borrower Lynne Ray in reimbursement  
15 for her payment of appraisal fees, in violation of Code Section  
16 10177(g).

17 (b) Permitted and/or caused the disbursement of trust  
18 funds to credit report companies and appraisers on the  
19 representation that these amounts were needed to pay for credit  
20 report and appraisal fees, which payments exceeded the actual  
21 costs of these services. Respondents did not disclose these  
22 "mark-ups" to trust fund beneficiaries Ross Quam, Vladimir  
23 Meisner, Larry Albright, Maria Elena Banks, Deidre Boone, and  
24 Margaret Garrison, nor did HARTFORD MORTGAGE and CARA obtain  
25 these beneficiaries consent to these "mark-ups". Respondents  
26  
27

1 HARTFORD MORTGAGE and CARA retained the difference between the  
2 amounts paid and the actual costs of the services, in violation  
3 of Code Sections 10176(a), 10176(g) and 10177(g).

4 (c) Mixed and commingled trust funds and personal funds  
5 by depositing appraisal and credit report fees received at the  
6 close of escrow into HARTFORD MORTGAGE's general operating  
7 account and issuing checks therefrom to the appraisers or credit  
8 companies after the escrow checks were deposited, in violation of  
9 Code Sections 10145, 10176(e) and 2832(a).

10 (d) Failed to maintain a control record in the form of  
11 a columnar record in chronological order of all "Trust Funds  
12 Received, Not Placed Broker's Trust Account", in violation of  
13 Code Section 10145 and Regulation 2831.

14 (e) Failed to maintain an accurate and complete  
15 separate record for each beneficiary or transaction, thereby  
16 failing to account for all trust funds received in the form of  
17 appraisal and credit report fees for each loan transaction, in  
18 violation of Code Section 10145 and Regulation 2831.1.

19 (f) Failed to provide, maintain or retain a true and  
20 correct copy of a Department of Real Estate approved Mortgage  
21 Loan Disclosure Statement signed by the broker for borrowers  
22 Billy/Shelia Sakoda, Ross Quam, Larry Albright and Margaret  
23 Garrison, in violation of Code Section 10240 and Regulation 2840.  
24  
25  
26  
27

1 (g) Failed to display HARTFORD MORTGAGES's  
2 corporation's license number on all Mortgage Loan Disclosure  
3 Statements, in violation of Code Section 10236.4.

4 (h) Used the fictitious names of "Hartford Mortgage  
5 Company", "Hartford Mortgage Services" and "Hartford Mortgage" to  
6 conduct licensed activities including mortgage loans and broker-  
7 controlled escrows without holding a license bearing said  
8 fictitious business names, in violation of Code Section 10159.5  
9 and Regulation 2731.

10 8.

11 The conduct of Respondents HARTFORD MORTGAGE and CARA,  
12 described in Paragraph 7, above, violated the Code and the  
13 Regulations as set forth below:

14 PARAGRAPH

PROVISIONS VIOLATED

15  
16 7(a)

Code Section 10177(g)

17  
18  
19 7(b)

Code Section 10176(a), 10176(g) and  
20 10177(g)

21  
22  
23 7(c)

Code Sections 10145 and 10176(e)  
24 and Regulation 2832(a)

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7(d) Code Section 10145 and Regulation  
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7(e) Code Section 10145 and Regulation  
2831.1

7(f) Code Section 10240 and Regulation  
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7(g) Code Section 10236.4

7(h) Code Section 10159.5 and Regulation  
2731

The foregoing violations constitutes cause for the suspension or  
revocation of the real estate license and license rights of  
HARTFORD MORTGAGE and CARA, under the provisions of Code Sections  
10176(a), 10176(e) and 10176(g), 10177(d) and/or 10177(g).

NEGLIGENCE

9.

The overall conduct of Respondents HARTFORD MORTGAGE  
and CARA constitutes negligence or incompetence. This conduct  
and violation are cause for the suspension or revocation of the  
real estate license and license rights of said Respondents  
pursuant to Code Section 10177(g).

SUPERVISION AND COMPLIANCE

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3 The overall conduct of Respondent CARA constitutes a  
4 failure on his part, as officer designated by a corporate broker  
5 licensee, to exercise the reasonable supervision and control over  
6 the licensed activities of HARTFORD MORTGAGE as required by Code  
7 Section 10159.2, and to keep HARTFORD MORTGAGE in compliance with  
8 the Real Estate Law, and is cause for the suspension or  
9 revocation of the real estate license and license rights of CARA  
10 pursuant to the provisions of Code Sections 10177(d), 10177(g)  
11 and 10177(h).

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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 the license and license rights of Respondents  
5 HARTFORD MORTGAGE SERVICES INC. and ANTHONY P. CARA, individually  
6 and as designated officer of Hartford Mortgage Services Inc.,  
7 under the Real Estate Law (Part 1 of Division 4 of the Business  
8 and Professions Code) and for such other and further relief as  
9 may be proper under other applicable provisions of law.

10 Dated at Los Angeles, California

11 this 7 day of December 2007  
12   
13 Deputy Real Estate Commissioner

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24 cc: Hartford Mortgage Services Inc.  
25       c/o Anthony P. Cara D.O.  
26       Robin Trujillo  
27       Sacto  
      Audits - Lisa Kwong