

1 STEVE CHU, Counsel (SBN 238155)
2 Department of Real Estate
3 320 West 4th Street, Suite 350
4 Los Angeles, California 90013-1105

4 Telephone: (213) 620-6430
5 Fax: (213) 576-6917

FILED

OCT 20 2020

DEPT. OF REAL ESTATE

By John Aguirre

6
7
8
9 **BEFORE THE DEPARTMENT OF REAL ESTATE**
10 **STATE OF CALIFORNIA**

11 * * *

12 In the Matter of the Accusation of) No. H-41803 LA
13 THE FHL FINANCIAL GROUP, and)
14 JEFFREY LOUIS PRATHER,) ACCUSATION
15 doing business as T D Co,)
16 individually and as designated officer of)
17 The FHL Financial Group,)
Respondents.)

18
19 The Complainant, Chika Sunquist, a Supervising Special Investigator of the
20 State of California, for cause of Accusation against THE FHL FINANCIAL GROUP and
21 JEFFREY LOUIS PRATHER, doing business as T D Co, individually and as designated
22 officer of The FHL Financial Group, ("Respondents"), is informed and alleges as follows:

23 1.

24 The Complainant, Chika Sunquist, acting in her official capacity as a
25 Supervising Special Investigator of the State of California, makes this Accusation against
26 Respondents THE FHL FINANCIAL GROUP and JEFFREY LOUIS PRATHER.

27 ///

1 2.

2 All references to the "Code" are to the California Business and Professions Code
3 and all references to "Regulations" are to Title 10, Chapter 6, California Code of Regulations.

4 LICENSE HISTORY

5 3.

6 Respondent THE FHL FINANCIAL GROUP ("FHL FINANCIAL") presently
7 has license rights under the Real Estate Law, Part 1 of Division 4 of the Code as a corporate
8 real estate broker.

9 4.

10 Respondent JEFFREY LOUIS PRATHER ("PRATHER") presently has license
11 rights as a real estate broker. PRATHER also has an individual mortgage loan originator
12 license endorsement.

13 5.

14 Respondent FHL FINANCIAL is licensed by the Department of Real Estate
15 ("Department") as a corporate real estate broker by and through Respondent PRATHER, as the
16 designated officer and broker responsible, pursuant to Code section 10159.2, for supervising the
17 activities requiring a real estate license conducted on behalf of FHL FINANCIAL, or by
18 FHL FINANCIAL'S officers, agents and employees.

19 PRIOR LICENSE DISCIPLINE

20 6.

21 On or about April 30, 2008, the Real Estate Commissioner in Case
22 No. H-34504 LA adopted as his Decision effective on or about June 11, 2008, a Stipulation and
23 Agreement entered on or about March 4, 2008, by Respondents FHL FINANCIAL and
24 PRATHER and the Department where FHL FINANCIAL and PRATHER stipulated to the acts
25 and omissions in the Accusation as grounds for disciplinary action in that: FHL FINANCIAL
26 and PRATHER violated Code sections 10145, 10176(g), and 10238(f) and Regulations
27 sections 2831, 2831.1, 2832.1, and 2950(h); and PRATHER violated Code section 10159.2.

Accusation of The FHL Financial Group and Jeffrey Louis Prather

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27

BROKERAGE
THE FHL FINANCIAL GROUP

7.

At all times mentioned, in the City of Laguna Hills, County of Orange, Respondent FHL FINANCIAL acted as a real estate broker, conducting licensed activities within the meaning of Code section 10131(d) (solicits borrowers or lenders for or negotiates loans or collects payments or performs services for borrowers or lenders or note owners in connection with loans secured by real property).

AUDIT
THE FHL FINANCIAL GROUP

8.

On September 30, 2019, the Department completed audit examinations of the books and records of Respondent FHL FINANCIAL pertaining to the activities described in Paragraph 7 which require a real estate license. The audit examinations covered a period of time from January 1, 2017, to April 30, 2019. The audit examinations revealed violations of the Code and the Regulations as set forth in the following paragraphs, and as more fully discussed in Audit Report LA180052 and the exhibits and workpapers attached to said audit report.

9.

Respondent FHL FINANCIAL accepted or received funds in trust (“trust funds”). Thereafter, Respondent made deposits and or disbursements of such trust funds. During the examination period described in Paragraph 8 above, Respondent deposited or maintained trust funds in the following bank accounts:

Bank Account 1: California Bank Trust account ending in 222.

///

///

///

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27

12.


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

13.

Code Section 10106 provides, in pertinent part, that in any order issued in resolution of a disciplinary proceeding before the Department of Real Estate, the Commissioner may request the 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 the licenses, license endorsements, and license rights of Respondents THE FHL FINANCIAL GROUP and JEFFREY LOUIS PRATHER under the Real Estate Law, for the cost of audit, investigation, and enforcement as permitted by law, and for such other and further relief as may be proper under other applicable provisions of law.

Dated at Sacramento, California
this 21st day of May, 2020


Chika Sunquist
Supervising Special Investigator

cc: THE FHL FINANCIAL GROUP
JEFFREY LOUIS PRATHER
Chika Sunquist
Sacto.
Audits

Accusation of The FHL Financial Group and Jeffrey Louis Prather