FILED

DEC 12 2011

DEPARTMENT OF REAL ESTA
BY:

BEFORE THE DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

* * *

In the Matter of the Accusation of AMERICAN LOAN QUEST INC.; doing business as American Loan Quest and Loan Quest; and MICHAEL DENNIS DOCKSTADER, as designated officer of American Loan Quest Inc., Respondents.	No. H-37002 LA

ORDER ACCEPTING VOLUNTARY SURRENDER OF REAL ESTATE LICENSE

On January 5, 2011, an Accusation was filed in this matter against Respondent AMERICAN LOAN QUEST INC.

On October 6, 2011, Respondent petitioned the Commissioner to voluntarily surrender its real estate broker license rights pursuant to Section 10100.2 of the Business and Professions Code.

IT IS HEREBY ORDERED that AMERICAN LOAN QUEST INC.'s petition for voluntary surrender of its real estate broker

license and/or license rights are 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 October 6, 2011, (attached as Exhibit "A" hereto). Respondents' license certificate, pocket card and any branch office license certificate shall be sent to the below listed address so that they reach the Department on or before the effective date of this Order:

Department of Real Estate
Atten: Licensing Flag Section
P.O. Box 187000
Sacramento, CA 95818-7000

This Order shall become effective at 12 o'clock noon on January 3, 2012.

DATED: 12/5, 2011

BARBARA J. BIGBY
Acting Real Estate Commissioner

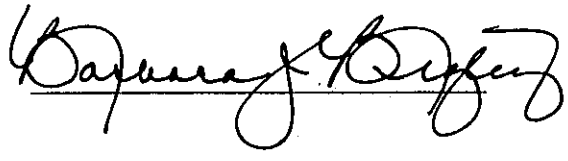

EXHIBIT "A"

BEFORE THE DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

* * *

In the Matter of the Accusation of AMERICAN LOAN QUEST INC.; doing business as American Loan Quest and Loan Quest; and MICHAEL DENNIS DOCKSTADER, as designated officer of American Loan Quest Inc., Respondents.	No. H-37002 LA

DECLARATION

My name is MICHAEL DENNIS DOCKSTADER and I am the designated officer of AMERICAN LOAN QUEST INC. which is licensed as a real estate broker and/or has license rights with respect to said licenses. I am acting on behalf of and am authorized and empowered to sign this declaration on behalf of AMERICAN LOAN QUEST INC. AMERICAN LOAN QUEST INC. is represented in this matter by Janet E. Dockstader, Esq.

In lieu of proceeding in this matter in accordance with the provisions of the Administrative Procedures Act (Sections 11400 et seq., of the Government Code) AMERICAN LOAN QUEST 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 AMERICAN LOAN QUEST INC., by so voluntarily surrendering its license, can only have it reinstated in accordance with the provisions of Section 11522 of the Government Code. I also understand that by so voluntarily surrendering its license rights, AMERICAN LOAN QUEST INC. agrees to the following:

The filing of this Declaration shall be deemed as AMERICAN LOAN QUEST INC.'s petition for voluntary surrender. It shall also be deemed to be an understanding and agreement by AMERICAN LOAN QUEST INC. that, it waives all rights it has to require the Commissioner to prove the allegations contained in the Accusation ("Accusation") filed in this matter at a hearing held in accordance with the provisions of the Administrative Procedures Act (Government Code Sections 11400 et seq.), and that it also waives other rights afforded to it in connection with the hearing such as the right to discovery, the right to present evidence in defense of the allegations in the Accusation and the right to cross examine witnesses.

I further agree on behalf of AMERICAN LOAN QUEST INC. that upon acceptance by the Commissioner, as evidenced by an appropriate order, all affidavits and all relevant evidence

obtained by the Department in this matter prior to the Commissioner's acceptance, and all allegations contained in the Accusation filed in the Department Case No. H-37002 LA, may be considered by the Department to be true and correct for the purpose of deciding whether or not to grant reinstatement of AMERICAN LOAN QUEST INC.'s license pursuant to Government Code Section 11522.

This Declaration is not an admission by AMERICAN LOAN QUEST INC. as to the allegations in the Accusation. This Declaration is made for the purpose of reaching a resolution of allegations contained in the DRE Case number H-37002 LA, and is expressly limited to this proceeding and any other proceeding or case in which the Department of Real Estate is a party and shall not otherwise be admissible or relied upon by any third parties for any purpose.

I further agree on behalf of AMERICAN LOAN QUEST INC. to pay the Commissioner's reasonable cost for the audit which led to this action. In calculating the amount of the Commissioner's reasonable cost, the Commissioner may use the estimated average hourly salary for all persons performing audits of real estate brokers, and shall include an allocation for travel time to and from the auditor's place of work. AMERICAN LOAN QUEST INC. will pay such cost within 60 days of receiving an invoice from the Commissioner detailing the activities performed during the audit and the amount of time spent performing those activities.

I am aware that if AMERICAN LOAN QUEST INC. petitions for reinstatement in the future, that payment of the audit costs will be a condition of reinstatement.

I declare under penalty of perjury under the laws of the State of California that the above is true and correct and that I am acting freely and voluntarily on behalf of AMERICAN LOAN QUEST INC. to surrender their licenses and all license rights attached thereto.

Oct. 6, 2011
Date and Place

BY: MICHAEL DENNIS DOCKSTADER
Designated Officer of
AMERICAN LOAN QUEST INC.

FILED

DEC 12 2011

DEPARTMENT OF REAL ESTATE
BY: _____

BEFORE THE DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

* * *

In the Matter of the Accusation of AMERICAN LOAN QUEST INC.; doing business as American Loan Quest and Loan Quest; and MICHAEL DENNIS DOCKSTADER, as designated officer of American Loan Quest Inc., Respondents.	No. H-37002 LA

ORDER ACCEPTING VOLUNTARY SURRENDER OF REAL ESTATE LICENSE

On January 5, 2011, an Accusation was filed in this matter against Respondent MICHAEL DENNIS DOCKSTADER

On October 6, 2011, Respondent petitioned the Commissioner to voluntarily surrender his real estate broker license rights pursuant to Section 10100.2 of the Business and Professions Code.

IT IS HEREBY ORDERED that Respondent MICHAEL DENNIS DOCKSTADER's petition for voluntary surrender of his real estate

broker license rights 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 June 28, 2011, (attached as Exhibit "A" hereto). Respondent's license certificate, pocket card and any branch office license certificate shall be sent to the below listed address so that they reach the Department on or before the effective date of this Order:

Department of Real Estate
Atten: Licensing Flag Section
P.O. Box 187000
Sacramento, CA 95818-7000

This Order shall become effective at 12 o'clock noon on January 3, 2012.

DATED: 12/5, 2011

BARBARA J. BIGBY
Acting Real Estate Commissioner

EXHIBIT "A"

BEFORE THE DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

* * *

In the Matter of the Accusation of AMERICAN LOAN QUEST INC.; doing business as American Loan Quest and Loan Quest; and MICHAEL DENNIS DOCKSTADER, as designated officer of American Loan Quest Inc., Respondents.	No. H-37002 LA

DECLARATION

My name is MICHAEL DENNIS DOCKSTADER and I am currently licensed as a real estate broker and/or have license rights with respect to said license. I am represented by Janet E. Dockstader, Esq.

In lieu of proceeding in this matter in accordance with the provisions of the Administrative Procedure Act (Sections 11400 et seq., of the Government Code), I wish to voluntarily surrender my real estate license(s) issued by the Department of

Real Estate ("Department"), pursuant to Business and Professions Code Section 10100.2.

I understand that by so voluntarily surrendering my license(s), I may be relicensed as a broker or as a salesperson only by petitioning for reinstatement pursuant to Section 11522 of the Government Code. I also understand that by so voluntarily surrendering my license(s), I agree to the following:

1. The filing of this Declaration shall be deemed as my petition for voluntary surrender.

2. It shall also be deemed to be an understanding and agreement by me that I waive all rights I have to require the Commissioner to prove the allegations contained in the Accusations filed in these matters at a hearing held in accordance with the provisions of the Administrative Procedure Act (Government Code Sections 11400 et seq.), and that I also waive other rights afforded to me in connection with the hearing such as the right to discovery, the right to present evidence in defense of the allegations in the Accusation and the right to cross-examine witnesses.

3. I further agree that upon acceptance by the Commissioner, as evidenced by an appropriate order, all affidavits and all relevant evidence obtained by the Department in this matter prior to the Commissioner's acceptance, and all allegations contained in the Accusations filed in the Department Case No. H-37002 LA, may be considered by the Department to be true and correct for the purpose of deciding whether to grant

relicensure or reinstatement pursuant to Government Code Section 11522.

4. This Declaration is not an admission as to the allegations in the Accusation. This Declaration is made for the purpose of reaching a resolution of allegations contained in the DRE Case No. H-37002 LA, and is expressly limited to this proceeding and any other proceeding or case in which the Department of Real Estate is a party and shall not otherwise be admissible or relied upon by any third parties for any purpose.

5. I further agree on behalf of AMERICAN LOAN QUEST INC., to pay the Commissioner's reasonable cost for the audits which led to this action. In calculating the amount of the Commissioner's reasonable cost, the Commissioner may use the estimated average hourly salary for all persons performing audits of real estate brokers, and shall include an allocation for travel time to and from the auditor's place of work. I will pay such cost within 60 days of receiving an invoice from the Commissioner detailing the activities performed during the audit and the amount of time spent performing those activities.

I am aware that if I or AMERICAN LOAN QUEST INC. petition for reinstatement in the future, that payment of the audit costs will be a condition of reinstatement.

I freely and voluntarily surrender all my licenses and license rights under the Real Estate Law.

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I declare under penalty of perjury under the laws of the State of California that the above is true and correct and that this declaration was executed on Oct. 6, 2011, at Seal Beach, California.

MICHAEL DENNIS DOCKSTADER.

ELLIOTT MAC LENNAN, SBN 66674
Department of Real Estate
320 West 4th Street, Ste. 350
Los Angeles, California 90013-1105

Telephone: (213) 576-6911 (direct)
-or- (213) 576-6982 (office)

FILED

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DEPARTMENT OF REAL ESTATE
BY: _____

BEFORE THE DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

* * *

In the Matter of the Accusation of AMERICAN LOAN QUEST INC. doing business as American Loan Quest and Loan Quest; and MICHAEL DENNIS DOCKSTADER, as designated officer of American Loan Quest Inc., Respondents.	No. H-37002 LA A C C U S A T I O N

The Complainant, Robin Trujillo, a Deputy Real Estate Commissioner of the State of California, for cause of Accusation against AMERICAN LOAN QUEST INC. dba American Loan Quest and Loan Quest; and MICHAEL DENNIS DOCKSTADER, as designated officer of American Loan Quest Inc., alleges as follows:

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1.

The Complainant, Robin Trujillo, acting in her official capacity as a Deputy Real Estate Commissioner of the State of California, makes this Accusation against AMERICAN LOAN QUEST INC. (ALQI) and MICHAEL DENNIS DOCKSTADER (DOCKSTADER).

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.

License

3.

At all times mentioned, ALQI was licensed or had license rights issued by the Department of Real Estate (Department) as a corporate real estate broker by and through real estate broker MICHAEL DENNIS DOCKSTADER (DOCKSTADER). ALQI was originally licensed as a corporate real estate broker on June 17, 2003, by and through DOCKSTADER as designated officer. DOCKSTADER was licensed as designated officer of ALQI on even date therewith.

Brokerage

4.

At all times mentioned, in the Los Alamitos, County of Orange, Respondents ALQI and DOCKSTADER engaged in the business of real estate brokers conducting licensed activities within the meaning of:

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A. Code Section 10131(d). Respondents engaged in activities 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 for fees often collected in advance.

B. Code Section 10131(d) and 10131.2. Respondents advertised, solicited and offered to provide loan modification services to economically distressed homeowners seeking adjustments to the terms and conditions of their home loans including, but not limited to, repayment plans, forbearance plans, partial claims, and reduction in principal or interest, extenuations, foreclosure prevention and short sales.

FIRST CAUSE OF ACTION

(Audit of American Loan Quest Inc.)

5.

On November 16, 2009, the Department completed an audit examination of the books and records of ALQI pertaining to the mortgage loan brokerage and the loan modification activities described in Paragraph 4, above, which require a real estate license. The audit examination covered a period of time beginning on June 1, 2006 to May 31, 2009. The audit examination revealed violations of the Code and the Regulations as set forth in the following paragraphs, and more fully discussed in Audit Report LA 080322 and the exhibits and work papers attached to said audit report.

Bank and Trust Accounts

6.

At all times mentioned, in connection with the activities described in Paragraph 4, above, ALQI accepted or received funds including funds in trust (hereinafter "trust funds") from or on behalf of actual or prospective parties, including economically distressed homeowner-borrowers for advance fees and loan modifications handled by ALQI and for mortgage loans. Thereafter ALQI made deposits and or disbursements of such trust funds. From time to time herein mentioned during the audit period, said trust funds were deposited and/or maintained by ALQI in these bank accounts as ALQI did not maintain a trust accounts during the audit period:

"Michael Dockstader dba Loan Modification Services
Account No. 358-052483-9
Chase Bank
Los Alamitos, California

(B/A #1 - ALQI's general business account used for deposit of advance fees collected from homeowners for loan modifications)

"Michael Dockstader
Account No. 315-221868-8
Chase Bank
Los Alamitos, California

(B/A #2 - ALQI's general business account not used for deposit of trust funds)

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Violations

7.

In the course of activities described in Paragraphs 4 and 6, above, and during the examination period described in Paragraph 5, Respondents ALQI and DOCKSTADER, acted in violation of the Code and the Regulations in that Respondents:

(a) Permitted, allowed or caused the disbursement of trust funds from ALQI bank account B/A #1 where advance fees collected from homeowner-borrowers seeking modifications to their existing home loans, where the disbursement of funds reduced the total of aggregate funds in B/A #1, to an amount which, on May 31, 2009, was $28,164.68, less than the existing aggregate trust fund liability to every homeowner-borrower who was an owner of said funds, without first obtaining the prior written consent of the owners of said funds, in violation of Code Sections 10145 and 10176(i) and Regulation 2832.1.

The trust fund accountability was determined by calculating the advanced fees collected from homeowner-borrowers, $28,164.68, and subtracting for it the pending loan modifications that had not yet been completed. Therefore the $28,164.68 accountability had not been earned by ALQI. When the balance in B/A #1 was reduced to less than the $28,164.68, conversion of the collected advance fees occurred by Respondents, for converting the advanced fees of home-owner borrowers to Respondents business and personal use not related to a loan modification applicant.

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(b) Mixed and commingled trust funds with ALQI's general funds by depositing trust funds in the form of collected advance fees solicited from homeowner-borrowers for loan modification services into B/A #1, in violation of Code Sections 10145, 10176(e) and Regulation 2832; and

(c) Converted trust funds by depositing trust funds in the form of advance fees solicited from homeowner-borrowers for loan modification services into ALQI's general operating account, B/A #1, in violation of Code Sections 10145 and 10176(i). ALQI reduced the amount in ALQI's general account to an amount less than the amount of the trust funds deposited constituting conversion, congruent with Paragraph 7(a), above.

Table: Conversion of Unearned Loan Modification Fees

Date	Name	Amount	Date of Deposit	Date Earned
10/6/08	Elisabeth Barajas	$3,500.00	11/11/09, 11/19/08	Unearned
10/20/08	Danelo Casio	$2,897.00	10/22/08	Unearned
12/3/08	Patricia Santana	$1,250.00	12/3/08	Unearned
12/3/08	Patricia Santana	$1,250.00	1/14/09	Unearned
Unavailable	Gaile Jollie	$3,000.00	01/15/09	Unearned
9/23/08	Stanley Johnson	$5,000.00	9/25/08	Unearned
11/17/08	Kyoriteka Sims	$3,000.00	12/25/08	Unearned

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d) Failed to maintain an and accurate and complete control record in chronological order for each homeowner-borrower for loan modifications and for each party to a mortgage loan transaction, thereby failing to account for all advance fees collected in connection with mortgage loan brokerage and loan modification services, in violation of Code Section 10145 and Regulation 2831.

(e) Failed to maintain a separate record for each homeowner-borrower, thereby failing to account for all advance fees collected for loan modification services and for mortgage loan brokerage, in violation of Code Section 10145 and Regulation 2831.1.

(f) Failed to perform a monthly reconciliation of the balance of all separate homeowner-borrower records maintained pursuant to Regulation 2831.1 with the record of all trust funds received and disbursed by B/A #1 in the form of advance fees for loan modification services and for mortgage loan brokerage services, in violation of Code Section 10145 and Regulation 2831.2.

(g) Failed to pay credit report fees to the credit report company prior to the closed of escrow for borrowers James Burke, Stephen Lurin and Michael Castrol and failed to place credit report fees collected from said borrowers into a trust account in the name of the broker as trustee at a bank or other financial institution, in violation of Code Section 10145.

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(h) Collected advance fees within the meaning of Code Section 10026 from homeowner-borrowers seeking loan modification services wherein ALQI failed to provide homeowner-borrowers James Vacca, Jaime Hernandez, Carolina Cotero and William Miller, a pre-approved advance fee agreement from the Department, in violation of Code Section 10085 and Regulation 2970.

(i) With reference to the lack of an advance fee agreement, ALQI and DOCKSTADER, failed to provide a complete description of services to be rendered provided to each homeowner-borrower in 10 point type font and, an allocation and disbursement of the amount collected as the advance fee for each loan modification, in violation of Code Section 10146 and Regulation 2972.

(j)(1) Failed to retain a true and complete copy of a Department of Real Estate approved Mortgage Loan Disclosure Statement signed by the broker for borrower set forth below, in violation of Code Sections 10240 and 10236.4 and Regulation 2840;

(j)(2) Failed to retain a true and complete copy of a Department of Real Estate approved Good Faith Estimate signed by the broker for borrower set forth below which included ALQI's corporate broker license, in violation of Code Sections 10240(c) and 10236.4.

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Table: Mortgage Loan Borrowers

Loan Number	Borrower	Date Closed
1769322305	Cindy Salem	3/12/08
193940961	Lili Laksberger	6/27/08
1596938618	Cindy S. Garcia	6/10/08
1596955570	Bernard Sulzman	7/7/08
190942530	William C. Silvey	3/31/08
4787930	James Burke	3/31/08
4845293	Steve Laurin	4/16/08
1596898036	Michael Castro	1/23/08

(k) Used the fictitious name of "Loan Modification Services", to conduct licensed activities including a loan modification and advanced fee brokerage and mortgage loan brokerage services, without first obtaining from the Department a license bearing said fictitious business name, in violation of Code Section 10159.5 and Regulation 2731.

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Disciplinary Statutes

8.

The conduct of Respondents ALQI and DOCKSTADER described in Paragraph 7, above, violated the Code and the Regulations as set forth below:

PARAGRAPH	PROVISIONS VIOLATED
7(a)	Code Sections 10145 and 10176(i) and 2832.1
7(b)	Code Sections 10145 and 10176(e) and Regulation 2832
7(c)	Code Sections 10145 and 10176(i)
7(d)	Code Section 10145 and Regulation 2831
7(e)	Code Section 10145 and Regulation 2831.1
7(f)	Code Section 10145 Regulation 2831.2

7(g)	Code Section 10145
7(h)	Code Section 10085 and Regulation 2970
7(i)	Code Section 10146 and Regulation 2972
7(j)	Code Sections 10240, 10240(c) and 10236.4 and Regulation 2840
7(k)	Code Section 10159.5 and Regulation 2731

The foregoing violations constitutes cause for discipline of the real estate license and license rights of ALQI and DOCKSTADER, as aforesaid, under the provisions of Code Sections [10176(e) for commingling], 10176(i) for conversion of trust funds, 10177(d) for violation of the Real Estate Law and/or 10177(g) for negligence.

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SECOND CAUSE OF ACCUSATION

(Loan Modification Services)

9.

At all times mentioned herein, Respondents ALQI and DOCKSTADER engaged in the business of a loan modification and advance fee brokerage, within the definition of Code Sections 10131(d) and 10131.2.

General Allegations

10.

During 2008 and continuing thereafter to date, ALQI and DOCKSTADER, dba Loan Modification Services solicited economically distressed homeowners facing foreclosure and eviction from their homes, offered loan modification serviced, and charged and collected advance fees.

Specific Allegations

11.

Using the name "Loan Modification Services" aka "LMS, a professional loan modification company" Respondents ALQI and DOCKSTADER offered loss mitigation and loan modification services to homeowner-borrowers seeking downward adjustments or payment extenuations to their home mortgages. Respondents collected advanced fees from said homeowner-borrowers without possessing a pre-approved advance fee agreement from the Department. Selectively thereafter, Respondents obtained or failed to obtain the loan modification services to the borrowers tabled below:

Table: Loan Modification Services

Homeowner	Date	Status	Advance Fee
Silvia Gonazlez	October 14, 2008	Not obtained	$2,500
Nixon Wulff-Cochrane	November 11, 2008	Not obtained	$3,150
Maria Madrigal	October 20, 2008	Unknown	$3,000
Sonia Oviedo	November 30, 2008	Modified	unknown
Jack/Irene Gales	October 20, 2008	Refunded	$3,500
Pamela Chambers	November 21, 2008	Modified	$1,550
Craig Marshall	October 14, 2008	Modified	$2,500

Loan Modification Violations and Disciplinary Statutes

12.

The conduct of Respondents ALQI and DOCKSTADER violated the Code and the Regulations as set forth below with respect to the tabled homeowner-borrowers:

13.

13(a) Code Section 10176(a) for substantial misrepresentation.

13(b) Code Section 10176(b) for making false promises of a character likely to influence, persuade or induce the tabled homeowner-borrowers.

13(c) Code Section 10177(d) for violation of the Real Estate Law.

13(d) Code Section 10177(g) for negligence.

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Negligence

14.

The overall conduct of Respondents ALQI and DOCKSTADER constitutes negligence. This conduct and violation are cause for the suspension or revocation of the real estate license and license rights of said Respondents pursuant to the provisions of Code Section 10177(g).

Breach of Fiduciary Duty

15.

The overall conduct of Respondents ALQI and DOCKSTADER constitutes a breach of fiduciary duty. This conduct and violation are cause for the suspension or revocation of the real estate license and license rights of said Respondents pursuant to the provisions of Code Sections 10176(i) and/or 10177(g).

Failure to Supervise

16.

The overall conduct of Respondent DOCKSTADER constitutes a failure on Respondent's part, as officer designated by a corporate broker licensee, to exercise the reasonable supervision and control over the licensed activities of ALQI, as required by Code Sections 10159.2 and 10211, and to keep ALQI in compliance with the Real Estate Law, with specific regard to loan modifications services and advance fee handling, requiring a real estate license and is cause for the suspension or revocation of the real estate license and license rights of ALQI and DOCKSTADER pursuant to the provisions of Code Sections 10177(d), 10177(g) and 10177(h).

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 Respondents AMERICAN LOAN QUEST INC. and MICHAEL DENNIS DOCKSTADER, under the Real Estate Law (Part 1 of vision 4 of the Business and Professions Code) and for such other and further relief as may be proper under other applicable provisions of law including restitution of advanced fees paid for unearned loan modifications, and for costs of audit.

Dated at Los Angeles, California

this 13 day of December 2010

Deputy Real Estate Commissioner

cc: American Loan Quest Inc.
c/o Michael Dockstader D.O.
Robin Trujillo
Sacto
Gin Sheng Yee
Audits - Darryl Thomas