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FILED  
SEP 13 2007

DEPARTMENT OF REAL ESTATE

By *[Signature]*

1 Department of Real Estate  
2 320 W. 4<sup>th</sup> St., Room 350  
3 Los Angeles, California 90013

4 Telephone: (213) 576-6982

8 BEFORE THE DEPARTMENT OF REAL ESTATE

9 STATE OF CALIFORNIA

10 \* \* \*

11	In the Matter of the Accusation of )	No. H-33576 LA
	)	L-2007 030 277
12	)	
	INVESTFUND CORPORATION, )	
13	and ALFONCINA SANDOVAL COOK, )	<u>STIPULATION AND AGREEMENT</u>
	individually and as )	
14	designated officer of )	
	said corporation, )	
15	)	
	)	
16	)	
	)	
17	Respondents. )	
	)	

18

19 It is hereby stipulated by and between INVESTFUND

20 CORPORATION and ALFONCINA SANDOVAL COOK (sometimes referred to

21 as Respondents), and their attorney DOSS LAW, and the

22 Complainant, acting by and through James R. Peel, Counsel for

23 the Department of Real Estate, as follows for the purpose of

24 settling and disposing of the Accusation filed on December 27,

25 2006, in this matter.

26

27

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

8 2. Respondents have received, read and understand the  
9 Statement to Respondent, the Discovery Provisions of the  
10 Administrative Procedure Act ("APA") and the Accusation filed by  
11 the Department of Real Estate in this proceeding.

12 3. On January 10, 2007, Respondents filed a Notice of  
13 Defense pursuant to Section 11506 of the Government Code for the  
14 purpose of requesting a hearing on the allegations in the  
15 Accusation. Respondents hereby freely and voluntarily withdraw  
16 said Notice of Defense. Respondents acknowledge that they  
17 understand that by withdrawing said Notice of Defense they will  
18 thereby waive their right to require the Commissioner to prove  
19 the allegations in the Accusation at a contested hearing held in  
20 accordance with the provisions of the APA and that they will  
21 waive other rights afforded to them in connection with the  
22 hearing, such as the right to present evidence in defense of the  
23 allegations in the Accusation and the right to cross-examine  
24 witnesses.  
25  
26  
27

1 4. This Stipulation is based on the factual  
2 allegations contained in the Accusation filed in this  
3 proceeding. In the interest of expedience and economy,  
4 Respondents choose not to contest these factual allegations, but  
5 to remain silent and understand that, as a result thereof, these  
6 factual statements, will serve as a prima facie basis for the  
7 disciplinary action stipulated to herein. The Real Estate  
8 Commissioner shall not be required to provide further evidence  
9 to prove such allegations.

10 5. This Stipulation and Respondents' decision not to  
11 contest the Accusation is made for the purpose of reaching an  
12 agreed disposition of this proceeding and is expressly limited  
13 to this proceeding and any other proceeding or case in which the  
14 Department of Real Estate ("Department"), the state or federal  
15 government, or an agency of this state, another state or the  
16 federal government is involved.

17  
18 6. It is understood by the parties that the Real  
19 Estate Commissioner may adopt the Stipulation as his decision  
20 in this matter thereby imposing the penalty and sanctions on  
21 Respondents' real estate licenses and license rights as set  
22 forth in the below "Order". In the event that the Commissioner  
23 in his discretion does not adopt the Stipulation, the  
24 Stipulation shall be void and of no effect, and Respondents  
25 shall retain the right to a hearing on the Accusation under all  
26 the provisions of the APA and shall not be bound by any  
27 stipulation or waiver made herein.

1 7. The Order or any subsequent Order of the Real  
2 Estate Commissioner made pursuant to this Stipulation shall not  
3 constitute an estoppel, merger or bar to any further  
4 administrative or civil proceedings by the Department of Real  
5 Estate with respect to any conduct which was not specifically  
6 alleged to be causes for accusation in this proceeding.

7 DETERMINATION OF ISSUES

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

12 The conduct, acts and/or omissions of Respondents  
13 INVESTFUND CORPORATION and ALFONCINA SANDOVAL COOK, as set forth  
14 in the Accusation, constitute cause for the suspension or  
15 revocation of all of the real estate licenses and license rights  
16 of Respondents under the provisions of Section 10177(d) of the  
17 Business and Professions Code ("Code") for violations of Code  
18 Sections 10232.2(a) and 10232.2(c) and Regulations 2831 and  
19 2831.1, Title 10, Chapter 6, California Code of Regulations.  
20

21 The Order in this matter shall be as follows:

22 ORDER

23 a. Respondents INVESTFUND CORPORATION and ALFONCINA  
24 SANDOVAL COOK are hereby publicly reprovred.

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1                   b. Respondent ALFONCINA SANDOVAL COOK shall,  
2 within six months from the effective date of this Decision, take  
3 and pass the Professional Responsibility Examination  
4 administered by the Department including the payment of the  
5 appropriate examination fee. If Respondent fails to satisfy  
6 this condition, the Commissioner may order suspension of  
7 Respondent's licenses until Respondent passes the examination.

8                   c. Pursuant to Section 10148 of the Business and  
9 Professions Code, Respondents INVESTFUND CORPORATION and  
10 ALFONCINA SANDOVAL COOK shall pay the Commissioner's reasonable  
11 cost for the audit which led to this disciplinary action and  
12 Respondent INVESTFUND CORPORATION shall pay the Commissioner's  
13 reasonable cost for a subsequent audit to determine if  
14 Respondent INVESTFUND CORPORATION has corrected the violations  
15 found in the Determination of Issues. In calculating the amount  
16 of the Commissioner's reasonable cost, the Commissioner may use  
17 the estimated average hourly salary for all persons performing  
18 audits of real estate brokers, and shall include an allocation  
19 for travel costs, including mileage, time to and from the  
20 auditor's place of work and per diem. Respondents shall pay  
21 such cost within 45 days of receiving an invoice from the  
22 Commissioner detailing the activities performed during the audit  
23 and the amount of time spent performing those activities.

24  
25  
26 DATED: 7-24-07

James R. Peel  
JAMES R. PEEL, Counsel for the  
Department of Real Estate

1 \* \* \*

2 We have read the Stipulation and Agreement, have  
3 discussed it with our counsel, and its terms are understood by  
4 us and are agreeable and acceptable to us. We understand that  
5 we are waiving rights given to us by the California  
6 Administrative Procedure Act (including but not limited to  
7 Sections 11506, 11508, 11509 and 11513 of the Government Code),  
8 and we willingly, intelligently and voluntarily waive those  
9 rights, including the right of requiring the Commissioner to  
10 prove the allegations in the Accusation at a hearing at which we  
11 would have the right to cross-examine witnesses against us and  
12 to present evidence in defense and mitigation of the charges.

13 Respondents can signify acceptance and approval of the  
14 terms and conditions of this Stipulation and Agreement by faxing  
15 a copy of the signature page, as actually signed by Respondents,  
16 to the Department at the following telephone/fax number:

17 (213) 576-6917. Respondents agree, acknowledge and understand  
18 that by electronically sending to the Department a fax copy of  
19 his or her actual signature as it appears on the Stipulation and  
20 Agreement, that receipt of the faxed copy by the Department  
21 shall be as binding on Respondents as if the Department had  
22 received the original signed Stipulation and Agreement.

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1 Further, if the Respondents are represented, the  
 2 Respondents' counsel can signify his or her agreement to the  
 3 terms and conditions of the Stipulation and Agreement by  
 4 submitting that signature via fax.

5  
 6 DATED: 7/9/07

  
 INVESTFUND CORPORATION  
 Respondent

7  
 8  
 9 DATED: 7/9/07

  
 ALFONCINA SANDOVAL COOK  
 Respondent

10  
 11  
 12 DATED: 7/9/07

  
 DOSS LAW  
 Counsel for Respondents

13  
 14  
 15 \* \* \*

16  
 17 The foregoing Stipulation and Agreement is hereby  
 18 adopted as my Decision and Order in this matter, and shall  
 19 become effective at 12 o'clock noon on \_\_\_\_\_

20 IT IS SO ORDERED \_\_\_\_\_

21 JEFF DAVI  
 22 Real Estate Commissioner

23  
 24 \_\_\_\_\_  
 25  
 26  
 27

1 Further, if the Respondents are represented, the  
2 Respondents' counsel can signify his or her agreement to the  
3 terms and conditions of the Stipulation and Agreement by  
4 submitting that signature via fax.  
5

6  
7 DATED: \_\_\_\_\_ INVESTFUND CORPORATION  
8 Respondent

9  
10 DATED: \_\_\_\_\_ ALFONCINA SANDOVAL COOK  
11 Respondent

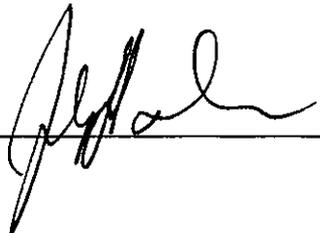
12  
13 DATED: \_\_\_\_\_ DOSS LAW  
14 Counsel for Respondents

15 \* \* \*

16  
17 The foregoing Stipulation and Agreement is hereby  
18 adopted as my Decision and Order in this matter, and shall  
19 become effective at 12 o'clock noon on October 3, 2007.

20 IT IS SO ORDERED                     D. S. 07                    .

21 JEFF DAVI  
22 Real Estate Commissioner

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24   
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27

SANDOVAL

FILED  
DEC 27 2006  
DEPARTMENT OF REAL ESTATE

1 JAMES R. PEEL, Counsel (SBN 47055)  
Department of Real Estate  
2 320 West Fourth Street, Suite 350  
Los Angeles, CA 90013-1105  
3  
4 Telephone: (213) 576-6982  
-or- (213) 576-6913 (Direct)

*[Handwritten signature]*

BEFORE THE DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

\* \* \*

In the Matter of the Accusation of )	No. H-33576 LA
INVESTFUND CORPORATION, )	<u>A C C U S A T I O N</u>
and ALFONCINA SANDOVAL COOK, )	
individually and as designated) )	
officer of said corporation, )	
Respondents, )	

The Complainant, Janice A. Waddell, a Deputy Real Estate Commissioner of the State of California, for cause of Accusation against INVESTFUND CORPORATION and ALFONCINA SANDOVAL COOK, alleges as follows:

I

The Complainant, Janice A. Waddell, acting in her official capacity as a Deputy Real Estate Commissioner of the State of California, makes this Accusation against INVESTFUND CORPORATION and ALFONCINA SANDOVAL COOK.

1 II

2 INVESTFUND CORPORATION and ALFONCINA SANDOVAL COOK,  
3 individually and as designated officer of said corporation  
4 (hereinafter referred to as "Respondents") are presently licensed  
5 and/or have license rights under the Real Estate Law (Part 1 of  
6 Division 4 of the Business and Professions Code) (hereinafter  
7 Code).

8 III

9 Respondent INVESTFUND CORPORATION was licensed as a  
10 real estate broker effective July 6, 1998 with Respondent  
11 ALFONCINA SANDOVAL COOK as its designated broker-officer.

12 IV

13 At all times material herein, Respondents engaged in  
14 the business of, acted in the capacity of, advertised or assumed  
15 to act as a real estate broker in the State of California, within  
16 the meaning of Section 10131(d) of the Code, including  
17 negotiating loans on real property.

18 V

19 On or about October 17, 2005, the Department completed  
20 an examination of Respondent's books and records, pertaining to  
21 the activities described in Paragraph IV above, covering a period  
22 from January 1, 2004, through June 30, 2005, which examination  
23 revealed violations of the Code and of the Regulations as set  
24 forth below.

1 VI

2 The examination described in Paragraph V above,  
3 determined that, in connection with the activities described in  
4 Paragraph IV above, Respondents accepted or received funds,  
5 including funds in trust (hereinafter "trust funds") from or on  
6 behalf of principals, and thereafter made deposit or disbursement  
7 of such funds.

8 VII

9 In the course of activities described in Paragraphs IV  
10 through VI and during the examination period described in  
11 Paragraph V, Respondents acted in violation of the Code and the  
12 Regulations as follows, and as more specifically set forth in  
13 Audit Report Nos. LA 040275 and LA 040344 and related exhibits.

14 1. Violated Regulation 2831 in that the control  
15 records for the Loan Servicing Trust Account and the Escrow Trust  
16 Account were not always accurate and complete.

17 2. Violated Regulation 2831.1 in that the separate  
18 records for the beneficiaries of the Loan Servicing Trust Account  
19 and Escrow Trust Account were not always accurate and complete.

20 3. Violated Section 10232.2(a)/Regulation 2846.7.  
21 Respondents did not file the required annual report for the year  
22 ended 2004 by May 31, 2005.

23 4. Violated Section 10232.2(c) by not filing the  
24 Business Activity Report for the year ended 2004 by May 31, 2005.

25 5. Violated Section 10232.25 by not filing the  
26 Quarterly Threshold Reports for September 30, 2004 and March 31,  
27 2005 within 30 days after the end of each quarter respectfully.

1           6. Violated Section 10238(k)(3)/(J)(6). Respondents  
2 did not file the required Quarterly Multi-Lender Reports for  
3 September 30, 2004 and March 31, 2005 within 30 days of the end  
4 of each quarter respectfully.

5           7. Violated Sections 10234 and 10238(L)(1)(c).  
6 Respondents negotiated loans or the sale of promissory notes  
7 secured by a trust deed on real property and did not always cause  
8 the trust deed or the assignment to be recorded. Respondents  
9 arranged multi-lender loans secured by more than one parcel of  
10 real property but the loan amount was not apportioned or assigned  
11 to each property according to the amount of the available equity  
12 in each of the properties securing the loan.

13           8. Violated Section 10233(c) by not providing lenders  
14 of the note or notes being serviced a written notification within  
15 fifteen days when there was a delinquency of the installment  
16 payment under the note for more than thirty days.

17           9. Violated Section 10231.1 and 10238(k)(2).  
18 Respondents received loan payments and payoffs on loans being  
19 serviced and failed to forward the payments to the lenders within  
20 25 days after the payments were received.

21           10. Violated Section 10232.4/10232.5 and 10238(L)(1)(c)  
22 by failing to provide lenders with the required lender/purchaser  
23 disclosure statement multi-property and lender/purchaser  
24 disclosure statement.

25           11. Violated Section 10238(h)(1)(2). In certain  
26 transactions the aggregate principal amount of the notes sold,  
27 together with the unpaid principal amount of any encumbrances

1 upon the real property senior thereto exceeded the allowed  
2 amount.

3 12. Violated Section 10238(h)(5). Respondents failed  
4 to assign a portion of the note or interest to each property  
5 securing the loan.

6 13. Violated Section 10238(d). In certain transactions  
7 involving loans secured by parcels of real property, the notes or  
8 interests were by their terms subordinate to any subsequently  
9 created deed of trust on the property.

10 VIII

11 The conduct of Respondents, INVESTFUND CORPORATION and  
12 ALFONCINA SANDOVAL COOK, as alleged above, subjects their real  
13 estate licenses and license rights to suspension or revocation  
14 pursuant to Sections 10177(d) and 10177(g) of the Code.

15 IX

16 The conduct of Respondent ALFONCINA SANDOVAL COOK, as  
17 alleged above, is in violation of Code Section 10159.2 and  
18 subjects her real estate licenses and license rights to  
19 suspension or revocation pursuant to Code Sections 10177(d), (g)  
20 and(h).

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