

**FILED**

**SEP 18 2018**

DEPARTMENT OF REAL ESTATE

By *Angela M. ...*

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

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BEFORE THE DEPARTMENT OF REAL ESTATE  
STATE OF CALIFORNIA

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In the Matter of the Accusation of	)	No. H-40893 LA
	)	
REALTY COACH ENTERPRISES INC; and	)	<u>STIPULATION</u>
	)	<u>AND</u>
STEVEN ALONGE, individually and as	)	<u>AGREEMENT</u>
designated officer of Realty Coach Enterprises Inc,	)	
	)	
	)	
Respondents.	)	

It is hereby stipulated by and between Respondents REALTY COACH ENTERPRISES INC ("RCEP"), STEVEN ALONGE ("ALONGE"), both represented by Fredrick M. Ray, Esq., and the Complainant, acting by and through Julie L. To, Counsel for the Department of Real Estate, as follows for the purpose of settling and disposing of the Accusation ("Accusation") filed on December 20, 2017 in Case No. H-40893 LA, in this matter.

1. All issues which were to be contested and all evidence which was to be presented by Complainant and Respondents at a formal hearing on the Accusation, which hearing was to be held in accordance with the provisions of the Administrative Procedure Act ("APA"), shall instead and in place thereof be submitted solely on the basis of the provisions of this Stipulation and Agreement ("Stipulation").

1                   2. Respondents have received, read and understand the Statement to Respondent,  
2 the Discovery Provisions of the APA and the Accusation filed by the Department of Real Estate  
3 (“Department”) in this proceeding.

4                   3. On January 3, 2018, Respondents timely filed a Notice of Defense pursuant to  
5 Section 11506 of the Government Code for the purpose of requesting a hearing on the allegations  
6 in the Accusation. Respondents hereby freely and voluntarily withdraw said Notice of Defense.  
7 Respondents acknowledge that they understand that by withdrawing said Notice of Defense they  
8 thereby waive their right to require the Commissioner to prove the allegations in the Accusation  
9 at a contested hearing held in accordance with the provisions of the APA and that they will waive  
10 other rights afforded to them in connection with the hearing such as the right to present evidence  
11 in their defense and the right to cross-examine witnesses.

12                   4. This Stipulation is based on the factual allegations contained in the Accusation.  
13 In the interest of expedience and economy, Respondents choose not to contest these allegations,  
14 but to remain silent, and understand that, as a result thereof, these factual allegations, without  
15 being admitted or denied, will serve as a prima facie basis for the disciplinary action stipulated to  
16 herein. The Real Estate Commissioner shall not be required to provide further evidence to prove  
17 said factual allegations.

18                   5. This Stipulation is made for the purpose of reaching an agreed disposition of  
19 this proceeding and is expressly limited to this proceeding and any other proceeding or case in  
20 which the Department of Real Estate (“Department”) or another licensing agency of this state,  
21 another state, or if the federal government is involved, and otherwise shall not be admissible in  
22 any other criminal or civil proceeding.

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1                   6. It is understood by the parties that the Real Estate Commissioner may adopt  
2 this Stipulation as the Commissioner's Decision in this matter, thereby imposing the penalty and  
3 sanctions on Respondents' real estate licenses and license rights as set forth in below "Order." In  
4 the event that the Commissioner in his discretion does not adopt the Stipulation and Agreement,  
5 the Stipulation shall be void and of no effect and Respondents shall retain the right to a hearing  
6 and proceeding on the Accusation under the provisions of the APA and shall not be bound by any  
7 admission or waiver made herein.

8                   7. The Order or any subsequent Order of the Real Estate Commissioner made  
9 pursuant to this Stipulation shall not constitute an estoppel, merger or bar to any further  
10 administrative or civil proceedings by the Department of Real Estate with respect to any matters  
11 which were not specifically alleged to be causes for Accusation in this proceeding but do  
12 constitute a bar, estoppel and merger as to any allegations actually contained in the Accusations  
13 against Respondents herein.

14                   8. Respondents understand that by agreeing to this Stipulation, Respondents agree  
15 to pay, pursuant to Business and Professions Code ("Code") Section 10148, the cost of the audit  
16 which resulted in the determination that Respondents committed the violations found in the  
17 Determination of Issues. The amount of said costs for the original audit (SD 150029) is  
18 \$6,764.40. Respondents agree to pay, pursuant to Code Section 10148, \$6,764.40 for the cost of  
19 Audit No. SD 150029.

20                   9. Respondents have received, read, and understand the "Notice Concerning  
21 Costs of Subsequent Audit." Respondents further understand that by agreeing to this Stipulation,  
22 the findings set forth below in the Determination of Issues become final, and the Commissioner  
23 may charge Respondents for the cost of any subsequent audits conducted pursuant to Code  
24 Section 10148 to determine if the violations have been corrected. The maximum cost of the  
25 follow-up audits will not exceed one-hundred twenty-five percent (125%) of the cost of the  
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1 original audit; in the instant case, the cost of the original audit is \$6,764.40, and the maximum  
2 cost of the follow-up audit will not exceed \$8,455.50. Therefore, Respondents may be charged a  
3 maximum of \$8,455.50 in the event of a subsequent audit.

4 10. Respondents understand that by agreeing to this Stipulation, Respondents  
5 agree to pay, pursuant to Code Section 10106, the Commissioner's cost of the investigation and  
6 enforcement which resulted in the determination that Respondents committed the violations  
7 found in the Determination of Issues. The amount of said costs is \$2,886.85; therefore,  
8 Respondents agree to pay, pursuant to Code Section 10106, the amount \$2,886.85.

9 DETERMINATION OF ISSUES

10 By reason of the foregoing stipulations, admissions and waivers, and solely for the  
11 purpose of settlement of the pending Accusation without a hearing, it is stipulated and agreed  
12 that the following determination of issues shall be made:

13 The conduct, acts or omissions of Respondents RCEI and ALONGE, as described  
14 in Paragraph 4, herein above, are in violation of: Code Section 10145 and Title 10, Chapter 6,  
15 California Code of Regulations ("Regulation") 2832.1; Code Section 10145 and Regulation  
16 2831; Code Section 10145 and Regulation 2831.1; Code Section 10145 and Regulation 2831.2;  
17 Code Section 10145 and Regulation 2832; Code Section 10145 and Regulation 2834; Code  
18 Sections 10145 and 10176(e) and Regulation 2835(b); Code Sections 10145, 10176(e), 10176(i),  
19 and 10177(j); Code Section 10159.5 and Regulation 2731; and Code Sections 10159.2 and  
20 10177(h) and Regulation 2725, and are bases for the suspension or revocation of Respondents  
21 RCEI and ALONGE's licenses and license rights as a violation of the Real Estate Law pursuant  
22 to Code Sections 10176(e), 10176(i), 10177(d), 10177(g), 10177(h), and 10177(j).

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1 or restrictions of a restricted license until four (4) years have elapsed from the effective date of  
2 this Decision and Order.

3 4. Respondent ALONGE shall submit with any application for license under an  
4 employing broker, or any application for transfer to a new employing broker, a statement signed  
5 by the prospective employing broker on a form approved by the Department of Real Estate  
6 which shall certify:

7 (a) That the employing broker has read the Decision of the Commissioner  
8 which granted the right to a restricted license; and

9 (b) That the employing broker will exercise close supervision over the  
10 performance by the restricted licensee relating to activities for which a real  
11 estate license is required.

12 5. All licenses and licensing rights of Respondent ALONGE are indefinitely  
13 suspended unless or until Respondent ALONGE provides proof satisfactory to the  
14 Commissioner of having taken and successfully completed the continuing education course on  
15 trust fund accounting and handling specified in paragraph (3) of subdivision (a) of Section  
16 10170.5 of the Business and Professions Code. Proof of satisfaction of these requirements  
17 includes evidence that Respondent ALONGE has successfully completed the trust fund  
18 accounting courses, no earlier than one hundred and twenty (120) days prior to the effective date  
19 of the Decision and Order in this matter. Proof of completion of the trust fund accounting and  
20 handling courses must be delivered to the Department of Real Estate, Flag Section, at P.O. Box  
21 137013, Sacramento, CA 95813-7013 or by fax at 916-263-8758, prior to the effective date of  
22 this Decision and Order.

23 6. Respondent ALONGE shall, within nine (9) months from the effective date of  
24 this Decision and Order, take and pass the Professional Responsibility Examination  
25 administered by the Department, including the payment of the appropriate examination fee. If  
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1 Respondent ALONGE fails to satisfy this condition, Respondent ALONGE's real estate license  
2 shall automatically be suspended until Respondent ALONGE passes the examination.

3 7. Respondent ALONGE shall, within nine (9) months from the effective date of  
4 this Decision and Order, present evidence satisfactory to the Commissioner that Respondent  
5 ALONGE has, since the most recent issuance of an original or renewal real estate license, taken  
6 and successfully completed the continuing education requirements of Article 2.5 of Chapter 3 of  
7 the Real Estate Law for renewal of a real estate license. If Respondent ALONGE fails to satisfy  
8 this condition, Respondent ALONGE's real estate license shall automatically be suspended until  
9 Respondent ALONGE presents evidence satisfactory to the Commissioner of having taken and  
10 successfully completed the continuing education requirements. Proof of completion of the  
11 continuing education courses must be delivered to the Department of Real Estate, Flag Section at  
12 P.O. Box 137013, Sacramento, CA 95813-7013.


13 8. All licenses and licensing rights of Respondents RCEI and ALONGE are  
14 indefinitely suspended unless or until Respondents RCEI and ALONGE jointly and severally pay  
15 the sum of \$2,886.85 for the Commissioner's reasonable cost of the investigation and  
16 enforcement which led to this disciplinary action. Said payment shall be in the form of a  
17 cashier's check or certified check made payable to the Department of Real Estate. The  
18 investigation and enforcement costs must be delivered to the Department of Real Estate, Flag  
19 Section at P.O. Box 137013, Sacramento, CA 95813-7013, prior to the effective date of this  
20 Decision and Order.

21 9. Pursuant to Section 10148 of the Code, Respondents RCEI and ALONGE shall  
22 pay the sum of \$6,764.40 for the Commissioner's cost of the audit which led to this disciplinary  
23 action. Respondents RCEI and ALONGE shall pay such cost within sixty (60) days of receiving  
24 an invoice therefore from the Commissioner. Payment of audit costs should not be made until  
25 Respondents receive the invoice. If Respondents fail to satisfy this condition in a timely manner  
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1 as provided for herein, Respondents' real estate licenses shall automatically be suspended until  
2 payment is made in full, or until a decision providing otherwise is adopted following a hearing  
3 held pursuant to this condition.

4 10. Pursuant to Section 10148 of the Code, Respondents RCEI and ALONGE  
5 shall pay the Commissioner's reasonable cost, not to exceed \$8,455.50 [or, 125% of the original  
6 audit cost], for a subsequent audit to determine if Respondents RCEI and ALONGE have  
7 corrected the violations found in the Determination of Issues. In calculating the amount of the  
8 Commissioner's reasonable cost, the Commissioner may use the estimated average hourly salary  
9 for all persons performing audits of real estate brokers, and shall include an allocation for travel  
10 time to and from the auditor's place of work. Respondents shall pay such cost within sixty (60)  
11 days of receiving an invoice therefore from the Commissioner. Payment of the audit costs should  
12 not be made until Respondents receive the invoice. If Respondents fail to satisfy this condition  
13 in a timely manner as provided for herein, Respondents' real estate licenses shall automatically  
14 be suspended until payment is made in full, or until a decision providing otherwise is adopted  
15 following a hearing held pursuant to this condition.

16 DATED: 7-27-10

  
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Julie L. To, Counsel for  
Department of Real Estate

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19 EXECUTION OF THE STIPULATION

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

3 MAILING AND FACSIMILE

4 Respondents can signify acceptance and approval of the terms and conditions of  
5 this Stipulation and Agreement by sending a hard copy of the original signed signature page(s) of  
6 the Stipulation herein to Julie L. To, Legal Section, Department of Real Estate, 320 W. Fourth  
7 St., Suite 350, Los Angeles, California 90013-1105. In the event of time constraints before an  
8 administrative hearing, Respondents can signify acceptance and approval of the terms and  
9 conditions of this Stipulation and Agreement by emailing a scanned copy of the signature page,  
10 as actually signed by Respondents, to the Department counsel assigned to this case. Respondents  
11 agree, acknowledge, and understand that by electronically sending to the Department a scan of  
12 Respondents' actual signatures as they appear on the Stipulation and Agreement, that receipt of  
13 the scan by the Department shall be binding on Respondents as if the Department had received  
14 the original signed Stipulation and Agreement.

15 DATED: 7/13/18


16   
17 STEVEN ALONGE, Respondent

18 DATED: 7/13/18

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20 REALTY COACH ENTERPRISES INC,  
21 Respondent  
22 By: Steven Alonge, Designated Officer

23 *I have reviewed the Stipulation and Agreement as to form and content and have  
24 advised my clients accordingly.*

25 DATED: 7/13/18

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27 Fredrick M. Ray, Esq.  
Attorney for Respondents

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The foregoing Stipulation and Agreement is hereby adopted as my Decision as to Respondents REALTY COACH ENTERPRISES INC and STEVEN ALONGE, individually and as designated officer of REALTY COACH ENTERPRISES INC, and shall become effective at 12 o'clock noon on OCT 01 2018, 2018.

IT IS SO ORDERED August 31, 2018.

DANIEL J. SANDRI  
ACTING REAL ESTATE COMMISSIONER

