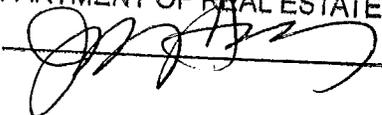


1 DEPARTMENT OF REAL ESTATE  
2 320 West Fourth Street, Ste. 350  
3 Los Angeles, California 90013  
4 (213) 576-6982

**FILED**

JAN 24 2011

DEPARTMENT OF REAL ESTATE  
BY: 

STATE OF CALIFORNIA

DEPARTMENT OF REAL ESTATE

11 To: )  
12 HOPE FINANCIAL and RONALD WAYNE ) NO. H- 37027 LA  
13 SCHWARZROCK and JOHN WASHINGTON, )  
14 individually and dba Hope Financial and/or )  
15 any other names or fictitious names used by Ronald )  
16 Wayne Schwarzrock and John Washington ) ORDER TO DESIST AND  
17 ) REFRAIN  
18 ) (B&P Code Section 10086)  
19 )  
20 )  
21 )  
22 )  
23 )  
24 )  
25 )  
26 )  
27 )

17 The Commissioner (Commissioner) of the California Department of Real Estate  
18 (Department) caused an investigation to be made of the activities of HOPE FINANCIAL  
19 ("HOPE") and RONALD WAYNE SCHWARZROCK ("SCHWARZWORK") and JOHN  
20 WASHINGTON ("WASHINGTON"). Based on that investigation, the Commissioner has  
21 determined that HOPE, SCHWARZROCK, and WASHINGTON have engaged in, are engaging  
22 in, or are attempting to engage in, acts or practices constituting violations of the California  
23 Business and Professions Code (Code), including violating Code Section 10130 by engaging in  
24 the business of, acting in the capacity of, and/or advertising or assuming to act as, a real estate  
25 broker in the State of California within the meaning of Code Section 10131(d) (solicit, negotiate  
26  
27

1 or perform services for borrowers in connection with loans secured by real property).

2 Furthermore, based on the investigation, the Commissioner hereby issues the following Findings  
3 of Fact, Conclusions of Law, and Desist and Refrain Order under the authority of Section 10086  
4 of the Code.

5 Whenever acts referred to below are attributed to HOPE or SCHWARZROCK, those acts  
6 are alleged to have been done by SCHWARZROCK, acting by himself, or by and/or through  
7 one or more agents, associates, affiliates, and/or co-conspirators, including, but not limited to  
8 HOPE FINANCIAL and using the names "HOPE FINANCIAL" or other names or fictitious  
9 names unknown at this time.  
10

11 Whenever acts referred to below are attributed to HOPE or WASHINGTON, those acts are  
12 alleged to have been done by WASHINGTON, acting by himself, or by and/or through one or  
13 more agents, associates, affiliates, and/or co-conspirators, including, but not limited to HOPE  
14 FINANCIAL and using the names "HOPE FINANCIAL" or other names or fictitious names  
15 unknown at this time.  
16

17 FINDINGS OF FACT

18 1. HOPE is not now, and has never been, licensed by the Department in any capacity. HOPE  
19 is not an active California non-profit corporation with Articles of Incorporation on file with the  
20 California Secretary of State. HOPE has a Fictitious Business Name Statement on file with the  
21 Orange County Clerk-Recorder; SCHWARZROCK is the Registered Owner.

22 2. SCHWARZROCK is not currently licensed by the Department in any capacity.  
23 SCHWARZROCK was previously licensed by the Department as a real estate salesperson on or  
24 about November 5, 2004. SCHWARZROCK's license expired November 4, 2008.  
25  
26  
27

1 3. WASHINGTON is not now, and has never been, licensed by the Department in any  
2 capacity.

3 4. HOPE, SCHWARZROCK, and WASHINGTON solicited borrowers and negotiated to do  
4 one or more of the following acts for another or others, for or in expectation of compensation:  
5 solicit or negotiate one or more loans for, or perform services for, borrowers and/or lenders in  
6 connection with loans secured directly or collaterally by one or more liens on real property; and  
7 charge, demand or collect an advance fee for any of the services offered.  
8

9 Margaret Alyce M.'s transaction

10 5. In approximately January 2009, Margaret Alyce M. ("M.A.M.") signed up with a  
11 program in which HOPE would modify and lower her mortgage loans by finding loan violations  
12 using the Respa Challenge program. Prior to signing up with HOPE, M.A.M. had spent several  
13 months unsuccessfully seeking a mortgage loan modification directly from her lenders. M.A.M.  
14 was referred to HOPE by Samantha Bledman at Primerica, who personally promised her a refund  
15 if HOPE turned out to be a scam.

16 6. WASHINGTON, who was the salesperson that sold M.A.M. this program, indicated to  
17 M.A.M. he would refund back his \$700.00 commission if a loan modification was not achieved.  
18 WASHINGTON represented to M.A.M. that she could recover the rest of her refund through  
19 HOPE.

20 7. On or about January 14, 2009, M.A.M. paid \$1,295.00 to HOPE through PayPal through  
21 her credit card. On or about January 15, 2009, M.A.M. paid \$1,295.00 to HOPE through PayPal  
22 through her credit card.

23 8. After M.A.M. paid HOPE, she asked SCHWARZROCK and WASHINGTON for a  
24 receipt and a copy of the Agreement between herself and HOPE. HOPE failed to provide any  
25 Agreement or receipt and never responded to M.A.M.'s requests.  
26  
27

1 9. M.A.M. began to work with SCHWARZROCK on possibly modifying her mortgage.  
2 SCHWARZROCK sent out form letters to Moline's loan companies that were on the letterhead  
3 of "The Law Office of Alois Lemke," located at 600 S. Cloverdale Avenue, Suite #304, Los  
4 Angeles, CA 90036. M.A.M. was instructed by HOPE not to contact her mortgage companies  
5 or to try any other type of loan modification process.

6 10. When M.A.M. did not hear from SCHWARZROCK in three months and  
7 SCHWARZROCK refused to return her phone calls or answer her emails, she concluded he was  
8 unable to modify her loans and also unwilling to honor the agreement to refund her money.  
9 M.A.M. went to HOPE's physical address at 24338 El Toro Road, Suite #114, Laguna Woods,  
10 CA 92637 and discovered it was a P.O. Box. She continues to be unable to reach anyone at  
11 HOPE.

#### 12 CONCLUSIONS OF LAW

13 11. Based on the findings of fact contained in paragraphs 1 through 10, HOPE, acting by itself,  
14 or by and/or through one or more agents, associates, affiliates, and/or co-conspirators, including,  
15 but not limited to SCHWARZROCK and WASHINGTON, and using the name "HOPE  
16 FINANCIAL," or other names or fictitious names unknown at this time, solicited borrowers to  
17 negotiate loans or perform services, in connection with loans secured directly or collaterally by  
18 one or more liens on real property. These acts, which require a real estate broker license under  
19 Section 10131(d) of the Code, were performed during a period of time when HOPE was not  
20 licensed by the Department as a real estate broker, a violation of Code Section 10130.

21 12. Based on the findings of fact contained in paragraphs 1 through 10, SCHWARZROCK,  
22 acting by himself, or by and/or through one or more agents, associates, affiliates, and/or co-  
23 conspirators, including, but not limited to HOPE, and using the name "HOPE FINANCIAL," or  
24 other names or fictitious names unknown at this time, solicited borrowers to negotiate loans or  
25 perform services, in connection with loans secured directly or collaterally by one or more liens  
26 on real property. These acts, which require a real estate broker license under Section 10131(d) of  
27

1 the Code, were performed during a period of time when SCHWARZROCK was not licensed by  
2 the Department as a real estate broker, a violation of Code Section 10130.

3 DESIST AND REFRAIN ORDER

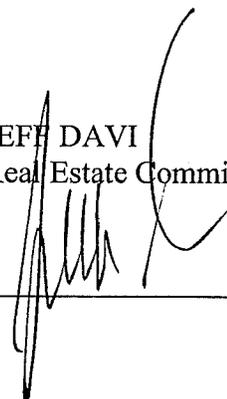
4 Based upon the Findings of Fact and Conclusions of Law stated herein, it is hereby ordered  
5 that HOPE FINANCIAL, RONALD WAYNE SCHWARZROCK, and JOHN WASHINGTON,  
6 whether doing business under their own names, or any other names, or any fictitious name, ARE  
7 HEREBY ORDERED to immediately desist and refrain from performing any acts within the  
8 State of California for which a real estate broker license is required. In particular YOU are  
9 ORDERED TO DESIST AND REFRAIN from:

10 1. charging, demanding, claiming, collecting and/or receiving advance fees, as that term is  
11 defined in Code Section 10026, in any form, and under any conditions, with respect to the  
12 performance of loan negotiation and modification services or any other form of mortgage loan  
13 forbearance service in connection with loans on residential property containing four or fewer  
14 dwelling units; and

15 2. charging, demanding, claiming, collecting and/or receiving advance fees, as that term is  
16 defined in Code Section 10026, for any other real estate related services offered by them to  
17 others.

18  
19 DATED: 1-20-2011

20 JEFF DAVI  
21 Real Estate Commissioner

22  
23 By  \_\_\_\_\_  
24

25 **Notice:** Business and Professions Code Section 10139 provides that "Any person acting as a  
26 real estate broker or real estate salesperson without a license or who advertises using words  
27 indicating that he or she is a real estate broker without being so licensed shall be guilty of a  
public offense punishable by a fine not exceeding twenty thousand dollars (\$20,000), or by

1 imprisonment in the county jail for a term not to exceed six months, or by both fine and  
2 imprisonment; or if a corporation, be punished by a fine not exceeding sixty thousand dollars  
3 (\$60,000).”

4 cc: HOPE FINANCIAL  
5 24338 El Toro Road, Suite 114  
6 Laguna Woods, CA 92637

7 RONALD WAYNE SCHWARZROCK  
8 24338 El Toro Road, Suite #114  
9 Laguna Woods, CA 92637

10 JOHN WASHINGTON  
11 24338 El Toro Road, Suite #114  
12 Laguna Woods, CA 92637  
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