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FILED

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BUREAU OF REAL ESTATE
By *Carol Deloris*

8 BEFORE THE BUREAU OF REAL ESTATE
9 STATE OF CALIFORNIA

10 * * *

11 In the Matter of the Accusation of

12 MICHAEL WILLIAM SCHWARTZ; and
13 SERVICE FIRST FUNDING GROUP,
14 INC.,

15 Respondents.

No. H- 40041 LA

16 The Complainant, Maria Suarez, a Supervising Special Investigator of the State
17 of California for cause of Accusation against Respondents MICHAEL WILLIAM SCHWARTZ
18 ("SCHWARTZ") and SERVICE FIRST FUNDING GROUP, INC. dba MSBC Realty
19 ("SFFGI") (collectively "Respondents"), is informed and alleges as follows:

20 1.

21 The Complainant, Maria Suarez, a Supervising Special Investigator of the State
22 of California, makes this Accusation in her official capacity.

23 2.

24 Unless otherwise specified, all references to the "Code" are to the California
25 Business and Professions Code, and all references to "Regulations" are to Title 10, Chapter 6,
26 California Code of Regulations.

27 ///

1 3.

2 SCHWARTZ is presently licensed and/or has license rights under the Real
3 Estate Law, Part 1 of Division 4 of the Code, as a real estate broker (license no. 01495958).
4 SCHWARTZ was licensed as a real estate salesperson from June 30, 2006 to August 6, 2008.
5 SCHWARTZ was originally licensed as a real estate broker on August 7, 2008.

6 4.

7 SFFGI is presently licensed and/or has license rights under the Real Estate Law,
8 Part 1 of Division 4 of the Code, as a real estate corporation (license no. 01525355). SFFGI's
9 license expired on November 2, 2014. The Bureau of Real Estate retains jurisdiction over the
10 license pursuant to Code section 10103.

11 5.

12 From on or about November 3, 2006 through the present, SCHWARTZ has been
13 and continues to be an officer, director, and/or person owning or controlling 10 percent or more
14 of SFFGI's stock. From on or about November 3, 2010 through SFFGI's expiration date,
15 SCHWARTZ was and is the designated officer of SFFGI.

16 6.

17 At all times mentioned below, Respondents SCHWARTZ and SFFGI engaged in
18 the business of, acted in the capacity of, advertised, and/or acted as real estate brokers in the
19 State of California within the meaning of Code section 10131(a), including selling or offering
20 to sell, soliciting prospective purchasers of, soliciting or obtaining listings of, and/or negotiating
21 the purchase, sale, or exchange of real property or a business opportunity.

22 7.

23 In August 2008, A. Munoz refinanced his home, and paid \$245,000 to
24 Respondents as an investment. Respondents paid interest on the investment to Munoz as
25 agreed upon until December 2012. However, Respondents failed to make any payments to A.
26 Munoz from January 2013 through March 2014. As a result, approximately \$148,000 was left
27

1 on the investment.

2 8.

3 The conduct, acts, and/or omissions of Respondents, as described herein,
4 constitute the making of a substantial misrepresentation and fraud or dishonest dealing, and is
5 cause for suspension or revocation of all real estate licenses and license rights of Respondents
6 under the provisions of Code sections 10177(j) (fraud or dishonest dealing as a principal).

7 9.

8 Code section 10106 provides, in pertinent part, that in any order issued in
9 resolution of a disciplinary proceeding before the bureau, the Commissioner may request the
10 administrative law judge to direct a licensee found to have committed a violation of this part to
11 pay a sum not to exceed the reasonable costs of investigation and enforcement of the case.

12 WHEREFORE, Complainant prays that a hearing be conducted on the
13 allegations of this Accusation and that upon proof thereof, a decision be rendered imposing
14 disciplinary action against all licenses and/or license rights under the Real Estate Law (Part 1 of
15 Division 4 of the California Business and Professions Code) of Respondents MICHAEL
16 WILLIAM SCHWARTZ and SERVICE FIRST FUNDING GROUP, INC. the cost of
17 investigation and enforcement as permitted by law, and for such other and further relief as may
18 be proper under applicable provisions of law.

19 Dated at Los Angeles, California: 24 November, 2015.

20
21 
22 Maria Suarez
23 Deputy Real Estate Commissioner

24
25 cc: Michael William Schwartz
26 Service First Funding Group, Inc.
27 Maria Suarez
Sacto.