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2 All references to the "Code" are to the California Business and Professions Code
3 and all references to "Regulations" are to Title 10, Chapter 6, California Code of Regulations.

4 LICENSE HISTORY

5 (STRATEGIC PROPERTY MANAGEMENT INC.)

6 3.

7 (a) Respondent STRATEGIC PROPERTY MANAGEMENT INC. ("SPMI") is
8 presently licensed and/or has license rights under the Real Estate Law, Part 1 of Division 4 of
9 the California Business and Professions Code, as a real estate corporation, Department of Real
10 Estate¹ ("Department") license ID 01918558.

11 (b) The Department originally issued SPMI's corporate license on July 26, 2012.
12 SPMI's license is scheduled to expire on April 11, 2022, unless renewed.

13 (c) According to the Department's records to date, SPMI's main office address is
14 27489 Agoura Road, Agoura Hills, CA 91301.

15 (d) According to the Department's records to date, SHRI employs one (1)
16 salesperson under its real estate license: Alisa Renee Montoya.

17 (e) According to the Department's records to date, SPMI maintains authorized
18 fictitious business names of "SPMI" and "Strategic Property Management".

19 (PETER COLLINS GREER)

20 4.

21 (a) Respondent PETER COLLINS GREER ("GREER") is presently licensed
22 under the Code, as a real estate broker, Department license ID 00910031.

23 (b) The Department originally issued GREER's broker license on June 23, 1999.
24 GREER's license is scheduled to expire on June 22, 2023, unless renewed.

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¹ Between July 1, 2013 and July 1, 2018, the Department of Real Estate operated as the Bureau of Real Estate under the Department of Consumer Affairs.

1 (c) GREER was the designated officer for SPMI from January 31, 2018 through
2 May 14, 2018. As designated officer, GREER was responsible for the supervision of the
3 activities conducted on behalf of SPMI by its officers, agents, real estate licensees, and
4 employees pursuant to Section 10159.2 of the Code.

5 (JON BUXER)

6 5.

7 (a) Respondent JON BUXER ("BUXER") is presently licensed under the Code,
8 as a real estate broker, Department license ID 00862289.

9 (b) The Department originally issued BUXER broker license on March 30, 1984.
10 BUXER's license is scheduled to expire on March 28, 2022, unless renewed.

11 (c) BUXER is the designated officer for SPMI. BUXER's designation began in
12 May 15, 2018 and is scheduled to expire on April 11, 2022, unless renewed. As designated
13 officer, BUXER is responsible for the supervision of the activities conducted on behalf of SPMI
14 by its officers, agents, real estate licensees, and employees pursuant to Section 10159.2 of the
15 Code.

16 6.

17 At all times relevant herein Respondents were engaged in the business of, acted
18 in the capacity of, advertised or assumed to act as a real estate corporation, within the meaning
19 of Section 10131(b) of the Code. Respondents' activities included the leasing or renting of real
20 property and the collection of rents and security deposits for real property on behalf of others
21 for compensation or in expectation of compensation.

22 (AUDITS LA180020)

23 7.

24 On or about June 27, 2019, the Department completed an audit examination of
25 the books and records of SPMI pertaining to the real estate activities described in Paragraph 6
26 above. The audit examination covered the period of time from November 1, 2016, through
27 October 31, 2018 ("audit period"). The primary purpose of the examination was to determine

ACCUSATION

1 whether Respondents conducted real estate activities in accordance with the Real Estate Law.
2 The audit examination revealed violations of the Code and the Regulations as set forth in the
3 following paragraphs, and more fully discussed in Audit No. LA180020, and the exhibits and
4 work papers attached to said audit report.

5 8.

6 An entrance conference for the audit was held on December 3, 2018 with
7 GREER and BUXER. BUXER primarily provided the records for examination.

8 9.

9 According to BUXER as well as the documents examined, PMF was primarily
10 engaged in property management and managed approximately 63 properties with 188 units for
11 13 property owners. Respondent collected rent receipts and security deposits in the amount of
12 approximately \$3,733,845.00 during the audit period. Respondent charged 5-6% of monthly or
13 a flat fee of \$50 to \$70 for management fees.

14 10.

15 At all times mentioned herein, and in connection with the broker escrow
16 activities described in Paragraph 6, above, SPMI accepted or received funds, including funds in
17 trust ("trust funds") from or on behalf of actual or prospective parties to transactions handled by
18 Respondents and thereafter made deposits and/or disbursements of such funds. According to
19 BUXER and GREER, SPMI maintained 1 bank account for handling of the receipts and
20 disbursements of funds during the audit period in connection with the property management
21 activities. The bank account is as follows:

22 Trust Account 1 ("TA 1")

23 Bank: Pacific Premier Bank
24 Account Name: Strategic Property Management Inc (Trust Account)
25 Account Number: xxxxxxxx9073
26 Signatories: Jonathan Buxer, and Alisa Montoya
27 Signatures Required: One

1 Purpose: TA 1 was maintained to handle trust funds in the property management
2 activity for multiple beneficiaries. According to TA 1's signature card and statements provided
3 for the audit, TA 1 was opened on October 30, 2014. As of October 31, 2018, BA 1 had a bank
4 balance of \$673,235.36.

5 Violations of the Real Estate Law

6 11.

7 The audit examination revealed violations of the Code and the Regulations, as
8 set forth in the following paragraphs, and more fully discussed in Audit Report No. LA180020,
9 and the exhibits and work papers attached to the audit report:

10 (a) **Trust Fund Handling For Multiple Beneficiaries (Code section 10145**
11 **and Regulations section 2832.1)**. Based on an examination of TA 1's records, there was a
12 combined minimum trust fund shortage of \$185,235.66 as of April 30, 2018 in violation of
13 Code section 10145 and Regulations section 2832.1. There is no evidence that SPMI and
14 GREER were given written consent from the owners of the trust funds to allow them to reduce
15 the balance of the funds in TA 1 to an amount less than the aggregate trust fund liabilities of
16 SPMI to all owners of the trust funds.

17 Based on an examination of TA 1's records, there was a combined minimum
18 trust fund shortage of \$99,626.29 as of October 31, 2018 in violation of Code section 10145
19 and Regulations section 2832.1. There is no evidence that SPMI and BUXER were given
20 written consent from the owners of the trust funds to allow them to reduce the balance of the
21 funds in TA 1 to an amount less than the aggregate trust fund liabilities of SPMI to all owners
22 of the trust funds.

23 (b) **Trust Account Record to be Maintained (Code section 10145 and**
24 **Regulations section 2831)**. Respondents failed to maintain complete and accurate control
25 record for TA 1, which was used for trust fund receipts and disbursements in connection with
26 Respondents' property management activities during the audit period in violation of Code
27 section 10145 and Regulations section 2831. The control records for TA 1 did not have date of

1 deposits for the trust funds recorded. The control records for TA 1 also did not have an accurate
2 ending balance, as of October 31, 2018. In addition, TA 1 had funds that were deposited and
3 disbursed were not recorded in the control records.

4 (c) **Handling of Trust Funds/Separate Records for Each Beneficiary (Code**
5 **section 10145 and Regulations section 2831.1)**. Respondents failed to maintain complete and
6 accurate separate records for each beneficiary or transaction of all trust fund receipts and
7 disbursements for TA 1 in connection with PMF's property activities during the audit period in
8 violation of Code section 10145 and Regulations section 2831.1. TA 1 also had some funds that
9 were not recorded properly and, therefore, had inaccurate balance, unidentified/unaccounted for
10 funds of \$15,133.73 as of April 30, 2018, after posting transactions on any date.

11 (d) **Trust Account Reconciliation (Code section 10145 and Regulations**
12 **section 2831.2)**. Respondents did not maintain a complete and accurate monthly reconciliation
13 of the balance of all separate beneficiary or transaction records to the balance of the records of
14 all trust funds received and disbursed for TA 1, in violation of Code section 10145 and
15 Regulations section 2831.2.

16 (e) **Handling Of Trust Fund /Commingling/Broker Funds Held Longer**
17 **Than 25 Days (Code sections 10145 and 10176(e) and Regulations section 2835)**. Based on
18 an examination of TA 1's records, as of June 30, 2018, SPMI and GREER kept their
19 fees/commissions in excess of \$200 for over 25 days in TA1 after their deposit.

20 (f) **Use of False or Unlicensed Fictitious Name (Code section 10159.5 and**
21 **Regulations section 2731)**. During the audit period, BLSGC used the unlicensed fictitious
22 business name of "Strategic" and "Strategic Property Management" on property management
23 agreements and broker-salesperson agreements. These names do not show up in the
24 Department's records as licensed fictitious business names.

25 (g) **Responsibility of Corporate Office in Charge/Broker Supervision (Code**
26 **sections 10159.2 and 10177(h) and Regulations section 2725)**. Based on the violations in
27 Paragraphs 9 (a) – (f) above, BUXER and/or GREER failed to exercise adequate supervision

1 and control over SPMI's property management activities conducted by SPMI's licensees and its
2 employees in violation of Code sections 10159.2 and 10177(h). BUXER and/or GREER failed
3 to establish policies, rules, procedures, and systems to review, oversee, inspect, and manage
4 transactions requiring a real estate license and the handling of trust funds in violation of
5 Regulations section 2725. BUXER and/or GREER also failed to maintain accurate control
6 records, separate records, and trust account reconciliation records during the audit period in
7 violation of Regulations section 2725.

8 12.

9 Each of the foregoing violations in Paragraphs 11 (a)-(i) above constitute cause
10 for the suspension or revocation of the real estate license and/or license rights of Respondents
11 under the provisions of Code sections 10177(d), 10177(g), and 10177(h) (as to BUXER and/or
12 GREER).

13 COSTS

14 (AUDIT COSTS)

15 13.

16 Section 10148(b) of the Code, provides, in pertinent part, that the Real Estate
17 Commissioner shall charge a real estate broker for the costs of any audit if the Commissioner
18 has found in a final decision, following a disciplinary hearing, that the broker has violated
19 Section 10145 of the Code or a regulation or rule of the Commissioner interpreting said Code
20 section.

21 (INVESTIGATION AND ENFORCEMENT COSTS)

22 14.

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

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