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**FILED**  
JAN 30 2023  
DEPARTMENT OF REAL ESTATE  
By J. Taggart

8  
9 BEFORE THE DEPARTMENT OF REAL ESTATE  
10 STATE OF CALIFORNIA

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12 In the Matter of the Accusation of )  
13 GEORGE HERBERT STEESE, JR., ) No. H- 3473 FR  
14 Respondent. ) ACCUSATION

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16 The Complainant, BRENDA SMITH, a Supervising Special Investigator of the  
17 State of California, for Accusation against STEESE GEORGE HERBERT STEESE, JR.  
18 (STEESE), is informed and alleges as follows:

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20 The Complainant makes this Accusation against STEESE in her official capacity.

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22 STEESE is presently licensed and/or has license rights with the Department of  
23 Real Estate (Department) under the California Business and Professions Code (Code) as a real  
24 estate broker and does business as "Steese Realty."

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26 At all times herein mentioned, STEESE engaged in the business of, acted in the  
27 capacity of, advertised, or assumed to act as real estate broker within the State of California

1 within the meaning of Section 10131(b) of the Code, including the operation and conduct of a  
2 property management business with the public wherein, on behalf of others, for compensation or  
3 in expectation of compensation. STEESE leased or rented or offered to lease or rent, or places  
4 for rent, or solicited listings of places for rent or solicited for prospective tenants, or negotiated  
5 the sale, purchase or exchange of leases on real property, or on a business opportunity, or  
6 collected rents from tenants.

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8 Beginning on January 21, 2022, and continuing intermittently through September  
9 9, 2022, an audit was conducted at Respondent's office located at 575 Minnewawa Ave., #13,  
10 Clovis, California 93612 and the Department's Fresno District office located at 2550 Mariposa  
11 Mall, Fresno, California 93721, where the auditor examined records for the period of July 1,  
12 2020 through December 31, 2021(the audit period).

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14 While acting as a real estate broker as described in Paragraph 3, above, and  
15 within the audit period, STEESE accepted or received funds in trust (trust funds) from or on  
16 behalf of property owners, lessees and others in connection with property management  
17 activities, deposited or caused to be deposited those funds into bank accounts maintained by  
18 STEESE, at Chase Bank, 1380 W. Shaw Avenue, Fresno, California 93711, as described below:

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BANK ACCOUNT #1	
Account No.:	XXXXXXX1865
Entitled:	Steese Realty and Property Management, LLC

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BANK ACCOUNT #2	
Account No.:	XXXXXXX9593
Entitled:	Steese Realty and Property Management, LLC

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BANK ACCOUNT #3	
Account No.:	XXXXXXX5771
Entitled:	Barstow Professional Management, Inc.
BANK ACCOUNT #4	
Account No.:	XXXXXXX9738
Entitled:	Barstow Professional Management, Inc.

and thereafter from time to time made disbursement of said trust funds.

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In the course of the activities described in Paragraph 3, in connection with the collection and disbursement of trust funds, it was determined that:

- (a) STEESE failed to designate Bank Account #1, Bank Account #2, Bank Account #3 and Bank Account #4 as trust accounts as required by Section 2832 of Chapter 6, Title 10, California Code of Regulations (Regulations);
- (b) During an accountability performed on Bank Account #1 and, as of November 30, 2021, a shortage of \$542.63 was revealed, in violation of Section 10145 of the Code;
- (c) During an attempted accountability of Bank Account #2, and as of November 30, 2021, an accountability could not be determined due to STEESE failing to maintain adequate records in violation of Section 10145 of the Code;
- (d) During an accountability performed on Bank account #3 and, as of November 30, 2021, a shortage of \$5,193.05 was revealed, in violation of Section 10145 of the Code;

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- (e) During an attempted accountability of Bank Account #4, and as of November 30, 2021, accountability could not be determined due to STEESE failing to maintain adequate records in violation of Section 10145 of the Code;
- (f) STEESE failed to obtain written permission from owners of trust funds in Bank Account #1 and Bank Account #3 to allow the balance to drop below accountability, in violation of Section 2832.1 of the Regulations;
- (g) STEESE failed to maintain adequate separate beneficiary records for Bank Account #1, Bank Account #2, Bank Account #3 and Bank Account #4, as required by Section 2831.1 of the Regulations;
- (h) STEESE failed to perform monthly reconciliations of the separate beneficiary records and control records for Bank Account #1, Bank Account #2, Bank Account #3 and Bank Account #4, as required by Section 2831.2 of the Regulations;
- (i) STEESE allowed unlicensed and unbonded individuals, June Steese, to be a signatory on Bank Account #1 and Bank Account #2, and Brent Smith and Betty Ann Smith, to be signatories on Bank Account #3 and Bank Account #4, in violation of Section 2834 of the Regulations;
- (j) STEESE failed to register a branch office located at 575 Minnewawa Avenue #13, Clovis, California 93612 as required by Section 10163 of the Code;
- (k) STEESE performed real estate activities under the names “Steese Realty & Property Management” and “Barstow Professional Management, Inc.” while neither were licensed by the Department in violation of Section 10130 of the Code;

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- 1 (l) STEESE mixed trust funds with broker funds in Bank Account #2  
2 including, but not limited to the time period of August 2, 2021 through  
3 November 19, 2021 on 24 transactions in violation of Section 10176(e) of  
4 the Code; and
- 5 (m) STEESE mixed trust funds with broker funds in Bank Account #4  
6 including, but not limited to the time period of August 2, 2021 through  
7 November 30, 2021 on 19 transactions in violation of Section 10176(e) of  
8 the Code.

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10 The acts and/or omissions described above constitute violations of Sections  
11 2831.1 (separate beneficiary records), 2831.2 (monthly reconciliations), 2832 (trust fund  
12 designation) and 2832.1 (written permission balance below accountability) and 2834 (trust  
13 account signatories) of the Regulations and of Sections 10130 (unlicensed activity), 10145 (trust  
14 fund handling), 10163 (branch office), and 10176(e) (commingling) of the Code and are  
15 grounds for discipline under Sections 10130, 10176(e), 10177(d) (willful disregard of real estate  
16 laws), and 10177(g) (negligence/incompetence licensee) of the Code.

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18 Audit Costs

19 The acts and/or omissions of STEESE as alleged above, entitle the Department to  
20 reimbursement of the costs of its audits pursuant to Section 10148(b) (audit costs for trust fund  
21 handling violations) of the Code.

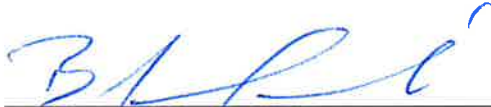
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23 Costs of Investigation and Enforcement

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

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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 all licenses and license rights of STEESE under the Real Estate Law (Part 1 of Division 4 of the Business and Professions Code) and for such other and further relief as may be proper under other provisions of law.

  
BREND A SMITH  
Supervising Special Investigator

Dated at Fresno, California,  
this 3 day of January, 2023.

DISCOVERY DEMAND

The Department of Real Estate hereby requests discovery pursuant to Section 11507.6 of the California Government Code. Failure to provide discovery to the Department may result in the exclusion of witnesses and/or documents at the hearing, and other sanctions as the Administrative Law Judge deems appropriate.