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FILED
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BUREAU OF REAL ESTATE
By 

8 BEFORE THE BUREAU OF REAL ESTATE
9 DEPARTMENT OF CONSUMER AFFAIRS
10 STATE OF CALIFORNIA

11 * * *

11 In the Matter of the Accusation against)
12 GRIFFIN PROPERTY MANAGEMENT GROUP, INC.) CalBRE No. H-41024 LA
13 and NEAL ROBERT NIELSEN, JR. individually and as) ACCUSATION
14 designated officer for Griffin Property Management)
Group, Inc.,)
15 Respondents.)

17 The Complainant, Brenda Smith, a Supervising Special Investigator for the Bureau of
18 Real Estate ("Bureau") of the State of California, for cause of Accusation against GRIFFIN
19 PROPERTY MANAGEMENT GROUP, INC. and NEAL ROBERT NIELSEN, JR.,
20 individually and as designated officer for Griffin Property Management Group, Inc. (collectively
21 "Respondents"), alleges as follows:

22 1.

23 The Complainant, Brenda Smith, acting in her official capacity as a Supervising Special
24 Investigator, makes this Accusation against Respondents.

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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 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).

4.

On April 18, 2012, GRIFFIN PROPERTY MANAGEMENT GROUP, INC. ("GPMGI") was originally licensed as a corporate real estate broker, License ID 01913508.

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On August 12, 2015, NEAL ROBERT NIELSEN, JR. ("NIELSEN") was originally licensed as a real estate broker, License ID 01917502. NIELSEN was previously licensed as a real estate salesperson from July 18, 2012 through August 11, 2015.

6.

From on or about April 18, 2016 through the present, GPMGI has acted as a corporate real estate broker by and through NIELSEN as the designated officer and broker responsible, pursuant to Code section 10159.2, for supervising the activities requiring a real estate license conducted on behalf of GPMGI by GPMGI's officers, agents and employees.

7.

GPMGI is a California corporation. Todd Griffin aka Michael Todd Griffin and Dina M. Griffin aka Dina Griffin are the officers and directors of the corporation. Todd Griffin and Dina M. Griffin are not individually licensed by the Bureau in any capacity.

1 8.

2 At all times relevant herein, in the State of California, GPMGI acted as a corporate real
3 estate broker and conducted licensed activities within the meaning of Code section 10131(b)
4 (solicited or offered to negotiate the sale, purchase, or exchange of leases on real property or on a
5 business opportunity or collected rents from real property or improvements thereon, or from
6 business opportunities).

7 9.

8 On November 1, 2017, Shelby L. Griffin ("S. Griffin") was originally licensed as a real
9 estate salesperson, License ID 02007325. S. Griffin is currently licensed under the employment
10 of GPMGI.

11 Audit FR160045

12 10.

13 On May 22, 2017, the Bureau completed an audit examination of the books and records
14 of Respondent GPMGI's property management activities which require a real estate license
15 pursuant to Code section 10131(b). The audit examination covered a period of time from
16 January 1, 2016 through March 31, 2017 ("audit period"). The audit examination revealed
17 violations of the Code and the Regulations as set forth in the following paragraphs, and more
18 fully discussed in Audit Report FR160045 and the exhibits and work papers attached to said
19 audit report.

20 11.

21 An entrance interview was held on April 10, 2017 with Todd Griffin ("Griffin") and Jan
22 Koski ("Koski") GPMGI's Office Manager. Koski is not licensed by the Bureau. According to
23 Griffin and Koski and the audit work papers examined, Respondent GPMGI managed
24 approximately 25 one-to-four family residential properties with 52 units, one apartment complex

1 with five units, and one commercial complex with two units for 15 owners during the audit
2 period. Respondent GPMGI collected monthly rents of approximately \$60,000 during the audit
3 period. Respondent GPMGI charged management fees of five to seven percent (5% - 7%) of
4 collected rents for the managed properties.

5 12.

6 According to Respondents, GPMGI maintained the following two trust accounts for its
7 property management activities during the audit period:

8 (a) Trust Account #1 (TA1)

9 Bank: Central Valley Community Bank

10 Account Name: Griffin Property Management Group Inc. Trust Account

11 Account #: xxxxx514

12 Signatories: Michael Todd Griffin (owner of 50% shares) and Dina M. Griffin (owner
13 of 50% shares)

14 Description: TA1 was used for deposits and disbursements related to property
15 management. Deposits consisted of rents collected from tenants,
16 disbursements were payments for expenses related to the properties
17 managed, mortgage payments, remittances to owners and payment of
18 management fees.

19 (b) Trust Account #2 (TA2)

20 Account Name: Griffin Property Management Group Inc. Security Deposit

21 Account #: xxxxx697

22 Signatories: Michael Todd Griffin and Dina M. Griffin

23 Description: TA2 was used to hold security deposits received from tenants.

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1 Violations

2 13.

3 In the course of its property management activities during the audit period, Respondent
4 GPMGI acted in violation of the Code and the Regulations as follows:

5 13(a). Code sections 10130 and 10137. Property management services provided by
6 unlicensed persons, Todd Griffin and S. Griffin.

7 During the audit period, GPMGI had no salespersons licensed under the employment of
8 GPMGI. According to Respondent NIELSEN, Todd Griffin and S. Griffin (both unlicensed at
9 the time) worked for GPMGI during the audit period.

10 In addition to acting as the designated broker-officer for GPMGI, NIELSEN was also a
11 branch manager for a separate real estate corporation, Modern Broker, Inc. ("MBI"), License ID
12 01898142. NIELSEN was engaged in the resale of agricultural and commercial properties
13 through MBI. NIELSEN and MBI maintained their main office at 610 W. Main Street, Visalia,
14 California.

15 During the audit period, Todd Griffin owned Windows Plus Construction, Inc.
16 ("Windows Plus"). GPMGI and Windows Plus operated from the same main office location at
17 481 W. Noble Ave., Farmersville, California. S. Griffin received compensation through
18 Windows Plus. Lori Garcia, an unlicensed person, was also employed by or affiliated with
19 Windows Plus.

20 S. Griffin, while acting on behalf of GPMGI, engaged in activities that required a real
21 estate license including, but not limited to, negotiating, executing, and entering into property
22 management or lease agreements with property owners or tenants for the following properties:

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1	<u>Property</u>	<u>Date of Agreement</u>
2	• 3934 S. Parkwood, Visalia, California	06/10/2016
3	• 170 S. Magnolia, Woodgate, California	7/22/2016
4	• 2816 W. Delta Ave., Visalia, California	10/06/2016
5	• 4102 E. Four Creeks Ct., Visalia, California	11/04/2016
6	• 351 Wind Ct., Visalia, California	02/09/2017
7	• 231 N. Marcin Ct., Visalia, California	02/23/2017
8	• Lot 31-2512 W. Oriole, Visalia, California	3/10/2017

9 On or about October 15, 2014, Todd Griffin and Lori Garcia, while acting on behalf of
10 Todd Griffin and GPMGI, engaged in activities that required a real estate license including, but
11 not limited to, negotiating, executing, and entering into a lease agreement on behalf of GPMGI
12 with tenants for a property located at 2115 N. Virginia Ct., Farmersville, California. GPMGI
13 continued collecting rent for and managing this property during the audit period.

14 On or about August 1, 2014, Lori Garcia, while acting on behalf of GPMGI, engaged in
15 activities that required a real estate license including, but not limited to, negotiating, executing,
16 and entering into a lease agreement on behalf of GPMGI with tenants for a property located at
17 4419 E. Murray, Visalia, California. GPMGI continued collecting rent for and managing this
18 property during the audit period.

19 On or about January 4, 2016, Todd Griffin engaged in activities that required a real estate
20 license including, but not limited to, negotiating, executing, and entering into a lease agreement
21 on behalf of GPMGI with tenants for a property located at 3300 Tilden, Visalia, California.

22 The acts described above are in violation of Code sections 10130 and 10137.

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1 13(b). Regulation 2834. Trust account withdrawals.

2 NIELSEN was not a signatory on TA1 or TA2 during the audit period. The signature
3 cards for TA1 and TA2 listed Todd Griffin and Dina Griffin, unlicensed owners of GPMGI, as
4 signatories for the accounts without fidelity bond coverage, in violation of Regulation 2834.

5 13(c). Code section 10176(g). Undisclosed ownership/compensation.

6 From April 1, 2016, through March 31, 2017, GPMGI paid \$14,188.05 to Windows Plus
7 for providing repair and maintenance services to properties managed by GPMGI for property
8 owners. Examples of payments to Windows Plus include, without limitation, the following:

<u>Invoice No.</u>	<u>Date</u>	<u>Property Address</u>	<u>Payment Date</u>	<u>Amount Paid</u>
10 18968	6/10/16	170 S. Magnolia #A-F	6/16/16	\$185.00
11 18988	6/14/16	170 S. Magnolia #A-F	6/16/16	\$127.50
12 20328	3/17/17	2512 W. Oriole	3/31/17	\$340.00
13 18284	01/06/16	231 N. Marcin	01/11/16	\$575.00
14 19926	01/09/17	170 S. Magnolia #A-F	01/11/17	\$315.25

15 GPMGI failed to disclose in property management agreements with some property
16 owners, the ownership interest in, and compensation through, Windows Plus in violation of Code
17 section 10176(g).

18 13(d). Code section 10145(a) and Regulation 2832. Trust fund handling.

19 On at least two occasions during the audit period, GPMGI failed to deposit trust funds
20 within three business days following receipt of the funds into TA2. On at least one occasion
21 during the audit period, GPMGI failed to deposit trust funds within three business days following
22 receipt of the funds into TA1. Said acts are in violation of Code section 10145(a) and Regulation
23 2832.

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1 estate license and license rights of Respondent GPMGI under the provisions of Code sections
2 10177(d), 10176(g), and/or 10177(g).

3 Respondent NIELSEN - Broker Supervision

4 15.

5 The conduct, acts and/or omissions of Respondent NIELSEN as set forth above,
6 constitutes a failure to exercise the supervision and control over the activities of GPMGI to
7 ensure compliance with the Real Estate Law and Regulations, as is required by Code section
8 10159.2 and Regulation 2725. Said conduct, acts, or omissions constitute cause to suspend or
9 revoke the real estate licenses and license rights of Respondent NIELSEN pursuant to Code
10 sections 10177(h), 10177(d) and/or 10177(g).

11 Audit Costs

12 16.

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

17 Investigation/Enforcement Costs

18 17.

19 Code section 10106 provides, in pertinent part, that in any order issued in resolution of a
20 disciplinary proceeding before the Bureau of Real Estate, the Commissioner may request the
21 administrative law judge to direct a licensee found to have committed a violation of this part to
22 pay a sum not to exceed the reasonable costs of the investigation and enforcement of the case.

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