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**FILED**

MAY 11 2020

DEPT. OF REAL ESTATE

By 

BEFORE THE DEPARTMENT OF REAL ESTATE  
STATE OF CALIFORNIA

\* \* \*

In the Matter of the Accusation against )  
ALFRED PALAFOX dba ) DRE No. H-41312 LA  
Alliance Investment Group, ) OAH No. 2019060301  
Respondent. )

DECISION AFTER REJECTION

This matter was heard by Erlinda G. Shrenger, Administrative Law Judge ("ALJ") of the Office of Administrative Hearings on October 31, 2019.

The Complainant was represented by Diane Lee, Counsel for the Department of Real Estate ("Department").

Attorney Christopher J. Donovan, Esq., Doss Law, LLP, represented Respondent ALFRED PALAFOX ("Respondent"), doing business as Alliance Investment Group, who appeared at the hearing.

Evidence was received, the hearing was closed, and the matter was submitted on that date.

On December 2, 2019, ALJ Shrenger, signed a Proposed Decision which I declined to adopt as my Decision herein.

1 Pursuant to Section 11517(c) of the Government Code of the State of California.  
2 Respondent was served with notice of my determination to not adopt the Proposed Decision of  
3 the ALJ along with a copy of said Proposed Decision. Respondent was notified that the case  
4 would be decided by me upon the record, the transcript of proceedings held on October 31, 2019,  
5 and upon any written argument offered by Respondent and Complainant.

6 On March 6, 2020, Respondent submitted as his argument. Respondent's hearing  
7 brief and subsequent letters exchanged between Respondent's counsel and Complainant's  
8 counsel. On March 20, 2020, written argument was submitted on behalf of Complainant.

9 I have given careful consideration to the record in this case including the  
10 transcript of proceedings of October 31, 2019. I have also considered the argument submitted by  
11 Respondent and the argument submitted on behalf of Complainant.

12 The following shall constitute the Decision of the Real Estate Commissioner in  
13 this proceeding:

#### 14 FACTUAL FINDINGS

15 The Factual Findings of the ALJ's Proposed Decision in this matter, dated  
16 December 2, 2019, are hereby adopted.

#### 17 LEGAL CONCLUSIONS

18 The Legal Conclusions and Discussion of the ALJ's Proposed Decision in this  
19 matter, dated December 2, 2019, are hereby adopted.

#### 20 ORDER

21 WHEREFORE, THE FOLLOWING ORDER is hereby made:

22 The Order of the ALJ's Proposed Decision in this matter, dated December 2,  
23 2019, is hereby adopted with the exception to the first paragraph of the Order which revoked all  
24 licenses and licensing rights of Respondent; provided, however, the right to issuance of a  
25 restricted real estate broker license. The Order omitted reference to Respondent's mortgage  
26 loan originator ("MLO") license endorsements, thereby revoking the MLO license  
27 endorsements outright. The Order shall therefore be as follows:

1 All licenses, mortgage loan originator ("MLO") license endorsements and  
2 licensing rights of Respondent ALFRED PALAFOX dba Alliance Investment Group under the  
3 Real Estate Law are revoked; provided, however, a restricted real estate broker license and  
4 restricted individual and company MLO license endorsements shall be issued to Respondent  
5 pursuant to Sections 10156.5 and 10166.051 of the Business and Professions Code ("Code") if  
6 Respondent makes application therefor and pays to the Department of Real Estate the  
7 appropriate fee for the restricted license within 90 days from the effective date of this Decision.  
8 The restricted license issued to Respondent shall be subject to all of the provisions of Section  
9 10156.7 of the Code and the following limitations, conditions and restrictions imposed under  
10 authority of Section 10156.6 of that Code:

11 1. The restricted license issued to Respondent may be suspended prior to hearing  
12 by Order of the Real Estate Commissioner in the event of Respondent's conviction or plea of  
13 nolo contendere to a crime which is substantially related to Respondent's fitness or capacity as a  
14 real estate licensee.

15 2. The restricted license issued to Respondent may be suspended prior to hearing  
16 by Order of the Real Estate Commissioner on evidence satisfactory to the Commissioner that  
17 Respondent has violated provisions of the California Real Estate Law, the subdivided Lands Law,  
18 Regulations of the Real Estate Commissioner or conditions attaching to the restricted license.

19 3. Respondent shall not be eligible to apply for the issuance of an unrestricted  
20 real estate license or MLO license endorsements, nor for the removal of any of the conditions,  
21 limitations or restrictions of a restricted license until two (2) years have elapsed from the  
22 effective date of this Decision.

23 4. Respondent shall, within nine months from the effective date of this  
24 Decision, present evidence satisfactory to the Real Estate Commissioner that Respondent has,  
25 since the most recent issuance of an original or renewal real estate license, taken and  
26 successfully completed the continuing education requirements of Article 2.5 of Chapter 3 of the  
27 Real Estate Law for renewal of a real estate license. If Respondent fails to satisfy this

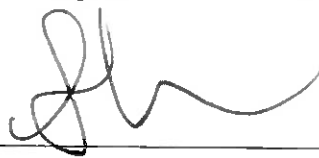
1 condition, the Commissioner may order the suspension of the restricted license until the  
2 Respondent presents such evidence. The Commissioner shall afford Respondent the  
3 opportunity for a hearing pursuant to the Administrative Procedure Act to present such  
4 evidence.

5 5. Respondent shall pay \$3,564 to the Department for its reasonable costs of  
6 investigation and enforcement of this matter within 90 days of the effective date of this  
7 Decision and Order, unless the Department agrees in writing to payment by an installment plan  
8 because of financial hardship. However, full payment must be received within one year of any  
9 such agreement.

10 This Decision shall become effective at 12 o'clock noon on ~~June 10, 2020~~

11 IT IS SO ORDERED 5/4/20

12  
13 SANDRA KNAU  
14 Acting Real Estate Commissioner

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