

1 Department of Real Estate
2 320 West 4th Street, Suite 350
3 Los Angeles, California 90013-1105
4 Telephone: (213) 576-6982

FILED
OCT 10 2000
DEPARTMENT OF REAL ESTATE

By Laura B. Jones

8 BEFORE THE DEPARTMENT OF REAL ESTATE
9 STATE OF CALIFORNIA

10 * * *

11 In the Matter of the Accusation of) NO. H-28598 LA
12 LINDA SLEDGE JONES,) L-2000070021
13 Respondent.) STIPULATION AND AGREEMENT
14 _____)

15 It is hereby stipulated by and between Respondent
16 LINDA SLEDGE JONES (sometimes referred to herein as "Respondent")
17 and the Complainant, acting by and through Elliott Mac Lennan,
18 Counsel for the Department of Real Estate, as follows for the
19 purpose of settling and disposing of the Accusation filed on June
20 2, 2000, in this 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"), shall instead and in place thereof be
26 submitted solely on the basis of the provisions of this
27 Stipulation and Agreement ("Stipulation").

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

5 3. On June 19, 2000, Respondent filed a Notice of
6 Defense pursuant to Section 11506 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 she
10 understands that by withdrawing said Notice of Defense, she will
11 thereby waive her right to require the Commissioner to prove the
12 allegations in the Accusation at a contested hearing held in
13 accordance with the provisions of the APA and that she will waive
14 other rights afforded to her in connection with the hearing, such
15 as the right to present evidence in defense of the allegations in
16 the Accusation and the right to cross-examine witnesses.

17 4. The Stipulation is based on the factual allegations
18 contained in the Accusation filed in this proceeding. In the
19 interest of expedience and economy, Respondent chooses not to
20 contest these factual allegations, but to remain silent and
21 understands that, as a result thereof, these factual statements,
22 without being admitted or denied, will serve as a prima facie
23 basis for the disciplinary action stipulated to herein. This
24 Stipulation and Respondent's decision not to contest the
25 Accusation are hereby expressly limited to this proceeding and
26 made for the sole purpose of reaching an agreed disposition of
27 this proceeding. Respondent's decision not to contest the



1 factual allegations is made solely for the purpose of
2 effectuating this Stipulation and is intended by Respondent to be
3 non-binding upon her in any actions against Respondent by third
4 parties. The Real Estate Commissioner shall not be required to
5 provide further evidence to prove such allegations.

6 5. This Stipulation and any Order made pursuant to
7 this Stipulation shall have no collateral estoppel or res
8 judicata effect in any proceedings in which the Respondent and
9 the Department (or the Department's representative) are not
10 parties. This Stipulation is made by Respondent and received
11 by the Commissioner and the Department, with the express
12 understanding and agreement that it is for the purpose of
13 settling these proceedings only, and that this Stipulation is
14 not intended as, and shall not be deemed, used, or accepted as
15 an acknowledgment or admission of fact in any other judicial,
16 administrative, or other proceeding to which the Department is
17 not a party.

18 6. It is understood by the parties that the Real
19 Estate Commissioner may adopt the Stipulation as her decision
20 in this matter, thereby imposing the penalty and sanctions on
21 Respondent's real estate license and license rights as set forth
22 in the below "Order". In the event that the Commissioner in her
23 discretion does not adopt the Stipulation, the Stipulation shall
24 be void and of no effect, and Respondent shall retain the right
25 to a hearing on the Accusation under all the provisions of the
26 APA and shall not be bound by any stipulation or waiver made
27 herein.



1 removal of any of the conditions, limitations or restrictions of
2 a restricted license until two (2) year has elapsed from the
3 effective date of this Decision.

4 4. Respondent shall, within nine (9) months from the
5 effective date of this Decision, present evidence satisfactory to
6 the Real Estate Commissioner that Respondent has, since the most
7 recent issuance of an original or renewal real estate license,
8 taken and successfully completed the continuing education
9 requirements of Article 2.5 of Chapter 3 of the Real Estate Law
10 for renewal of a real estate license. If Respondent fails to
11 satisfy this condition, the Commissioner may order the suspension
12 of the restricted license until the Respondent presents such
13 evidence. The Commissioner shall afford Respondent the
14 opportunity for a hearing pursuant to the Administrative
15 Procedure Act to present such evidence.

16 5. Pursuant to Section 10148 of the Business and Professions
17 Code, Respondent LINDA SLEDGE JONES shall pay the Commissioner's
18 reasonable cost for the prior audit giving rise to the discipline
19 herein and a subsequent audit to determine if Respondent is now
20 in compliance with the Real Estate Law. In calculating the
21 amount of the Commissioner's reasonable cost, the Commissioner
22 may use the estimated average hourly salary for all persons
23 performing audits of real estate brokers, and shall include an
24 allocation for travel time to and from the auditor's place of
25 work. Said amount for the subsequent audit shall not exceed
26 \$1,773.



1 5. Respondent shall pay such cost within 45 days of receiving
2 an invoice from the Commissioner detailing the activities
3 performed during the audit and the amount of time spent
4 performing those activities.

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

14
15 DATED: 10-5-90

Elliott Mac Lennan
16 ELLIOTT MAC LENNAN, Counsel for
17 the Department of Real Estate

18 * * *

19 I have read the Stipulation and Agreement, and have
20 discussed it with my counsel. Its terms are understood by me and
21 are agreeable and acceptable to me. I understand that I am
22 waiving rights given to me by the California Administrative
23 Procedure Act (including but not limited to Sections 11506,
24 11508, 11509 and 11513 of the Government Code), and I willingly,
25 intelligently and voluntarily waive those rights, including the
26 right of requiring the Commissioner to prove the allegations in
27 the Accusation at a hearing at which I would have the right to
cross-examine witnesses against me and to present evidence in



1 defense and mitigation of the charges.

2 Respondent can signify acceptance and approval of the
3 terms and conditions of this Stipulation and Agreement by faxing
4 a copy of its signature page, as actually signed by Respondent,
5 to the Department at the following telephone/fax number: (213)
6 576-6917. Respondent agrees, acknowledges and understands that
7 by electronically sending to the Department a fax copy of
8 Respondent's actual signature as it appears on the Stipulation
9 and Agreement, that receipt of the faxed copy by the Department
10 shall be as binding on Respondent as if the Department had
11 received the original signed Stipulation and Agreement.

12 DATED:

8/30/00

Linda Sledge Jones
LINDA SLEDGE JONES, Respondent

14 * * *

15
16 The foregoing Stipulation and Agreement is hereby
17 adopted as my Decision as to Respondent LINDA SLEDGE JONES, and
18 shall become effective at 12 o'clock noon
19 on October 30, 2000.

20 IT IS SO ORDERED

PA. REDDISH ZINNEMANN
2000.

21 PAULA REDDISH ZINNEMANN
22 Real Estate Commissioner

Paula Reddish Zinnemann

BEFORE THE DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA

FILE
JUL 18 2000
DEPARTMENT OF REAL EST.

In the Matter of the Accusation) Case No. H-28598 LA
LINDA S. JONES,) OAH No. L-2000070021
Respondent(s).)

By Laura B. Orme

NOTICE OF HEARING ON ACCUSATION

To the above-named Respondent(s):

You are hereby notified that a hearing will be held before the Department of Real Estate at the Office of Administrative Hearings, 320 West Fourth Street, 6th Floor, Suite 630, Los Angeles, California, on SEPTEMBER 6, 2000, at the hour of 9:00 a.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 upon you. Failure to notify the presiding administrative law judge within ten days will deprive you of a change in the place of 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.

Dated: JUL 18 2000

DEPARTMENT OF REAL ESTATE

By: E. J. L.
ELLIOTT MAC LENNAN, Counsel

cc: Linda Sledge Jones
Sacto.
OAH

Handwritten signatures

ELLIOTT MAC LENNAN, Counsel, SBN 66674
Department of Real Estate
320 W. 4th Street, Suite 350
Los Angeles, California 90013-1105
Telephone (213) 576-6911

FILED
JUN 2 2000
DEPARTMENT OF REAL ESTATE
By Laura B. Dean

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DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA

* * * * *

In the Matter of the Accusation of)	
LINDA SLEDGE JONES,	
Respondent.	No. H-28598 LA
	A C C U S A T I O N

The Complainant, Thomas McCrady, a Deputy Real Estate Commissioner of the State of California, acting in his official capacity, for cause of accusation against LINDA SLEDGE JONES, is informed and alleges as follows:

1

LINDA SLEDGE JONES (JONES) sometimes referred to as Respondent, is presently licensed and/or has license rights under the Real Estate Law (Part 1 of Division 4 of the California Business and Professions Code).

2

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

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At all times mentioned, JONES was licensed or had license rights issued by the Department of Real Estate (Department) as a real estate broker. On May 23, 1983, Jones was initially licensed as a real estate salesperson and on April 29, 1987, she became licensed as a real estate broker.

4

At all times mentioned, in the Cities of Los Angeles and Inglewood, County of Los Angeles, JONES acted as real estate broker within the meaning of Section 10131(a) of the Code in that she operated a residential real estate resale business with the public wherein, on behalf of others and for compensation or in expectation of compensation, she sold or offered to sell, bought or offered to buy, solicited prospective sellers or purchasers of, solicited or obtained listings of, or negotiated the purchase, sale or exchange of real property. In addition, JONES conducted broker controlled escrows under the exemption set forth in Section 17006(a)(4) of the California Financial Code.

5

At all times mentioned, in connection with the activities described in Paragraph 4, JONES accepted or received funds in trust (trust funds) from or on behalf of actual or prospective buyers and sellers for deposit into her broker-controlled escrow operation. Thereafter JONES made disposition of such funds. JONES maintained the following trust account into which she deposited certain of these funds:

/

1 "Linda Jones Trust Account
2 Account No. 07-763-816"
3 Imperial Bank
4 201 N. Figueroa Street
5 Los Angeles, CA 90012

6

7 On December 17, 1999, the Department completed an audit
8 examination of the books and records of JONES pertaining to the
9 activities described in Paragraphs 4 and 5 that require a real
10 estate license. The audit examination covered a period of time
11 beginning on January 1, 1997 and terminating on November 30, 1999.
12 The audit examination revealed violations of the Code and the
13 Regulations as set forth in the following paragraphs.

14

15 With respect to the trust funds referred to in Paragraph
16 5, JONES:

17 (a) Failed to maintain an adequate control record in
18 the form of a columnar record in chronological order of all trust
19 funds received, as required by Sections 2831, 2950(d) and 2951 of
20 the Regulations. Control records for the trust account were
21 neither complete, accurate, or maintained on a daily basis;

22 (b) Failed to maintain complete and accurate separate
23 record for each beneficiary or transaction, thereby failing to
24 account for all trust funds received, deposited into, and
25 disbursed from the trust account in a chronological order, as
26 required by Section 2831.1 of the Regulations;

27 (c) While acting as an escrow holder, JONES failed to
place all funds, including earnest money deposits received in
certain sales transactions, accepted on behalf of another into the

1 hands of the owner of the funds, into a neutral escrow depository
2 or into a trust fund account in the name of the broker as trustee
3 at a bank or other financial institution not later than the next
4 business day following receipt of the funds by the broker or by
5 the broker's salesperson, as required by Section 2832(e) of the
6 Regulations.

7 8

8 The conduct of JONES, described in Paragraph 7 above,
9 violated the Code and the Regulations as set forth below:

10 PARAGRAPH

PROVISIONS VIOLATED

11 7(a)

Section 10145 of the Code and
12 Section 2831, 2950(d) and 2951 of the
13 Regulations

14 7(b)

Section 10145 of the Code and
15 Sections 2831.1 of the Regulations

16 7(c)

Section 10145 of the Code and
17 Section 2832 of the Regulations

18 The foregoing violations constitute cause for the suspension or
19 revocation of the real estate license and license rights of JONES
20 under the provisions of Section 10177(d) of the Code.

21 9

22 The investigative audit also revealed that JONES' escrow
23 instructions for her escrow company failed to contain a statement
24 which included the authority under which JONES' operated said
25 escrow company. This conduct constitutes a violation of Section
26
27

1 17403.4 of the California Financial Code and is cause to suspend
2 or revoke her real estate license and license rights under
3 Sections 10177(d) and 10177(g).

4 10

5 The audit investigation revealed that JONES conducted
6 two broker mortgage loan escrows, the Nelson and the Daoud
7 escrows, to which she was not a party, because she neither
8 represented the lender or the borrower, and therefore did not
9 qualify for the exemption set forth in Section 17006(a)(4) of the
10 California Financial Code. This conduct and violation are cause
11 for the suspension or revocation of the real estate license and
12 license rights of Respondent JONES under the provisions of Section
13 10177(d) and 10177(g) of the Code.

14 11

15 The overall conduct of Respondent JONES constitutes
16 negligence or incompetence. This conduct and violation are cause
17 for the suspension or revocation of her real estate license and
18 license rights under Section 10177(g) 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 the license and license rights of Respondent LINDA SLEDGE JONES 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 other applicable provisions of law.

Dated at Los Angeles, California
this 2nd day of June, 2000.



Deputy Real Estate Commissioner

cc: Linda Sledge Jones
Sacto
SR