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DEPT. OF REAL ESTATE

By

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BEFORE THE DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA

* * *

In the Matter of the Accusation of) No. H-03588 FR
)
THE FINANCE GROUP, INC.;) ACCUSATION
PRIME PROPERTY MANAGEMENT,)
INC.; and TODD FITZGERALD PRIEST,)
individually and as designated officer)
for The Finance Group, Inc. and Prime)
Property Management, Inc.,)
)
Respondents.)

The Complainant, Ruben Coronado, a Supervising Special Investigator for the Department of Real Estate ("Department" or "DRE") of the State of California, for cause of Accusation against THE FINANCE GROUP, INC., formerly known as "The Finance Group," PRIME PROPERTY MANAGEMENT, INC., and TODD FITZGERALD PRIEST, individually and as a designated officer for The Finance Group, Inc. and Prime Property Management, Inc. (collectively "Respondents"), alleges as follows:

1.

The Complainant, Ruben Coronado, a Supervising Special Investigator of the State of California, makes this Accusation in his official capacity.

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2.

All references to the "Code" are to the California Business and Professions Code, all references to the "Real Estate Law" are to Part 1 of Division 4 of the Code, and all references to "Regulations" are to the Regulations of the Real Estate Commissioner, Title 10, Chapter 6, California Code of Regulations.

3.

Respondents are presently licensed and/or have license rights under the Real Estate Law (Part 1 of Division 4 of the Code). Respondents have renewal rights pursuant to Code section 10201. The Department retains jurisdiction pursuant to Code section 10103.

LICENSE HISTORY

(RESPONDENT THE FINANCE GROUP, INC.)

4.

a. On November 17, 2003, the Department issued a real estate corporation license (DRE license ID no. 01400749) to Respondent THE FINANCE GROUP, INC. ("TFGI"), formerly known as "The Finance Group" ("TFG"), which is set to expire on November 16, 2027, unless renewed.

b. According to current Department records, TFGI currently maintains two (2) licensed fictitious business names: HomeSmart PV and Associates and Loan Zone.

c. According to current Department records and during all relevant times herein, the designated officer of TFGI was and is real estate broker Todd Fitzgerald Priest (License ID 01091029).

(RESPONDENT PRIME PROPERTY MANAGEMENT, INC.)

5.

a. On August 28, 2024, the Department issued a real estate corporation license (DRE license ID no. 02246180) to Respondent PRIME PROPERTY MANAGEMENT, INC. ("PPMI"), which is set to expire on August 27, 2028, unless renewed.

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1 b. According to current Department records, PPMI currently does not maintain
2 any licensed fictitious business names.

3 c. According to Department records to date and during all relevant times herein,
4 the designated officer of PPMI was and is real estate broker Todd Fitzgerald Priest (License ID
5 01091029).

6 (RESPONDENT TODD FITZGERALD PRIEST)

7 6.

8 a. On November 17, 2000, the Department issued a real estate broker license
9 (DRE license ID no. 01091029) to Respondent TODD FITZGERALD PRIEST ("PRIEST"),
10 which is set to expire on November 16, 2028, unless renewed.

11 b. According to current Department records, PRIEST currently maintains one
12 (1) licensed fictitious business name: The Finance Group.

13 c. According to current Department records and during all relevant times herein,
14 PRIEST was and is the designated officer ("D.O.") of the following:

15 (1) The Finance Group, Inc. (DRE License ID 01400749); and

16 (2) Prime Property Management, Inc. (DRE License ID 02246180)

17 (NON-RESPONDENTS)

18 7.

19 Eva N. is a licensed real estate salesperson (DRE License ID ****6460), whose
20 license has been in a non-working status since September 20, 2023. From December 15, 2022
21 to September 19, 2023, Eva N. was licensed under TFGI, formerly known as TFG.

22 8.

23 Robert V. is a licensed real estate salesperson (DRE License ID ****3448), who
24 was, and still is, licensed under TFGI, formerly known as TFG, at all relevant times herein.

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1 BROKER ACTIVITIES

2 9.

3 At all relevant times herein, Respondents TFGI, also while it was TFG, and
4 PPMI engaged in the business of, acted in the capacity of, advertised or assumed to act as a
5 real estate broker, within the meaning of section 10131(b) of the Code. The activities of
6 Respondents TFGI and PPMI included signing management agreements and leases, collecting
7 rents from tenants, soliciting tenants, advertising rental properties, and making payments for
8 property tax, insurance, repairs and maintenance, on behalf of others for compensation or in
9 expectation of compensation.

10 CAUSE FOR ACCUSATION

11 (AUDIT SC-23-0043)

12 10.

13 From December 19, 2023 to September 20, 2024, the Department conducted an
14 audit examination of the books and records of Respondent TFG, the previous name of TFGI¹,
15 and PPMI. The Department audit examination initially covered the property management
16 activities of TFGI but was expanded to include the activities of certain TFGI officers, director,
17 and employees under PPMI, a corporation that was not licensed by the Department during the
18 audit period.² The audit examination covered the period of time from December 1, 2022 to
19 November 30, 2023. The primary purpose of the examination was to determine whether TFGI
20 conducted its real estate activities in accordance with the Real Estate Law and the
21 Commissioner's Regulations. The audit examination revealed numerous violations of the
22 Code and the Regulations as set forth in the following paragraphs, and more fully discussed in
23 Audit Report No. SC-23-0043 and the exhibits and work papers attached to said audit report.

24
25 ¹ The Finance Group, Inc. ("TFGI") was previously known as The Finance Group ("TFG") until TFG filed an Amended and
26 Restated Articles of Incorporation of a Close Corporation with the Office of the Secretary of State of California on September
27 30, 2019. On October 1, 2023, a Statement of Information for the TFGI was filed with the Office of the Secretary of State of
California. On October 27, 2023, the name change from TFG to TFGI was effectuated by the DRE after TFG submitted a
Change of Corporation Name form to notify of the name change. TFG and TFGI may be used interchangeably, as TFGI was
known as TFG during the audit period.

² PPMI was not licensed by the Department until August 28, 2024, which is subsequent to the audit period.

11.

Based on the examination of records provided for the audit examination, the following two (2) bank accounts were audited in connection with Respondents' property management activities. Said trust funds were deposited and/or maintained in the following bank accounts at Oak Valley Community Bank with the address of 3508 McHenry Avenue in Modesto, California:

Bank Account #1 ("BA 1")

Account Name: Prime Property Management Inc.

Owners Account

Account Number: xxxx7002

Signatories: Todd Priest and Robert V.

Description: BA 1 was not designated as a broker trust account. BA 1 was an account of PPMI, which was not licensed as a real estate broker during the audit period. BA 1 was used to hold and disburse trust funds in connection with property management. Deposits included rents, security deposits, application fees, and late fees. Withdrawals included disbursements of proceeds to owners, management fees, leasing fees, late fees, application fees, and payments for repair and maintenance.

Bank Account #2 ("BA 2")

Account Name: Prime Property Management Inc.

Trust Account

Account Number: xxxx5987

Signatories: Todd Priest and Robert V.

Purpose: BA 2, an account used to hold trust funds, was not designated as a broker trust account. BA 2 was an account of PPMI, which was not licensed as a real estate broker during the audit period. Deposits to BA 2 included security deposits from tenants. Withdrawals included transfers of

security deposits to owners and return of security deposits to tenants.

Violations of the Real Estate Law

12.

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 No. SC-23-0043 and the exhibits and work papers attached to the audit report.

(a) Trust Fund Balances and Accountability

(Code section 10145 and Regulation 2832.1)

(BA 1)

As of the cutoff date of November 30, 2023, the adjusted bank balance of BA 1 was compared to the trust fund accountability for BA 1. The beneficiaries' accountability was based on the balances set forth on the Trust Account Balance report for BA 2 after adjustments, as follows:

Adjusted bank balance – 11/30/2023	\$ 33,343.29
Broker Funds	\$ 3,185.43
Unidentified/Unaccounted for Funds	\$ 13,531.00
Beneficiary's Accountability	<u>\$ 32,054.82</u>
Total Accountability – 11/30/2023	<u>\$ 48,771.25</u>
Shortage	<\$ 15,427.96>

As of November 30, 2023, there was a trust fund shortage of <\$ 15,427.96> in BA 1. The trust fund shortage was due to negative balances in eight (8) owner accounts.

(BA 2)

As of the cutoff date of November 30, 2023, the adjusted bank balance of BA 2 was compared to the trust fund accountability for BA 2. The beneficiaries' accountability was based on the balances set forth on the Trust Account Balance report for BA 2 after adjustments, as follows:

///

Adjusted bank balance – 11/30/2023		\$ 106,463.60
Unidentified/Unaccounted for Funds	\$ 50.00	
Beneficiary's Accountability	<u>\$ 120,958.60</u>	
Total Accountability – 11/30/2023		<u>\$ 121,008.60</u>
Shortage		<\$ 14,545.00>

As of November 30, 2023, there was a trust fund shortage of <\$ 14,545.00> in BA 2. The trust fund shortage was due to security deposits not being deposited to BA 2.

Respondents failed to provide any evidence that the owners of the trust funds had given their written consent to allow for the reduction of the balance of the funds in BA 1 and in BA 2 to an amount less than their existing aggregate trust fund liabilities, in violation of Code section 10145 and Regulation 2832.1.

(b) Real Estate License Required

(Code section 10130)

During the audit period, PPMI conducted activities for which a real estate license is required without first obtaining a real estate license. On or about August 28, 2024, the Department issued a real estate corporate broker license to PPMI.

(c) Unlawful Salesperson Compensation

Code section 10137

During the audit period, PPMI compensated Eva N. for activities requiring a real estate license while Eva N. was licensed as a salesperson under TFG. Between May 2023 and September 2023, twelve (12) checks totaling \$22,000.00 were paid to Nunes from PPMI's Operating Account (Oak Valley Community Bank Account No. ****7045).

(d) Unlicensed Fictitious Business Name

(Code section 10159.5 and Regulation 2731)

During the audit period, the fictitious business name ("dba") "Prime Property Management" was used in conducting activities requiring a real estate license, without first obtaining a real estate license bearing that name. Prime Property Management was never, and

1 currently is not, a licensed dba of TFG/TFGI.

2 **(e) Mixing of Non-Trust Funds with Trust Funds**

3 **(Code section 10176(e))**

4 During the audit period, non-trust funds were mixed with trust funds in BA 1.
5 The non-trust funds were management fees amounting to \$3,185.43 from February 14, 2023,
6 which were not disbursed within twenty-five (25) days. As of the November 30, 2023 cutoff
7 date, said management fees were accounted for on the Reconciliation Report for BA 1 as an
8 Unreconciled Disbursement.

9 **(f) Trust Fund Handling – Bank Accounts used to Hold Trust Funds**

10 **Not Designated as Trust Accounts with the Broker as Trustee**

11 **(Code section 10145 and Regulation 2832)**

12 BA 1 and BA 2, which were each used to hold trust funds, were not properly
13 designated as trust accounts with trustee as the licensed broker or a licensed fictitious business
14 name of the broker, in violation of Code section 10145 and Regulation 2832.

15 (a) According to the signature card documents for BA 1, the account title for
16 BA 1 is Prime Property Management Inc. Owners Account, but PPMI was not licensed as a real
17 estate broker during the audit period.

18 (b) According to the signature card documents for BA 2, the account title for
19 BA 2 is Prime Property Management Inc Trust Account, but PPMI was not licensed as a real
20 estate broker during the audit period.

21 **(g) Failure to Maintain Separate Records for Each Beneficiary**

22 **(Code section 10145(g) and Regulation 2831.1)**

23 During the audit period, Respondents failed to maintain a separate record of the
24 receipt and disposition of all trust funds deposited into BA 1 and BA 2, in violation of Code
25 section 10145(g) and Regulation 2831.1, in that BA 1 and BA 2 each contained unidentified
26 and/or unaccounted for funds in the amount of \$13,531.00 and \$50.00, respectively.

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1 WHEREFORE, Complainant prays that a hearing be conducted on the
2 allegations of this Accusation and that upon proof thereof, a decision be rendered imposing
3 disciplinary action against all the licenses and/or license rights of Respondents under the Real
4 Estate Law, for the costs of investigation and enforcement as permitted by law, for the cost of
5 the audit, and for such other and further relief as may be proper under other applicable
6 provisions of law.

7
8 Dated at Fresno, California, on May 8th, 2025

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11 _____
12 Ruben Coronado
13 Supervising Special Investigator
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17

18 cc: THE FINANCE GROUP, INC.
19 PRIME PROPERTY MANAGEMENT, INC.
20 TODD FITZGERALD PRIEST
21 Ruben Coronado
22 Sacto.
23 Audits – Robert Leonard and Corena de Sonaville
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25
26
27