

1 LISSETE GARCIA, Counsel (SBN 211552)
Department of Real Estate
2 320 West 4th Street, Suite 350
Los Angeles, California 90013-1105
3 Telephone: (213) 559-5933
Staff Counsel for the Department of Real Estate

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OCT 21 2025

DEPT. OF REAL ESTATE

By- [REDACTED]

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7 BEFORE THE DEPARTMENT OF REAL ESTATE
8 STATE OF CALIFORNIA

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10 In the Matter of the Accusation against

DRE No. H-05847 SD

11 SJF VENTURES, INC. and
12 SALVATORE JOSEPH FRISCIA,
13 individually and as designated officer for
SJF Ventures, Inc.,

OAH No. 2025040970

FIRST AMENDED ACCUSATION

14 Respondents.

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16 This First Amended Accusation amends the Accusation filed on January 30, 2025. The
17 Complainant, Veronica Kilpatrick, a Supervising Special Investigator for the Department of Real
18 Estate¹ ("Department") of the State of California, for cause of Accusation against SJF
19 VENTURES, INC. and SALVATORE JOSEPH FRISCIA, individually and as designated
20 officer for SJF Ventures, Inc. (collectively "Respondents"), alleges as follows:

21 1. The Complainant, Veronica Kilpatrick, acting in her official capacity as a
22 Supervising Special Investigator, makes this Accusation against Respondents.
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24 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.

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.

Licenses

3. Respondents are presently licensed and/or have license rights under the Real Estate Law (Part 1 of Division 4 of the Code).

4. On January 20, 2005, the Department issued a real estate corporation license to Respondent SJF VENTURES, INC. (“SJFVI”), License ID 01473873. Respondent SJFVI’s license is scheduled to expire on January 19, 2029, unless renewed. Respondent has renewal rights pursuant to Code section 10201. The Department retains jurisdiction pursuant to Code section 10103.

5. SJFVI is licensed to do business as “San Diego Premier Property Management,” “SDP Management,” and “Tenant Finder.”

6. On August 4, 2004, the Department issued a real estate broker license to Respondent SALVATORE JOSEPH FRISCIA (“FRISCIA”), License ID 01309384. Respondent FRISCIA’s broker license is scheduled to expire on August 3, 2028, unless renewed. Respondent has renewal rights pursuant to Code section 10201. The Department retains jurisdiction pursuant to Code section 10103. Respondent FRISCIA was formerly licensed as a real estate salesperson from April 30, 2001, through August 3, 2004.

7. At all times herein mentioned, Respondent SJFVI was and now is licensed as a corporate real estate broker by and through Respondent FRISCIA as designated broker-officer for Respondent SJFVI to qualify said corporation and to act for said corporation as a real estate broker.

1 8. At all times herein mentioned, FRISCIA has been the designated officer for
2 Respondent SJFVI, pursuant to Code section 10211. As the designated officer for SJFVI,
3 Respondent FRISCIA, is responsible for the supervision and control of the activities conducted
4 on behalf of SJFVI by its officers, agents, real estate licensees, and employees, as necessary to
5 secure full compliance with the provisions of the Real Estate Law, pursuant to Code section
6 10159.2.

7 First Cause of Accusation - Audit SD220032

8 9. Whenever reference is made in an allegation in this Accusation to an act or
9 omission of Respondent SJFVI, such allegation shall be deemed to mean that the officers,
10 directors, employees, agents and/or real estate licensees employed by or associated with
11 Respondent SJFVI, committed such act or omission while engaged in the furtherance of the
12 business or operations of such corporate respondent and while acting within the course and
13 scope of their authority and employment.

14 10. At all times relevant herein, in the State of California, Respondents engaged in
15 activities that require a real estate broker license within the meaning of Code section 10131,
16 subdivision (b). Respondents' activities included soliciting or offering to negotiate the sale,
17 purchase or exchange of leases for real property and the collection of rents or security deposits
18 on real property or on a business opportunity for others, for compensation or in expectation of
19 compensation.

20 11. On or about September 5, 2024, the Department completed an audit examination
21 of the books and records of Respondent SJFVI's property management activities, which require a
22 real estate license pursuant to Code section 10131, subdivision (b), to determine if Respondents
23 handled and accounted for trust funds in compliance with the Real Estate Law and the
24 Regulations.

1 12. According to Respondents, FRISCIA is the CEO, CFO, Secretary for SJFVI, and
2 owns 100% shareholder of SJFVI.

3 13. The audit examination covered the period from January 1, 2022, through June 30,
4 2023, ("audit period").

5 14. According to Respondents, during the audit period, SJFVI managed
6 approximately 92 properties for 70 property owners. SJFVI collected and handled trust funds
7 totaling approximately \$3.4 million, annually. SJFVI collected rents, paid expenses, and
8 screened tenants for compensation. SJFVI charged property management fees or compensation
9 for their services.

10 15. The Department's auditor reviewed the audit period records provided by
11 Respondents for the following SJFVI bank accounts:

12 A. Trust Account 1 (T/A 1)

13 Bank: Seacoast Commerce Bank/Enterprise Bank & Trust

14 Account #: xxxx1833

15 Account Name: SJF Ventures, Inc. dba San Diego Premier Property

16 Management As Trustee, Operating Trust Account

17 Signatories: Salvatore Joseph Friscia

18 Signatures required: One

19 Purpose: T/A 1 was used for maintaining and handling the receipt and
20 disbursement of trust funds (rents) in connection with SJFVI's property
21 management activities for multiple beneficiaries.

22 B. Trust Account 2 (T/A 2)

23 Bank: Seacoast Commerce Bank/Enterprise Bank & Trust

24 Account #: xxxx1841

Account Name: SJF Ventures, Inc. dba San Diego Premier Property

Management As Trustee, Client Trust Account

Signatories: Salvatore Joseph Friscia

Signatures required: One

Purpose: T/A 2 was used for maintaining and handling the receipt and disbursement of trust funds (security deposits) in connection with SJFVI's property management activities for multiple beneficiaries.

16. 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 SD220032 and the exhibits and work papers attached to said audit report.

Audit Violations

17. In the course of its property management activities during the audit period, Respondents acted in violation of the Code and the Regulations as follows:

Code section 10145 and Regulation 2832.1. Trust fund handling for multiple beneficiaries

18. T/A 1

A bank reconciliation was prepared for T/A 1 with a cut-off date of June 30, 2023. The adjusted bank balance was compared to the total balance of the separate records (accountability). As of June 30, 2023, there was a minimum trust fund shortage of <\$16,994.09> in T/A 1. Respondents failed to provide any evidence that the owners of the trust funds had given their written consent to allow Respondent SJFVI to reduce the balances of the funds in the trust fund account T/A 1 to an amount less than the existing aggregate trust fund liabilities, in violation of Code section 10145 and Regulation 2832.1.

19. The <\$16,994.09> shortage in T/A 1 was due to minimum negative property balances totaling <\$10,201.16>, a minimum unidentified shortage/SJFVI's General Ledger "San

Diego Premier Property Management” of <\$6,792.93>. Additionally, there were unidentified/unaccounted for funds in T/A 1 totaling \$33,647.13. The negative property balances include the following:

<u>Property</u>	<u>Amount</u>
3976 Rivera Dr.	<\$ 4,647.87>
4774 Mt. Alifan Dr.	<\$ 3,495.00>
6495 Caminito Estrellado	<\$ 1,185.40>
3505 Grove St.	<\$ 447.50>
8035 Calle Fanita	<\$ 203.63>
3738 33 rd St. #1	<\$ 132.00>
490 W. Laurel St.	<\$ 75.00>
3976 Rivera Dr.	<\$ 10.76>
3612 Mississippi St.	<u><\$ 2.00></u>
Total	<\$10,201.16>

20. The minimum unidentified shortage/SJFVI’s General Ledger “San Diego Premier Property Management” of <\$6,792.93> could not be identified due to Respondents’ poor record keeping. The unidentified/unaccounted for funds in T/A 1 totaling \$33,647.13 could not be identified due to Respondents’ inaccurate trust fund records and monthly reconciliations for SJFVI’s T/A 1.

21. T/A 2

A bank reconciliation was prepared for T/A 2 with a cut-off date of June 30, 2023. The adjusted bank balance was compared to the total balance of the separate records (accountability). As of June 30, 2023, there was a minimum trust fund shortage of <\$8,165.00> in T/A 2. Respondents failed to provide any evidence that the owners of the trust funds had given their

1 written consent to allow Respondent SJFVI to reduce the balances of the funds in the trust fund
2 account T/A 2 to an amount less than the existing aggregate trust fund liabilities, in violation of
3 Code section 10145 and Regulation 2832.1.

4 22. The <\$8,165.00> shortage in T/A 2 was due to minimum negative property
5 balances totaling <\$8,165.00> caused by disbursements related to a property when there were
6 insufficient funds. The negative property balances include the following:

<u>Property</u>	<u>Amount</u>
152 S. Pacific St.	<\$ 4,095.00>
5722 Riley St. #4	<\$ 2,000.00>
7130 Shoreline Dr. #1309	<\$ 1,995.00>
1435 India St. #303	<\$ 75.00>
Total	<\$ 8,165.00>

13 23. There were minimum unidentified/unaccounted for funds in T/A 2 totaling
14 \$1,494.23 which could not be identified due to Respondents' inaccurate trust fund records and
15 monthly reconciliations for SJFVI's T/A 2.

16 24. As of December 26, 2023, Respondents had not provided proof of curing the
17 shortages found in T/A 1 and T/A 2.

18 **Code section 10145 and Regulation 2831. Trust fund records to be maintained.**

19 25. Based on an examination of SJFVI's records provided for the audit period, the
20 control records for T/A 1 and T/A 2 were inaccurate and incomplete in violation of Code section
21 10145 and Regulation 2381. SJFVI's control records did not reflect an accurate daily balance
22 during the audit period.

23 26. As of June 30, 2023, T/A 1's general ledger balance (control record) was
24 \$106,081.22 and the total sum of T/A 1's separate records was \$128,741.21. The bank statement

for T/A 1 reflected an ending balance of \$100,592.52, as of June 30, 2023.

27. As of June 30, 2023, T/A 2's general ledger balance (control record) was \$215,854.73 and the total sum of T/A 2's separate records ending cash balance was \$223,309.33. The bank statement for T/A 2 reflected an ending balance of \$222,054.76, as of June 30, 2023.

28. Based on an examination of T/A 2's control record compared to the bank statements, the following deposit amount posted was inaccurate:

<u>Date posted</u>	<u>Amount Deposit Posted</u>	<u>Deposit Amount Per Bank Statement</u>
03/02/2023	\$4,740.00	\$4,490.00

29. In addition, a security deposit of \$4,995.00 received in cash from the tenant for the property located at 3976 Riviera Dr. was posted in the control record on June 2, 2023, but posted on November 4, 2022, in the separate records for the same Riviera Dr. property obtained from the property owner.

Code section 10145 and Regulation 2831.1. Separate records for each beneficiary or transaction.

30. During the audit period, Respondent SJFVI failed to maintain accurate and complete separate records of the receipts and disbursements of all trust funds deposited into T/A 1 and T/A 2 for each beneficiary or property related to its property management activities, in violation of Code section 10145(g) and Regulation 2831.1. The sum of the ending balance of all the separate records did not equal the ending balance in the control record.

31. The total sum of T/A 1's separate records ending cash balance as of June 30, 2023, was \$128,741.21 and T/A 1's general ledger balance as of June 30, 2023, was \$106,081.22.

32. The total sum of T/A 2's separate records ending cash balance as of June 30, 2023, was \$223,309.33 and T/A 2's general ledger balance as of June 30, 2023, was

1 \$215,854.73.

2 33. In addition, SJFVI did not maintain a separate record for the
3 unidentified/unaccounted for funds of \$33,617.14 in T/A 1 as of June 30, 2023, and SJFVI did
4 not maintain a separate record for the unidentified/unaccounted for funds of \$1,494.23. in T/A 2
5 as of June 30, 2023.

6 **Code section 10145 and Regulation 2831.2. Trust account reconciliation.**

7 34. During the audit period, SJFVI failed to maintain complete and accurate monthly
8 reconciliations for T/A 1 and T/A 2, in violation of Code section 10145 and Regulation 2831.2.
9 The sum of the ending balance of all the separate records did not equal the ending balance in the
10 control record, as is required.

11 35. SJFVI failed to reconcile the unidentified/unaccounted for funds totaling
12 \$33,617.14 held in T/A 1 as of June 30, 2023,

13 36. SJFVI failed to reconcile the unidentified/unaccounted for funds totaling
14 \$1,494.23. in T/A 2 as of June 30, 2023.

15 **Code sections 10145 and 10176(e) and Regulation 2835(a). Commingling/Excess Broker's**
16 **Funds Held for Bank Fees/Mishandling of Trust Funds**

17 37. During the audit period, SJFVI often left more than \$200 of its own funds in
18 T/A 2 to cover bank service charges and checks from tenants that may be returned for
19 insufficient funds. An examination of SJFVI's separate record, "San Diego Premier Property
20 Management" ("SDPPM") that identified funds belonging to SJFVI, showed that it had a balance
21 exceeding \$200.00 during the audit period. Examples include, but are not limited to, the
22 following:

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<u>Date</u>	<u>Deposit/Payment</u>	<u>Broker's funds Balance</u>
07/22/2022	0	\$530.00
03/02/2023	\$4,740.00	\$5,270.00
05/03/2023	<\$4,490.00>	\$780.00

38. SJFVI's SDPPM ledger from July 1, 2022, to December 31, 2022, had a beginning balance of \$530.00 as of July 22, 2022. SJFVI's SDPPM ledger from January 1, 2023, to June 30, 2023, had a balance of \$780.00 as of May 3, 2023.

39. SJFVI's SDPPM ledger had a deposit of \$4,740.00 on March 2, 2023. According to the T/A 2 bank statement for March of 2023, the deposit amount was \$4,490.00.

40. SJFVI's SDPPM ledger showed a payment transfer of \$4,490.00 on May 3, 2023. According to the T/A 2 bank statement for May of 2023, the payment was made on May 10, 2023.

Code section 10159.2 and Regulation 2725. Responsibility of Corporate Officer in Charge/Broker supervision.

41. Based on the violations stated above, Respondent FRISCIA failed to adequately supervise and control the activities of SJFVI's real estate activities conducted by its salespersons, employees, or agents and failed to establish policies, rules, procedures, and systems to review, oversee, inspect, and manage transactions requiring a real estate license and the handling of trust funds to ensure compliance with the Real Estate Law, in violation of Code sections 10159.2, 10177, subdivision (h), and Regulation 2725. On November 21, 2023, the Department's auditor requested a copy of SJFVI's policies and procedures from Respondents. Respondents failed to provide a response.

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42. The conduct of Respondent SJFVI as described above in Paragraphs 18 through 40, violated the Code and the Regulations as set forth below:

<u>Paragraph(s)</u>	<u>Violations</u>
18-24	Code section 10145 and Regulation 2832.1
25-29	Code section 10145 and Regulation 2831
30-33	Code sections 10145 and Regulation 2831.1.
34-36	Code section 10145 and Regulation 2831.2
37-40	Code sections 10145, 10176(e), and Regulation 2835(a)

43. The foregoing violations, as described above in Paragraphs 18 through 40, constitute cause for the suspension or revocation of the real estate licenses and license rights of Respondent SJFVI **under the provisions of Code section 10176, subdivision (e), and Code section 10177, subdivisions (d) and/or (g).**

Respondent FRISCIA– Officer - Broker Supervision

44. Based on the audit violations cited above, Respondent FRISCIA failed to exercise adequate supervision and control over SJFVI's property management activities to ensure compliance with the Real Estate Law and Regulations, in violation of Code section 10159.2 and Regulation 2725. Said conduct, acts, or omissions constitute cause to suspend or revoke the real estate licenses and license rights of Respondent FRISCIA pursuant to Code section 10177, subdivisions (h), (d), and/or (g).

Second Cause of Accusation

45. There is hereby incorporated in this Second, separate and distinct Cause of Accusation, all of the allegations contained in Paragraphs 1 through 44, with the same force and effect as if herein fully set forth.

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1 46. The Department received a complaint against Respondents from the property
2 owner for a property located at: 3976 Riviera Dr., San Diego, California (“Riviera property”).
3 The complaint alleged, inter alia, that Respondents breached the terms of Respondent’s property
4 management agreement with the property owner for the Riviera property, Respondents failed to
5 meet their fiduciary duties owed to the property owner of the Riviera property relating to the
6 placement and subsequent eviction of a tenant of the Riviera property, and Respondents refused
7 to return the security deposit for the Riviera property to the property owner unless the property
8 owner agreed to release Respondents from liability for the related tenancy and eviction.

9 47. On or about September 12, 2022, Respondents, while doing business as San
10 Diego Premier Property Management, entered into a Property Management Agreement (“PMA”)
11 with the property owner of the Riviera property. Respondents charged compensation of eight
12 percent (8%) of the gross monthly rents collected for the Riviera property. In the case of any
13 evictions, Respondents charged for the actual cost of the eviction plus a \$400.00 court fee due to
14 SDP Property Management. Respondents were to exercise due diligence in the performance of
15 their services for the property owner of the Riviera property. The Riviera property is in a
16 development governed by a homeowners’ association (“HOA”).

17 48. On or about October 31, 2022, Respondents leased the Riviera property to tenant,
18 A.M.² The tenant was to pay monthly rent of \$4,995.00 and a security deposit of \$4,995.00, to
19 be collected by Respondents. The tenant was prohibited from subletting the Riviera property
20 pursuant to the lease agreement. The subletting prohibition also applied to short term, vacation,
21 or transient rentals arranged through third-party short term rental services.

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24 ² Initials are used in place of individuals’ full names to protect their privacy. Documents containing individuals’ full names will be provided during the discovery phase of this case to Respondent(s) and/or their attorneys, after service of a timely and proper request for discovery on Complainant’s counsel.

1 49. In or around November of 2022, the HOA notified Respondent SJFVI that the
2 tenant at the Riviera property was advertising the Riviera property for short term rentals and that
3 the Riviera property was being sublet for short term rentals.

4 50. The short-term subletting activity at the Riviera property continued and the HOA
5 gave formal notice of the unauthorized short term rental activity on January 9, 2023.

6 51. The property owner instructed Respondents to serve a notice of eviction to the
7 tenant of the Riviera property. According to the property owner, Respondents failed to serve a
8 notice of eviction to the tenant.

9 52. On or about January 25, 2023, the property owner began eviction proceedings
10 against A.M., the tenant of the Riviera property. Thereafter, tenant A.M. vacated the Riviera
11 property.

12 53. On or about February 15, 2023, the Riviera property owner cancelled their
13 management agreement with Respondents and demanded return of trust funds owed to the
14 property owner including the security deposit collected from tenant A.M.

15 54. Respondents have failed to return the security deposit collected from tenant A.M.
16 to the Riviera property owner despite repeated requests. **Respondents have also failed to**
17 **provide a complete accounting of all trust funds received, disbursed, and handled for the**
18 **Riviera property. Respondents have also failed to provide all receipts, invoices, and**
19 **accounting statements for the Riviera property. Moreover, Respondents failed to provide**
20 **all communications exchanged with the tenant of the Riviera property regarding the**
21 **unauthorized use of the Riviera property as a short-term rental by the tenant and any**
22 **alleged unpaid rent payments.**

23 55. The Riviera property owner's estimated costs and damages were \$31,311.64
24 resulting from the tenant that was placed in the Riviera property by Respondents. The

1 property owner's costs and damages include costs for unpaid rent, eviction costs, repairs
2 that were needed after the tenant vacated the Riviera property, and lost rent during the
3 period that the property remained vacant after the tenant was evicted.

4 56. The foregoing conduct, acts, and/or omissions by Respondents, as described
5 above in Paragraphs 46 through 55, constitutes cause for the suspension or revocation of
6 the real estate licenses and license rights of Respondents SJFVI and FRISCIA pursuant to
7 Code section 10177, subdivision (g), and/or Code section 10176, subdivision (i), or Code
8 section 10177, subdivision (j).

9 57. The foregoing conduct, acts, and/or omissions by Respondents, as described
10 above in Paragraphs 46 through 55, constitute cause for the suspension or revocation of the
11 real estate licenses and license rights of Respondent FRISCIA pursuant to Code section
12 10177, subdivision (h).

13 Audit Costs

14 58. Code section 10148(b) provides, in pertinent part, that the Commissioner shall
15 charge a real estate broker for the cost of any audit, if the Commissioner has found in a final
16 decision following a disciplinary hearing that the broker has violated Code section 10145 or a
17 regulation or rule of the Commissioner interpreting said section.

18 Investigation/Enforcement Costs

19 59. Code section 10106 provides, in pertinent part, that in any order issued in
20 resolution of a disciplinary proceeding before the Department of Real Estate, the Commissioner
21 may request the administrative law judge to direct a licensee found to have committed a violation
22 of this part to pay a sum not to exceed the reasonable costs of the investigation and enforcement
23 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/or license rights of Respondents under the Real Estate Law (Part 1 of Division 4 of the Business and Professions Code), for the costs of the audit, investigation, and enforcement as permitted by law, and for such other and further relief as may be proper under other provisions of law.

Dated Oct 21, 2025 at San Diego, California.

VERONICA KILPATRICK
Supervising Special Investigator

cc: OAH
Frank Buda, Esq.
SJF Ventures, Inc.
Salvatore Joseph Friscia
Veronica Kilpatrick
Audits/Isabel Beltran
Sacto