

2.

From October 11, 1991, through the present, Respondent REHAB FINANCIAL CORPORATION ("RFC") has been licensed by the Department of Real Estate ("Department") as a real estate corporation, acting by and through Respondent GAYLE RUTH BLOOMINGDALE as its designated broker-officer pursuant to Business and Professions Code ("Code") Section 10159.2 to be responsible for ensuring compliance with the Real Estate Law.

3.

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

4.

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

5.

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

6.

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

7.

The conduct, acts and/or omissions of Respondent RFC constitutes fraud or dishonest dealing and are grounds for the suspension or revocation of the license and license rights of Respondent RFC under Section 10177(j) of the Code.

8.

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 has Respondent RFC 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.

9.

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.

10.

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

11.

The audit examination revealed violations of the Code and the Regulations as set forth and more fully discussed in Audit Report LA 090201 and the exhibits and work papers attached to said Audit Report.

12.

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

DETERMINATION OF ISSUES

1.

Cause exists for the suspension or revocation of the license and license rights of Respondent REHAB FINANCIAL CORPORATION pursuant to Code Section 10177(b) based on the felony conviction of REHAB FINANCIAL CORPORATION's officer and director, Belinda Exon.

2.

The conduct, acts and/or omissions of Respondent REHAB FINANCIAL CORPORATION as set forth in Paragraph 6, above, constitutes fraud or dishonest dealing and are grounds for the suspension or revocation of the license and license rights of Respondent REHAB FINANCIAL CORPORATION under Section 10177(j) of the Code.

3.

The conduct, acts and/or omissions of Respondent REHAB FINANCIAL CORPORATION as set forth in Paragraph 8, above, are in violation of Section 10162 of the Code and Regulation 2715, and are grounds for the suspension or revocation of the licenses and license rights of Respondent REHAB FINANCIAL CORPORATION pursuant to Section 10165 of the Code.

4.

The conduct, acts and/or omissions of Respondent REHAB FINANCIAL CORPORATION as set forth in Paragraphs 10 and 11, above, are in violation of Section 10148 of the Code, and are grounds for the suspension or revocation of the licenses and license rights of Respondent REHAB FINANCIAL CORPORATION pursuant to Section 10177(d) of the Code.

5.

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

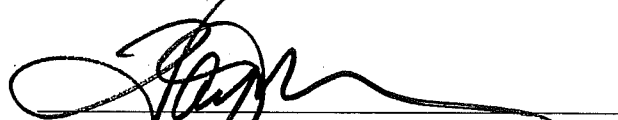
ORDER

The license and license rights of Respondent REHAB FINANCIAL CORPORATION 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 July 11, 2012.

DATED: 6/6, 2012.

Real Estate Commissioner


By WAYNE S. BELL
Chief Counsel

FILED

1 Department of Real Estate
2 320 West Fourth Street, Suite 350
3 Los Angeles, California 90013-1105

MAY -2 2012

DEPARTMENT OF REAL ESTATE

BY: C

BEFORE THE DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

* * * *

11	In the Matter of the Accusation of)	
12	<u>REHAB FINANCIAL CORPORATION</u> and)	NO. H-37847 LA
13	<u>GAYLE RUTH BLOOMINGDALE,</u>)	<u>DEFAULT ORDER</u>
14	individually and as)	
15	designated officer of)	
16	Rehab Financial Corporation,)	
	Respondents.)	

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

22 IT IS SO ORDERED May 2, 2012

24 Real Estate Commissioner

25 *M. Dolores Weeks*

26 By: DOLORES WEEKS
27 Regional Manager