1 2 3 4 5 6 7 8	TRULY SUGHRUE, Counsel State Bar No. 223266 Department of Real Estate FILED P.O. Box 137007 Servamento, CA 95813-7007 Sacramento, CA 95813-7007 SEP 2.7 2018 Telephone: (916) 263-8672 (916) 263-8676 (Direct) DEPARTMENT OF REAL ESTATE Fax: (916) 263-3767
9	BEFORE THE DEPARTMENT OF REAL ESTATE
10	STATE OF CALIFORNIA
11	In the Matter of the Accusation of
12) No. H-12298 SF
13	THOMAS CONNOLLY,
14	Respondent.
15	The Complainant, ROBIN S. TANNER, a Supervising Special Investigator of the
16	State of California, for cause of Accusation against THOMAS CONNOLLY (Respondent), is
17	informed and alleges as follows:
18	1
19	The Complainant, ROBIN S. TANNER, a Supervising Special Investigator of the
20	State of California, makes this Accusation in her official capacity.
21	2
22	Respondent is presently licensed and/or has license rights under the Real Estate
23	Law, Part 1 of Division 4 of the Business and Professions Code (Code).
24	3
25	At all times mentioned, Respondent was and is licensed by the Department as a
26	real estate broker.
27	

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1	4
2	At all times mentioned, Respondent engaged in the business of, acted in the capacity of,
3	advertised, or assumed to act as a real estate broker within the State of California within the
4	meaning of Sections 10131(b) of the Code, including the operation and conduct of a property
5	management business with the public wherein, on behalf of others, for compensation or in
6	expectation of compensation, Respondent leased or rented and offered to lease or rent, and
7	solicited for prospective tenants of real property or improvements thereon, and collected rents
8	from real property or improvements thereon.
9	FIRST CAUSE OF ACTION
10	5
11	On or about April 9, 2018, through April 10, 2018, an audit was conducted of the
12	records of Respondent. The auditor herein examined the records for the period of
13	January 1, 2016, through March 31, 2018.
14	6
15	While acting as a real estate broker as described in Paragraph 5, Respondent
16	accepted or received funds in trust (trust funds) from or on behalf of owners and tenants in
17	connection with the leasing, renting, and collection of rents on real property or improvements
18	thereon, as alleged herein, and thereafter from time-to-time made disbursements of said trust
19	funds.
20	7
21	The trust funds accepted or received by Respondent as described in Paragraph 5
22	were deposited or caused to be deposited by Respondent into trust accounts which were
23	maintained by Respondent for the handling of trust funds, and thereafter from time-to-time
24	Respondent made disbursements of said trust funds, identified as follows:
25	
26	ACCOUNT # 1
27	Bank Name and Location: Fremont Bank

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- 2 -

Fremont, CA 94538 Account No.: XXX4916 Entitled: MPC & Associates, Inc. (from November 25, 2015 throug November 2, 2017) MPC & Associates. Inc. dba Property Management Inc, E Bay (November 2, 2017 onward) ACCOUNT # 2 Bank Name and Location: Fremont Bank 39150 Fremont Blvd. Fremont, CA 94538 Account No.: XXX4959 Entitled: MPC & Associates, Inc. (from November 25, 2015 throug) November 2, 2017) MPC & Associates, Inc. (from November 25, 2015 throug) November 2, 2017) MPC & Associates, Inc. dba Property Management Inc, Ea Bay (November 2, 2017) MPC & Associates. Inc. dba Property Management Inc, Ea Bay (November 2, 2017) onward) 8 In the course of the activities described in Paragraph 5, Respondent: a) caused, suffered, or permitted the balance of funds in Account #1 to reduced to an amount which, as of December 31, 2017, was approximately \$10,833.73 less the aggregate liability of Account #1 to all owners of such funds in violation of Section 10 the Code and Section 2832.1 of Title 10 of the California Code of Regulations (Regulation ///			
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	ıs);		
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1 failed to deposit trust funds into one or more trust funds accounts in the b) 2 name of Respondent as trustee at a bank or other financial institution, in conformance with Section 10145 of the Code and Section 2832 of the Regulations; 3 4 caused, permitted, and/or allowed, Christine Connolly, an unlicensed c) 5 individual without fidelity bond coverage, to be a signatory on the trust account, in violation of 6 Section 2834 of the Regulations; 7 conducted real estate activities using the fictitious business names "PMI d) East Bay," "PMI Property Management East Bay," and "Property Management Inc.", without 8 9 first registering these fictitious business names with the Department as required by Section 10 10159.5 of the Code and Section 2731 of the Regulations; 11 failed to register his branch office located at 39111 Paseo Padre Parkway, e) 12 Suite 206, with the Department, in violation of Section 10163 of the Code; and 13 failed to disclose license identification numbers on his website, f) 14 www.pmieastbay.com, in violation of Section 10140.6(b) of the Code and Section 2773 of the 15 Regulations. 16 9 17 The acts and/or omissions of Respondent as alleged above constitute grounds for the suspension or revocation of all licenses and license rights of Respondent, pursuant to the 18 19 following provisions of the Code and Regulations: 20 As to Paragraph 8(a), under Sections 10177(d) and/or 10177(g) of the Code in conjunction with Section 10145 of the Code and Section 2832.1 of the Regulations; 21 22 As to Paragraph 8(b), under Sections 10177(d) and/or 10177(g) of the Code in 23 conjunction with Section 10145 of the Code and Section 2832 of the Regulations; 24 As to Paragraph 8(c), under Sections 10177(d) and/or 10177(g) of the Code in 25 conjunction with Section 2834 of the Regulations and Section 10145 of the Code; 26 As to Paragraph 8(d), under Sections 10177(d) and/or 10177(g) of the Code in 27 conjunction with Section 2731 of the Regulations and Section 10159.5 of the Code; - 4 -

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1	As to Paragraph 8(e), under Sections 10177(d) and/or 10177(g) of the Code in
2	conjunction with Section 10163 of the Code; and
3	As to Paragraph 8(f), under Sections 10177(d) and/or 10177(g) of the Code in
4	conjunction with Section 2773 of the Regulations and Section 10140.6(b) of the Code.
5	SECOND CAUSE OF ACTION
6	10
7	Each and every allegation in Paragraphs 1 through 9, inclusive, above, are
8	incorporated by this reference as if fully set forth herein.
9	11
10	At all times relevant herein, Respondent was required to exercise reasonable
11	supervision and control over the activities of Respondent's employees, agents, and others acting
12	on Respondent's behalf pursuant to Section 2725 of the Regulations.
13	12
14	Respondent failed to exercise reasonable supervision over the acts and/or
15	omissions of Respondent's employees, agents and others acting on Respondent's behalf in
16	such a manner as to allow the acts and/or omissions as described in Paragraph 10, above, to
17	occur, which constitutes cause for the suspension or revocation of the licenses and license rights
18	of Respondent pursuant to Sections 10177(d), 10177(g), and/or 10177(h) of the Code, in
19	conjunction with Section 2725 of the Regulations.
20	<u>COST RECOVERY</u>
21	13
22	The acts and/or omissions of Respondent as alleged above, entitle the Department
23 24	to reimbursement of the costs of its audit pursuant to Section 10148(b) (audit costs for trust fund
24	handling violation) of the Code.
25	14
20	Section 10106 of the Code provides, in pertinent part, that in any order issued in
Z. 1	resolution of a disciplinary proceeding before the Department, the Commissioner may request the
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Administrative Law Judge to direct a licensee found to have committed a violation of this part to pay a sum not to exceed the reasonable costs of the investigation and enforcement of the case. 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 Respondent under the Code, for the cost of investigation and enforcement as permitted by law, for the cost of the audit, and for such other and further relief as may be proper under other provisions of law. **ROBIN S. TANNER** Supervising Special Investigator Dated at Oakland, California, this 8th day of DISCOVERY DEMAND Pursuant to Sections 11507.6, et seq. of the Government Code, the Department of Real Estate hereby makes demand for discovery pursuant to the guidelines set forth in the Administrative Procedure Act. Failure to provide Discovery to the Department of Real Estate may result in the exclusion of witnesses and documents at the hearing or other sanctions that the Office of Administrative Hearings deems appropriate.

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