

FILED

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DEPARTMENT OF REAL ESTATE
BY: C.R.

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BEFORE THE DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

* * *

In the Matter of the Accusation of)	NO. H-37847 LA-
REHAB FINANCIAL CORPORATION and)	<u>A C C U S A T I O N</u>
GAYLE RUTH BLOOMINGDALE,)	
individually and as)	
designated officer of)	
Rehab Financial Corporation,)	
Respondents.)	

The Complainant, Maria Suarez, a Deputy Real Estate Commissioner of the State of California, for cause of Accusation against REHAB FINANCIAL CORPORATION and GAYLE RUTH BLOOMINGDALE, individually and as designated officer of Rehab Financial Corporation (collectively "Respondents"), is informed and alleges as follows:

1.

The Complainant, Maria Suarez, a Deputy Real Estate Commissioner of the State of California, makes this Accusation in her official capacity.

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2 Respondents are presently licensed and/or have license
3 rights under the Real Estate Law (Part 1 of Division 4 of the
4 California Business and Professions Code, "Code").
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3.

7 From October 11, 1991, through the present, Respondent
8 REHAB FINANCIAL CORPORATION ("RFC") has been licensed by the
9 Department of Real Estate ("Department") as a real estate
10 corporation, Department License No. 01121534, acting by and
11 through Respondent GAYLE RUTH BLOOMINGDALE as its designated
12 broker-officer pursuant to Code Section 10159.2 to be
13 responsible for ensuring compliance with the Real Estate Law.
14

4.

15 From June 21, 1990, through the present, Respondent
16 GAYLE RUTH BLOOMINGDALE ("BLOOMINGDALE") has been licensed as a
17 real estate broker, Department License No. 01047533. Respondent
18 BLOOMINGDALE was licensed as a real estate salesperson from
19 September 30, 1989, through June 20, 1990.
20

5.

21 At no time relevant herein was Belinda Exon, Barbara
22 Wood or Cheryl Isaacson licensed by the Department in any
23 capacity. On March 15, 1991, RFC was formed as a California
24 corporation. Belinda Exon is RFC's president and chief
25 executive officer. BLOOMINGDALE is RFC's agent for service of
26 process. Barbara Wood served as RFC's office manager and
27 financial services coordinator. Cheryl Isaacson served as RFC's
28

1 financial coordinator.

2 6.

3 All further references to "Respondents" include the
4 parties listed in Paragraphs 3 through 4, above, as well as the
5 officers, agents and employees of the parties listed in
6 Paragraphs 3 through 4, above.

7
8 FIRST CAUSE OF ACCUSATION
9 (Conviction of officer/director)

10 7.

11 On or about April 18, 2011, in the United States
12 District Court for the Central District of California, Case No.
13 CR-10-455, Belinda Exon was convicted of violating 18 U.S.C.
14 section 666(a)(1)(A) (embezzlement), a felony.

15 8.

16 The felony conviction of RFC's officer and director,
17 Belinda Exon, constitutes cause for the suspension or revocation
18 of the licenses and license rights of Respondent RFC under
19 Section 10177(b) of the Code.

20
21 SECOND CAUSE OF ACCUSATION
22 (Fraud/Dishonest Dealing)

23 9.

24 There is hereby incorporated in this Second, separate
25 Cause of Accusation, all of the allegations contained in
26 Paragraphs 1 through 8, above, with the same force and effect as
27 if herein fully set forth.
28

1 10.

2 For an unknown period of time spanning at least the
3 last three years, RFC entered into contracts with various cities
4 and counties to provide financial real estate services which
5 included escrow, loan servicing, and foreclosure forbearance.
6 Respondent BLOOMINGDALE, Belinda Exon, Barbara Wood and Cheryl
7 Isaacson were signatories to trust accounts which held trust
8 funds intended for use as loans and grants to lower-income
9 residential homeowners. On or about March 24, 2010, RFC's
10 clients discovered that RFC had vacated its office, ceased all
11 communication, and had embezzled and converted several million
12 dollars of trust funds belonging to at least 12 different
13 California cities and counties.
14

15 11.

16 The conduct, acts and/or omissions of Respondents RFC
17 and BLOOMINGDALE constitute fraud or dishonest dealing and are
18 grounds for the suspension or revocation of the licenses and
19 license rights of Respondent RFC and Respondent BLOOMINGDALES'
20 broker licenses under Section 10177(j) of the Code.
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22 THIRD CAUSE OF ACCUSATION
23 (Office Abandonment)

24 12.

25 There is hereby incorporated in this Third, separate
26 Cause of Accusation, all of the allegations contained in
27 Paragraphs 1 through 11, above, with the same force and effect
28 as if herein fully set forth.

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13.

The current business address and mailing address maintained by Respondent RFC with the Department is 7372 Prince Drive, Suite 108, Huntington Beach, California 92647. Respondent RFC is no longer located at this address, nor have Respondents RFC or BLOOMINGDALE informed the Real Estate Commissioner of any new address. Respondent RFC is not presently maintaining any definite place of business in the State of California which shall serve as its office for the transaction of business requiring a real estate license.

14.

The acts and omissions of Respondent RFC, as set forth above, are in violation of Section 10162 of the Code and Section 2715, Title 10, Chapter 6, California Code of Regulations ("Regulations"), and are grounds for the suspension or revocation of the licenses and license rights of Respondent RFC pursuant to Section 10165 of the Code.

FOURTH CAUSE OF ACCUSATION
(Audit)

15.

There is hereby incorporated in this Fourth, separate Cause of Accusation, all of the allegations contained in Paragraphs 1 through 14, above, with the same force and effect as if herein fully set forth.

16.

On July 30, 2010, the Department completed an audit examination of the books and records of Respondent RFC

1 pertaining to the escrow and loan servicing activities which
2 require a real estate license. The audit examination covered a
3 period of time beginning on April 1, 2007, through June 30,
4 2010. After being given reasonable notice, Respondent RFC
5 failed to retain records in connection with its escrow and loan
6 servicing activities requested by the Department, in violation
7 of Code Section 10148.

8
9 17.

10 The audit examination revealed violations of the Code
11 and the Regulations as set forth and more fully discussed in
12 Audit Reports LA 090201 and LA 090209 and the exhibits and work
13 papers attached to said Audit Reports.

14 18.

15 The facts alleged above are in violation of Section
16 10148 of the Code and are grounds for the suspension or
17 revocation of Respondent RFC's license under Section 10177(d)
18 and/or (g) of the Code.

19
20 FIFTH CAUSE OF ACCUSATION
21 (Lack of Supervision)

22 19.

23 There is hereby incorporated in this Fifth, separate
24 Cause of Accusation, all of the allegations contained in
25 Paragraphs 1 through 18, above, with the same force and effect
26 as if herein fully set forth.

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2 The conduct, acts and/or omissions of Respondent
3 BLOOMINGDALE, in allowing Respondent RFC to violate the Real
4 Estate Law, as set forth above, constitutes a failure by
5 Respondent BLOOMINGDALE, as the officer designated by the
6 corporate broker licensee, to exercise the supervision and
7 control over the activities of Respondent RFC, as required by
8 Code Section 10159.2 and Section 2725 of the Regulations, and is
9 cause to suspend or revoke the real estate licenses and license
10 rights of Respondent BLOOMINGDALE under Sections 10177(h),
11 10177(d) and/or 10177(g) of the Code.

12
13 WHEREFORE, Complainant prays that a hearing be
14 conducted on the allegations of this Accusation and that upon
15 proof thereof, a decision be rendered imposing disciplinary
16 action against all licenses and/or license rights of Respondents
17 REHAB FINANCIAL CORPORATION and GAYLE RUTH BLOOMINGDALE,
18 individually and as designated officer of Rehab Financial
19 Corporation under the Real Estate Law (Part 1 of Division 4 of
20 the California Business and Professions Code) and for such other
21 and further relief as may be proper under other applicable
22 provisions of law.

23 Dated at Los Angeles, California

24 this 12th day of February, 2011.

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28 MARIA SUAREZ
Deputy Real Estate Commissioner

1 cc: Rehab Financial Corporation
2 Gayle Ruth Bloomingdale
3 Maria Suarez
4 Sacto
Audits/Gina King

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