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FILED

MAR 06 2024

DEPT. OF REAL ESTATE

By—

DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA

* * *

In the Matter of the Accusation against)	No. H-05721 SD
)	
MEHRAN DAVID ALAEI,)	FIRST AMENDED
)	ACCUSATION
)	
Respondent.)	
)	

The Accusation filed on May 11, 2023 is amended in its entirety as follows:

The Complainant, Veronica Kilpatrick, a Supervising Special Investigator of the State of California, makes this Accusation in his official capacity, and for cause of Accusation against Respondent MEHRAN DAVID ALAEI a.k.a. Mehran Alaei (Respondent or ALAEI), is informed and alleges as follows:

1.

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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1 December 11, 2019 and was not renewed until August 15, 2020.

2 7.

3 ALAEI CONDUCTED LICENSED REAL ESTATE ACTIVITIES

4 WHEN HE WAS NOT LICENSED

5 According to a Residential Listing Agreement (RLA) dated August 6, 2020 that
6 was provided by ALAEI, a RLA between Seller Gay M., Trustee of the M. Living Trust dated
7 8/10/94 (Seller) and "Alaei Realty," granted "Alaei Realty" and ALAEI the exclusive right to sell
8 or exchange real property located at 1427 Gowin Street, Spring Valley, CA 91977-3806 (subject
9 property) for the period beginning August 6, 2020 and ending on August 6, 2021. The listing price
10 on the RLA for the subject property was \$390,000.

11 8.

12 According to a Residential Purchase Agreement (RPA) dated August 6, 2020 that
13 was provided by ALAEI, ALAEI of "Alaei Realty," represented Peter M. (Buyer) in making his
14 offer to purchase the subject property for the amount \$330,000.

15 9.

16 CRIMINAL CONVICTIONS

17 Case No. M095319

18 On or about September 30, 2020, in the Superior Court of California, County of
19 San Diego, in Case No. M095319, The People of the State of California v. Mehran Alaei, a one-
20 count Misdemeanor Complaint was filed that charged Respondent with violating Penal Code (PC)
21 Section 137(c) (inducing false testimony) (Count 1).

22 10.

23 On or about November 9, 2023, the jury in Case No. M095319 found Respondent
24 guilty of violating PC 664/137(c) (attempt inducing false testimony) and the court sentenced
25 Respondent to one (1) year summary probation and 48 hours in the custody of the sheriff, and

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1 ordered Respondent to complete sixteen (16) hours of continuing ethics training focusing on Ethics
2 Rules 1.2.1, 3.3, 3.4, and 4.1 by November 8, 2024.

3 11.

4 Also on or about November 9, 2023, the court issued a Criminal Protective Order
5 – Other than Domestic Violence effective until November 8, 2024 against Respondent to protect
6 Kara F. and Charlotte B.

7 12.

8 [Aggravation]

9 Case No. M268015DV

10 On or about June 2, 2020, in the Superior Court of California, County of San Diego,
11 in Case No. M268015DV, The People of the State of California v. Mehran Alaei, a Misdemeanor
12 Complaint was filed that charged Respondent with two counts of violating Penal Code (PC)
13 Section 243(e)(1) (battery of a current or former significant other) (Counts 1 and 2).

14 13.

15 On or about October 26, 2021, Respondent pled guilty to, and was convicted on
16 both Counts 1 and 2 of San Diego County Case No. M268015DV, for his violation of PC 243(e)(1).
17 Respondent was sentenced to three (3) years summary probation, ordered to pay court fees and
18 fines, and served a protective order

19 14.

20 FAILURE TO REPORT CONVICTIONS TO DEPARTMENT

21 Case No. M095319

22 According to DRE records to date, Respondent did not report in writing to the
23 Department, the aforementioned conviction in San Diego County Case No. M095319, as
24 described above in Paragraphs 8 through 10, within thirty (30) days of said conviction date
25 (November 9, 2023).

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15.

Case No. M268015DV

According to DRE records to date, Respondent did not report in writing to the Department, the aforementioned conviction in San Diego County Case No. M268015DV, as described above in Paragraphs 12 and 13, within thirty (30) days of said conviction date (October 26, 2021).

APPLICABLE SECTIONS OF THE REAL ESTATE LAW

16.

License Required

(Code Sections 10130 and 10131)

Pursuant to Code Section 10130 *License Required*:

“It is unlawful for any person to engage in the business of, act in the capacity of, advertise as, or assume to act as a real estate broker or a real estate salesperson within this state without first obtaining a real estate license from the department, or to engage in the business of, act in the capacity of, advertise as, or assume to act as a mortgage loan originator within this state without having obtained a license endorsement. The commissioner may prefer a complaint for violation of this section before any court of competent jurisdiction, and the commissioner and his or her counsel, deputies, or assistants, may assist in presenting the law or facts at the trial. *Prosecution of Violations*: It is the duty of the district attorney of each county in this state to prosecute all violations of this section in their respective counties in which the violations occur.”

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Pursuant to Code Section 10131 *Broker Defined*:

“A real estate broker within this meaning of this part is a person who, for a compensation or in expectation of a compensation, regardless of the form or time of payment, does or negotiates to do one or more of the following acts for another or others:

(a) Sells or offers to sell, buys or offers to buy, solicits prospective sellers or purchasers of, solicits or obtains listings of, or negotiates the purchase, sale or exchange of real property or a business opportunity.

(b) Leases or rents or offers to lease or rent, or places for rent, or solicits listings of places for rent, or solicits for prospective tenants, or negotiates the sale, purchase or exchanges of leases of real property, or on a business opportunity, or collects rents from real property, or improvements thereon, or from business opportunities.

(c) Assists or offers to assist in filing an application for the purchase or lease of, or in locating or entering upon, lands owned by the state or federal government.

(d) Solicits borrowers or lenders for or negotiates loans or collects payments or performs services for borrowers or lenders or note owners in connection with loans secured directly or collaterally by liens on real property or on a business opportunity.

(e) Sells or offers to sell, buys or offers to buy, or exchanges or offers to exchange a real property sales contract, or a promissory note secured directly or collaterally by a lien on real property or on a business opportunity, and performs services for the holders thereof.”

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18.

Penalties for Unlicensed Person

(Code Section 10139)

Pursuant to Code Section 10139 *Penalties for Unlicensed Person*:

“Any person acting as a real estate broker, real estate salesperson, or mortgage loan originator without a license or license endorsement, or who advertises using words indicating that he or she is a real estate broker, real estate salesperson, or mortgage loan originator without being so licensed or without having obtained a license endorsement, shall be guilty of a public offense punishable by a fine not exceeding twenty thousand dollars (\$20,000), or by imprisonment in the county jail for a term not to exceed six months, or by both fine and imprisonment; or if a corporation, be punished by a fine not exceeding sixty thousand dollars (\$60,000). If a Real Estate Fraud Prosecution Trust Fund, as described in Section 27388 of the Government Code, exists in the county where a person or corporation is convicted, any fine collected from the person in excess of ten thousand dollars (\$10,000) or any fine collected from the corporation in excess of fifty thousand dollars (\$50,000) shall be deposited in that Real Estate Fraud Prosecution Trust Fund.”

19.

False or Fictitious Business Name

(Code Section 10159.5 and Regulation 2731)

Pursuant to Code Section 10159.5(a)(1) *Fictitious Name*:

“Every person applying for a license under this chapter who desires to have the license issued under a fictitious business name shall file with his or her application a certified copy of his or her fictitious business name statement filed with the county clerk pursuant to Chapter 5 (commencing with Section 17900) of Part 3 of Division 7.”

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1 20.

2 Pursuant to Regulation 2731(a) *Use of False or Fictitious Name*: “A licensee shall
3 not use a fictitious name in the conduct of any activity for which a license is required under the
4 Real Estate Law unless the licensee is the holder of a license bearing the fictitious business
5 name.”

6 21.

7 **Further Grounds for Disciplinary Action**

8 **Code Section 10177 (selected portions)**

9 Pursuant to Code Section 10177 *Further Grounds for Disciplinary Action*
10 (selected portions):

11 “The commissioner may suspend or revoke the license of a real estate licensee,
12 delay the renewal of a license of a real estate licensee, or deny the issuance of a license to an
13 applicant, who has done any of the following:

14 (b) (1) Entered a plea of guilty or no contest to, or been found guilty of, or been
15 convicted of, a felony, or a crime substantially related to the qualifications, functions, or duties
16 of a real estate licensee, and the time for appeal has elapsed or the judgment of conviction has
17 been affirmed on appeal, irrespective of an order granting probation following that conviction,
18 suspending the imposition of sentence, or of a subsequent order under Section 1203.4 of the
19 Penal Code allowing that licensee to withdraw that licensee’s plea of guilty and to enter a plea of
20 not guilty, or dismissing the accusation or information.

21 (2) Notwithstanding paragraph (1), and with the recognition that sentencing
22 may not occur for months or years following the entry of a guilty plea, the
23 commissioner may suspend the license of a real estate licensee upon the entry
24 by the licensee of a guilty plea to any of the crimes described in paragraph (1).
25 If the guilty plea is withdrawn, the suspension shall be rescinded and the

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1 license reinstated to its status prior to the suspension. The department shall
2 notify a person whose license is subject to suspension pursuant to this
3 paragraph of that person's right to have the issue of the suspension heard in
4 accordance with Section 10100.

5

6 (d) Willfully disregarded or violated the Real Estate Law (Part 1 (commencing
7 with Section 10000)) or Chapter 1 (commencing with Section 11000) of Part 2 or the rules and
8 regulations of the commissioner for the administration and enforcement of the Real Estate Law
9 and Chapter 1 (commencing with Section 11000) of Part 2..."

10 22.

11 **Reporting of Convictions, Indictments and License Disciplinary Actions**

12 **Code Section 10186.2**

13 Pursuant to Code Section 10186.2 *Reporting of Convictions, Indictments and*
14 *License Disciplinary Actions:*

15 "(a) (1) A licensee shall report any of the following to the department:

16 (A) The bringing of a criminal complaint, information, or indictment
17 charging a felony against the licensee.

18 (B) The conviction of the licensee, including any verdict of guilty, or plea
19 of guilty or no contest, of any felony or misdemeanor.

20 (C) Any disciplinary action taken by another licensing entity or authority
21 of this state or of another state or an agency of the federal government.

22 (2) The report required by this subdivision shall be made in writing within 30
23 days of the date of the bringing of the indictment or the charging of a felony, the
24 conviction, or the disciplinary action.

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1 (b) Failure to make a report required by this section shall constitute a cause for
2 discipline.”

3 **VIOLATIONS OF THE REAL ESTATE LAW – CAUSES FOR DISCIPLINE**

4 23.

5 Complainant re-alleges and incorporates by reference the preceding paragraphs as
6 set forth herein.

7 24.

8 In the course of the activities described above, and based on the facts discovered
9 by the Department, as described above in Paragraphs 5 through 8, the acts and/or omissions of
10 Respondent **MEHRAN DAVID ALAEI** are in violation of **Code Section 10159.5 and**
11 **Regulation 2731**, and pursuant to **Code Section 10177(d)**, constitute cause for the suspension or
12 revocation of all licenses, license rights and license endorsements of Respondent MEHRAN
13 DAVID ALAEI under the Real Estate Law.

14 25.

15 In the course of the activities described above, and based on the facts discovered
16 by the Department, as described above in Paragraphs 6 through 8, the acts and/or omissions of
17 Respondent **MEHRAN DAVID ALAEI** are in violation of **Code Section 10130**, and pursuant
18 to **Code Section 10177(d)**, constitute cause for the suspension or revocation of all licenses,
19 license rights and license endorsements of Respondent MEHRAN DAVID ALAEI under the
20 Real Estate Law.

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1 26.

2 In the course of the activities described above, and based on the facts discovered
3 by the Department, as described above in Paragraphs 9 through 11, in conjunction with
4 Paragraph 14, the acts and/or omissions of Respondent **MEHRAN DAVID ALAEI** are in
5 violation of **Code Sections 10177(b), 10177(d) and 10186.2** and constitute cause for the
6 suspension or revocation of all licenses, license rights and license endorsements of Respondent
7 **MEHRAN DAVID ALAEI** under the Real Estate Law.

8 27.

9 In the course of the activities described above, and based on the facts discovered
10 by the Department, as described above in Paragraph 15, in conjunction with Paragraphs 12 and
11 13, the acts and/or omissions of Respondent **MEHRAN DAVID ALAEI** are in violation of
12 **Code Section 10186.2**, and pursuant to **Code Section 10177(d)**, constitute cause for the
13 suspension or revocation of all licenses, license rights and license endorsements of Respondent
14 **MEHRAN DAVID ALAEI** under the Real Estate Law.

15 **COSTS**

16 28.

17 **Code Section 10106** provides, in pertinent part that in any order issued in
18 resolution of a disciplinary proceeding before the Department, the Commissioner may request
19 the administrative law judge to direct a licensee found to have committed a violation of this part
20 to pay a sum not to exceed the reasonable costs of investigation and enforcement of the case.

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1 WHEREFORE, Complainant prays that a hearing be conducted on the allegations
2 of this Accusation and that upon proof thereof, a decision be rendered imposing disciplinary
3 action against all the licenses, license rights, and license endorsements of Respondent MEHRAN
4 DAVID ALAEI under the Real Estate Law (Part 1 of Division 4 of the Business and Professions
5 Code), and for such other and further relief as may be proper under other applicable provisions
6 of law.

7 Dated at San Diego, California

8 this 6 day of March 2024.

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11 _____
12 Veronica Kilpatrick
Supervising Special Investigator

13 cc: Mehran David Alaei
14 V. Kilpatrick
15 Sacto.
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