

1 Department of Real Estate  
2 P. O. Box 187000  
3 Sacramento, CA 95818-7000  
4  
5 Telephone: (916) 227-0789  
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7

FILED  
JUL 14 2000

DEPARTMENT OF REAL ESTATE  
By Laurie A. Zin

8 BEFORE THE DEPARTMENT OF REAL ESTATE  
9 STATE OF CALIFORNIA

10 \* \* \*

11 In the Matter of the Accusation of ) No. H-2548 SD  
12 JOSEPH RAY SCHOLFIELD ) OAH NO. L-2000030406  
13 HOME BUYERS FINANCIAL INC., )  
14 Respondents. ) STIPULATION AND AGREEMENT

15 It is hereby stipulated by and between JOSEPH RAY  
16 SCHOLFIELD (hereinafter "Respondent"), and the Complainant,  
17 acting by and through David A. Peters, Counsel for the  
18 Department of Real Estate, as follows for purpose of settling  
19 and disposing of the Accusation filed February 17, 2000 in this  
20 matter:

21 1. All issues which were to be contested and all  
22 evidence which was to be presented by Complainant and Respondent  
23 at a formal hearing on the Accusation, which hearing was to be  
24 held in accordance with the provisions of the Administrative  
25 Procedure Act (APA) (Government Code Section 11500 et seq.),  
26 shall instead and in place thereof be submitted solely on the  
27 basis of the provisions of this Stipulation and Agreement.

1           2.     Respondent has received, read and understand the  
2 Statement to Respondent, the Discovery Provisions of the APA,  
3 and the Accusation filed by the Department of Real Estate in  
4 this proceeding.

5           3.     On March 3, 2000, Respondent filed a Notice of  
6 Defense pursuant to Section 11505 of the Government Code for the  
7 purpose of requesting a hearing on the allegations in the  
8 Accusation. Respondent hereby freely and voluntarily withdraws  
9 said Notice of Defense. Respondent acknowledges that Respondent  
10 understands that by withdrawing said Notice of Defense,  
11 Respondent will thereby waive Respondent's right to require the  
12 Commissioner to prove the allegations in the Accusation at a  
13 contested hearing held in accordance with the provisions of the  
14 APA and that Respondent will waive other rights afforded to  
15 Respondent in connection with the hearing such as the right to  
16 present evidence in defense of the allegations in the Accusation  
17 and the right to cross-examine witnesses.

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

27     ///



1 Professions Code in conjunction with Sections 10148 and  
2 10161.8(b) of the Business and Professions Code.

3 ORDER

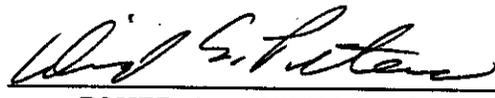
4 I

5 All licenses and licensing rights of Respondent JOSEPH  
6 RAY SCHOLFIELD under the Real Estate Law are suspended for a  
7 period of twenty (20) days from the effective date of this  
8 Decision; provided, however, that said suspension shall be stayed  
9 for one (1) year upon the following terms and conditions:

10 1. Respondent shall obey all laws, rules and  
11 regulations governing the rights, duties and responsibilities of  
12 a real estate licensee in the State of California; and

13 2. The Commissioner may, if a final subsequent  
14 determination is made, after hearing or upon stipulation, that  
15 cause for disciplinary action occurred during the one (1) year  
16 period following the effective date of this Decision, vacate the  
17 stay. Should no order vacating the stay be made pursuant to this  
18 condition, the stay imposed herein shall become permanent.

19  
20 5/26/00  
21 DATED

20   
21 DAVID A. PETERS, Counsel  
22 DEPARTMENT OF REAL ESTATE

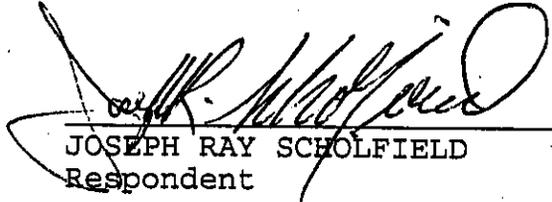
22 \* \* \*

23 I have read the Stipulation and Agreement, and its  
24 terms are understood by me and are agreeable and acceptable to  
25 me. I understand that I am waiving rights given to me by the  
26 California Administrative Procedure Act (including but not  
27 limited to Sections 11505, 11598, 11509, and 11513 of the

1 Government Code), and I willingly, intelligently, and  
2 voluntarily waive those rights, including the right of requiring  
3 the Commissioner to prove the allegations in the Second Amended  
4 Accusation at a hearing at which I would have the right to  
5 cross-examine witnesses against me and to present evidence in  
6 defense and mitigation of the charges.

7  
8 5-26-2000

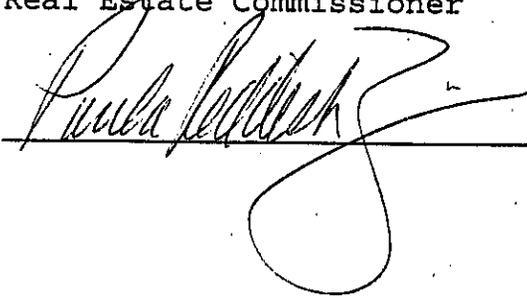
DATED

  
9 JOSEPH RAY SCHOLFIELD  
Respondent

10 \* \* \*

11 The foregoing Stipulation and Agreement for  
12 Settlement is hereby adopted by the Real Estate Commissioner as  
13 her Decision and Order and shall become effective at 12 o'clock  
14 noon on August 4, 2000

15 IT IS SO ORDERED

June 26, 2000  
16 PAULA REDDISH ZINNEMANN  
17 Real Estate Commissioner  
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FILED

JUL 14 2000

DEPARTMENT OF REAL ESTATE

*Laurie A. Zain*

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BEFORE THE DEPARTMENT OF REAL ESTATE  
STATE OF CALIFORNIA

\* \* \*

In the Matter of the Accusation of	)	No. H-2548 SD
JOSEPH RAY SCHOLFIELD,	)	OAH NO. L-2000030406
HOME BUYERS FINANCIAL INC.,	)	
Respondents.	)	

ORDER ACCEPTING VOLUNTARY SURRENDER OF REAL ESTATE LICENSE

On February 17, 2000, an Accusation was filed in this matter against the above-named Respondents.

On May 26, 2000, Respondent HOME BUYERS FINANCIAL INC. petitioned the Commissioner to voluntarily surrender its real estate corporation license pursuant to Section 10100.2 of the Business and Professions Code.

IT IS HEREBY ORDERED that Respondent HOME BUYERS FINANCIAL INC.'s petition for voluntary surrender of its real estate corporation license is accepted as of the effective date of this Order as set forth below, based upon the understanding and agreement expressed in Respondent's Declaration dated May 26, 2000 (attached as Exhibit "A" hereto).

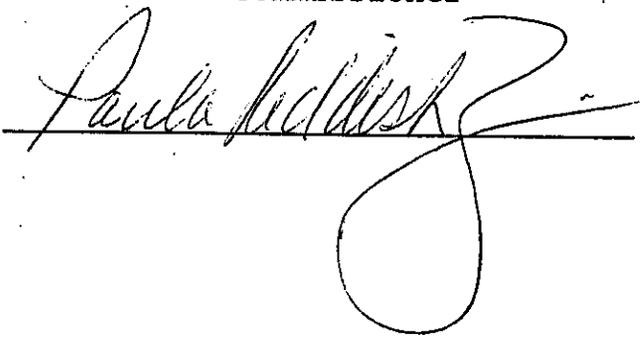
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This Order shall become effective at 12 o'clock  
noon on August 4, 2000.

DATED: June 26, 2000.

PAULA REDDISH ZINNEMANN  
Real Estate Commissioner



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BEFORE THE DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

\* \* \*

In the Matter of the Accusation of	)	No. H-2548 SD
JOSEPH RAY SCHOLFIELD	)	OAH NO. L-2000030406
HOME BUYERS FINANCIAL INC.,	)	
Respondents.	)	

DECLARATION

My name is JOSEPH RAY SCHOLFIELD and I am currently an officer of HOME BUYERS FINANCIAL INC., which is licensed as a real estate broker and/or has license rights with respect to said license. I am authorized and empowered to sign this declaration on behalf of HOME BUYERS FINANCIAL INC.

In lieu of proceeding in this matter in accordance with the provisions of the Administrative Procedure Act (Sections 11400 et seq., of the Business and Professions Code), HOME BUYERS FINANCIAL INC. wishes to voluntarily surrender its real estate license issued by the Department of Real Estate ("Department"), pursuant to Business and Professions Code Section 10100.2.

I understand that HOME BUYERS FINANCIAL INC., by so voluntarily surrendering its license, can only have it reinstated



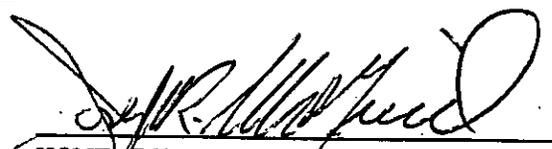
1 in accordance with the provisions of Section 11522 of the  
2 Government Code. I also understand that by so voluntarily  
3 surrendering its license HOME BUYERS FINANCIAL INC. agrees to the  
4 following:

5           The filing of this Declaration shall be deemed as its  
6 petition for voluntary surrender. It shall also be deemed to be  
7 an understanding and agreement by HOME BUYERS FINANCIAL INC.  
8 that, it waives all rights it has to require the Commissioner to  
9 prove the allegations contained in the Accusation filed in this  
10 matter at a hearing held in accordance with the provisions of the  
11 Administrative Procedure Act (Government Code Sections 11400 et  
12 seq.), and that it also waives other rights afforded to it in  
13 connection with the hearing such as the right to discovery, the  
14 right to present evidence in defense of the allegations in the  
15 Accusation and the right to cross-examine witnesses. I further  
16 agree on behalf of HOME BUYERS FINANCIAL INC. that upon  
17 acceptance by the Commissioner, as evidenced by an appropriate  
18 order, all affidavits and all relevant evidence obtained by the  
19 Department in this matter prior to the Commissioner's acceptance,  
20 and all allegations contained in the Accusation filed in the  
21 Department Case No. H-2548 SD, may be considered by the  
22 Department to be true and correct for the purpose of deciding  
23 whether or not to grant reinstatement of HOME BUYERS FINANCIAL  
24 INC.'s license pursuant to Government Code Section 11522.

25           I declare under penalty of perjury under the laws of  
26 the State of California that the above is true and correct and  
27 that I am acting freely and voluntarily on behalf of HOME BUYERS

1 FINANCIAL INC. to surrender its license and all license rights  
2 attached thereto.

3 DATED: 5-26-2000

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6 HOME BUYERS FINANCIAL INC.  
7 By: Joseph Ray Scholfield  
8 Respondent

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BEFORE THE DEPARTMENT OF REAL ESTATE  
STATE OF CALIFORNIA

FILED  
MAR 31 2000

DEPARTMENT OF REAL ESTATE

*Laurie A. Zain*

In the Matter of the Accusation of

JOSEPH RAY SCHOLFIELD,  
HOME BUYERS FINANCIAL INC.,

Case No. H-2548 SD

OAH No. L-2000030406

Respondent

FIRST AMENDED  
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, 1350 Front Street, Room 6022,  
San Diego, CA 92101

on Wednesday, June 14, 2000, at the hour of 9:00 AM,  
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: March 31, 2000

By *David A. Peters*  
DAVID A. PETERS *Counsel*

BEFORE THE DEPARTMENT OF REAL ESTATE  
STATE OF CALIFORNIA

FILED  
MAR 28 2000

DEPARTMENT OF REAL ESTATE

*Leuridan J. Z...*

In the Matter of the Accusation of

JOSEPH RAY SCHOLFIELD,  
HOME BUYERS FINANCIAL INC.,

}

Case No. H-2548 SD

OAH No. L-2000030406

Respondent

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, 1350 Front Street, Room 6022,  
San Diego, CA 92101

on Friday, June 2, 2000, at the hour of 9:00 AM,  
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: March 28, 2000

By *David A. Peters*  
DAVID A. PETERS Counsel

1 DAVID A. PETERS, Counsel (SBN 99528)  
2 Department of Real Estate  
3 P. O. Box 187000  
4 Sacramento, CA 95818-7000

5 Telephone: (916) 227-0789  
6 -or- (916) 227-0781 (Direct)

FILED  
FEB 17 2000

DEPARTMENT OF REAL ESTATE

By *Laurie A. Zai*

8 BEFORE THE DEPARTMENT OF REAL ESTATE

9 STATE OF CALIFORNIA

10 \* \* \*

11 In the Matter of the Accusation of )

No. H-2548 SD

12 JOSEPH RAY SCHOLFIELD, )

ACCUSATION

13 HOME BUYERS FINANCIAL INC., )

14 Respondents. )

15 The Complainant, J. Chris Graves, a Deputy Real Estate  
16 Commissioner of the State of California, for cause of accusation  
17 against JOSEPH RAY SCHOLFIELD (hereinafter "Respondent  
18 SCHOLFIELD") and HOME BUYERS FINANCIAL INC. (hereinafter  
19 "Respondent FINANCIAL"), is informed and alleges as follows:

20 I

21 The Complainant, J. Chris Graves, a Deputy Real Estate  
22 Commissioner of the State of California, makes this Accusation  
23 in his official capacity.

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25 ///

26 ///

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1 II

2 Respondents SCHOLFIELD and FINANCIAL, are licensed  
3 and/or have license rights under the Real Estate Law (Part 1 of  
4 Division 4 of the Business and Professions Code) (hereinafter  
5 "the Code") as follows:

6 JOSEPH RAY SCHOLFIELD - as a real estate broker and as  
7 designated broker-officer for Respondent FINANCIAL.

8 HOME BUYERS FINANCIAL INC. - as a real estate broker  
9 corporation acting by and through Respondent SCHOLFIELD as  
10 designated broker-officer.

11 III

12 Whenever reference is made in an allegation in this  
13 Accusation to an act or omission of "Respondents", such  
14 allegation shall be deemed to mean the act or omission of each  
15 of the Respondents named in the caption hereof, acting  
16 individually, jointly, and severally.

17 IV

18 Within the three-year period immediately preceding the  
19 filing of this Accusation, Respondents engaged in the business  
20 of, acted in the capacity of, advertised, or assumed to act as a  
21 real estate broker within the meaning of Section 10131(a) of the  
22 Code, including the operation and conduct of a real estate sales  
23 business with the public by selling or offering to sell, buying  
24 or offering to buy, "soliciting prospective sellers or purchasers  
25 of, soliciting or obtaining listings of, or negotiating the  
26 purchase, sale or exchange of real property.

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V

Within the three-year period immediately preceding the filing of this Accusation, Respondents engaged in the business of, acted in the capacity of, advertised, or assumed to act as a real estate broker within the State of California within the meaning of Section 10131(d) of the Code, including the operation and conduct of a mortgage loan brokerage business with the public wherein lenders and borrowers were solicited for loans secured directly or collaterally by liens on real property, wherein such loans were arranged, negotiated, processed, and consummated on behalf of others for compensation or in expectation of compensation, and wherein such loans were serviced and payments thereon were collected on behalf of others.

VI

On or about September 2, 1999, a representative of the Real Estate Commissioner, after service of a subpoena duces tecum on Respondents, required that the records, papers, books, accounts and documents executed or obtained in connection with transactions for which a real estate license is required, for the period January 1, 1998 to August 31, 1999, be made available for examination and inspection. Respondents failed and refused to make said records available for inspection and failed to retain said records in violation of Section 10148 of the Code.

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1  
2 VII

3 Within the three-year period immediately preceding the  
4 filing of this Accusation, Respondents failed to immediately  
5 notify the Commissioner in writing of the termination of real  
6 estate salespersons Gardner McKay Ballard and Jerald Wayne  
7 Beasley in violation of Section 10161.8(b) of the Code.

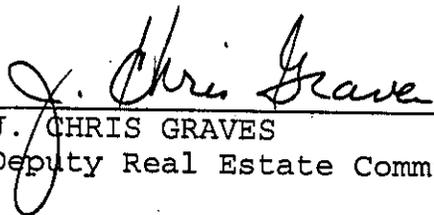
8 VIII

9 The facts alleged above, are grounds for the  
10 suspension or revocation of Respondents' licenses and/or license  
11 rights under the following sections of the Code and Regulations:

12 (1) As to Paragraph VI, under Section 10177(d) of the  
13 Code in conjunction with Section 10148 of the Code; and

14 (2) As to Paragraph VII, under Section 10177(d) of  
15 the Code in conjunction with Section 10161.8 of the Code.

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

23   
24 J. CHRIS GRAVES  
25 Deputy Real Estate Commissioner

26 Dated at San Diego, California,  
27 this 28<sup>th</sup> day of December, 1999.