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FILED

MAR 20 2012

DEPARTMENT OF REAL ESTATE
By R. Mat

8 BEFORE THE DEPARTMENT OF REAL ESTATE
9 STATE OF CALIFORNIA

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12 In the Matter of the Accusation of)
13 DEEDIE SHIELDS REALTY, INC.,) NO. H-4318 SD
14 JACQUELINE THOMAS SHIELDS,) ACCUSATION
15 SCOTT JENKINS SHIELDS and)
16 ROBERT ALAN SHIELDS, JR.,)
17 Respondents.)

18 The Complainant, VERONICA KILPATRICK, in her official capacity as a Deputy
19 Real Estate Commissioner of the State of California, for cause of Accusation against DEEDIE
20 SHIELDS REALTY, INC., JACQUELINE THOMAS SHIELDS, SCOTT JENKINS SHIELDS
21 and ROBERT ALAN SHIELDS, JR., (collectively referred to herein as "Respondents") is informed
22 and alleges as follows:

23 1

24 DEEDIE SHIELDS REALTY, INC. (hereinafter "DSRI"), is presently licensed by
25 the Department of Real Estate (hereinafter "the Department") and/or has license rights under the
26 Real Estate Law, Part 1 of Division 4 of the Business and Professions Code (hereinafter "the
27 Code"), as a corporate real estate broker. At all times relevant herein, and until on or about January

1 18, 2011, DSRI was acting by and through JACQUELINE THOMAS SHIELDS, as its designated
2 officer broker.

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4 At all times relevant herein, DSRI conducted business under its own licensed name
5 and the registered DBA name "Shields Realty" associated with DSRI's corporate real estate broker
6 license.

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8 JACQUELINE THOMAS SHIELDS, (hereinafter "JACQUELINE SHIELDS"), is
9 presently licensed by the Department and/or has license rights under the Real Estate Law, Part 1 of
10 Division 4 of the Code, as a real estate broker.

11 4

12 At all times relevant herein, until on or about January 18, 2011, JACQUELINE
13 SHIELDS was licensed by the Department as the designated officer broker of DSRI. As the
14 designated officer broker, JACQUELINE SHIELDS was responsible, pursuant to Section 10159.2
15 of the Code, for the supervision of the activities of the officers, agents, real estate licensees and
16 employees of DSRI for which a real estate license is required.

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18 ROBERT ALAN SHIELDS, JR., also known as "Bobby Shields" (hereinafter
19 "ROBERT SHIELDS JR.") is presently licensed by the Department and/or has license rights under
20 the Real Estate Law, Part 1 of Division 4 of the Code, as a real estate salesperson. At all times
21 relevant herein, up to and including August 22, 2009, ROBERT SHIELDS, JR. was employed by
22 DSRI as a real estate salesperson.

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24 SCOTT JENKINS SHIELDS (hereinafter "SCOTT SHIELDS"), is presently
25 licensed by the Department and/or has license rights under the Real Estate Law, Part 1 of Division 4
26 of the Code, as a real estate broker. At all times relevant herein, until August 13 2008, SCOTT

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1 SHIELDS was employed by DSRI as a real estate broker associate. After and including August 13,
2 2008, SCOTT SHIELDS conducted business under his individual broker license.

3 7

4 Whenever reference is made in an allegation in this Accusation to an act or omission
5 of DSRI, such allegation shall be deemed to mean that the employees, agents and real estate
6 licensees employed by or associated with DSRI committed such act or omission while engaged in
7 furtherance of the business or operations of DSRI and while acting within the course and scope of
8 their authority and employment.

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

15 9

16 At all times herein mentioned, DSRI engaged in the business of, acted in the
17 capacity of, advertised, or assumed to act as a corporate real estate broker within the State of
18 California on behalf of others, for compensation or in expectation of compensation within the
19 meaning of:

20 (a) Section 10131(a) of the Code, including the operation and conduct of a
21 real estate brokerage that included the sale or offer of sale, purchase or offer of purchase,
22 solicitation of prospective sellers and purchasers of, solicitation or obtaining listings of, or
23 negotiations of the purchase, sale or exchange of real property or a business opportunity; and

24 (b) Section 10131(b) of the Code in the operation and conduct of a property
25 management business with the public wherein, on behalf of others, for compensation or in
26 expectation of compensation, DSRI leased or rented and offered to lease or rent, and
27 placed for rent, and solicited listings of places for rent, and solicited for prospective tenants

1 of real property or improvements thereon, and collected rents from real property or
2 improvements thereon.

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4 At all times relevant since August 13, 2008, when SCOTT SHIELDS began
5 conducting business under his individual broker license, SCOTT SHIELDS engaged in the business
6 of, acted in the capacity of, advertised, or assumed to act as a real estate broker within the State of
7 California on behalf of others, for compensation or in expectation of compensation within the
8 meaning of Section 10131(b) of the Code in the operation and conduct of a property management
9 business with the public wherein, on behalf of others, for compensation or in expectation of
10 compensation, SCOTT SHIELDS leased or rented and offered to lease or rent, and placed for rent,
11 and solicited listings of places for rent, and solicited for prospective tenants of real property or
12 improvements thereon, and collected rents from real property or improvements thereon.

13 FIRST CAUSE OF ACTION

14 As Against Respondents DSRI, JACQUELINE SHIELDS and ROBERT SHIELDS, JR.

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16 Each and every allegation in Paragraphs 1 through 10, inclusive, above, is
17 incorporated by this reference as if fully set forth herein.

18 12

19 Beginning on or about August 2, 2010, and continuing intermittently until October
20 28, 2010, an audit was conducted at JACQUELINE SHIELDS' residence on Seacoast Drive and the
21 Department's San Diego District Office location, wherein the Auditor examined DSRI's records for
22 the period of March 1, 2007 through July 31, 2010 (hereinafter "the DSRI audit period").

23 13

24 While acting as a corporate real estate broker as described in Paragraph 9, above,
25 and within the DSRI audit period, DSRI accepted or received funds in trust (hereinafter "trust
26 funds") from or on behalf of sellers, buyers, borrowers, lenders, and others in connection with the
27 sale of residential property, as well as owners and tenants in connection with the leasing, renting,

1 and collection of rents on real property or improvements thereon, as alleged herein, and thereafter
2 from time-to-time made disbursements of said trust funds.

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4 The trust funds accepted or received by DSRI as described in Paragraph 13, above,
5 were deposited or caused to be deposited by DSRI into bank accounts maintained by DSRI for the
6 handling of trust funds, and thereafter from time-to-time DSRI, JACQUELINE SHIELDS and
7 ROBERT SHIELDS JR. made disbursements of said trust funds, identified as follows:

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9 **TRUST ACCOUNT # 1**

10 Bank Name and Location:	Chase Bank, 4500 Bonita Road, Bonita, CA 91902
11 Account No.:	Last 4 Digits: 0925
12 Entitled:	"Deedie Shields Realty, Inc. Trust Account"
13 Signatories:	Jacqueline T. Shields (REB/DO) Robert Shields (RES) Scott J. Shields (REB, removed as signatory on 8/13/08)
14 Purpose and Disposition:	Trust funds handled by DSRI's property management activities 15 conducted by Scott Shields. No transactions in Trust Account #1 16 after 8/13/08. Funds in the amount of \$51,962.81 to close Trust 17 Account #1 were used to open Trust Account #3 on 8/15/08.

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19 **TRUST ACCOUNT # 2**

20 Bank Name and Location:	Chase Bank, 4500 Bonita Road, Bonita, CA 91902
21 Account No.:	Last 4 Digits: 2165
22 Entitled:	"Deedie Shields Realty I Client Trust Account"
23 Signatories:	Jacqueline T. Shields (REB/DO) Robert Shields (RES)
24 Purpose and Disposition:	Trust funds handled for one property managed by Jacqueline T. 25 Shields. Account closed on 1/29/10.

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TRUST ACCOUNT # 3	
Bank Name and Location:	Chase Bank, 4500 Bonita Road, Bonita, CA 91902
Account No.:	Last 4 Digits: 8081
Entitled:	"Deedie Shields Realty I"
Signatories:	Jacqueline T. Shields (REB/DO) Robert Shields (RES)
Purpose and Disposition:	Unknown. Funds to close Trust Account #1 totaling \$51,962.81 were used to open Trust Account #3. Funds to close Trust Account #3 in the amount of \$47,237.81 were deposited into Trust Account #4 on 2/11/09.

TRUST ACCOUNT # 4	
Bank Name and Location:	Chase Bank, 4500 Bonita Road, Bonita, CA 91902
Account No.:	Last 4 Digits: 2273
Entitled:	"Deedie Shields Realty I"
Signatories:	Jacqueline T. Shields (REB/DO) Robert Shields (RES)
Purpose and Disposition:	Unknown. Funds totaling \$47,237.81 from Trust Account #3 were deposited into Trust Account #4 on 2/11/09. Trust Account #4 was closed on 1/29/10.

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In the course of the activities described in Paragraph 9, above, and within the DSRI audit period, Respondents DSRI, JACQUELINE SHIELDS and ROBERT SHIELDS, JR.:

- (a) caused, suffered or permitted money of others which was received and held by Respondents in Trust Account #1 and Trust Account #3 to be commingled with Respondents' own money, in the form of management fees, in violation of Sections 10145 and 10176(e) of the Code and Section 2835 of Title 10 of the California Code of Regulations (herein the "Regulations");
- (b) failed to maintain or keep an accurate record in chronological sequence of all trust funds received and disbursed (control record) for Trust Account #1, Trust Account #2, Trust Account #3 and Trust Account #4, containing all the

1 information required by Section 2831 of the Regulations, in violation of
2 Section 10148 of the Code;

3 (c) failed to maintain separate beneficiary records for Trust Account #1, Trust
4 Account #2, Trust Account #3 and Trust Account #4 as required by Sections
5 10145(g) and 10148 of the Code, and Section 2831.1 of the Regulations;

6 (d) failed to perform the reconciliation of the sum of the separate beneficiary
7 records to the records of all trust funds received and disbursed (control
8 records) on at least a monthly basis for Trust Account #1, Trust Account #2,
9 Trust Account #3 and Trust Account #4, in violation of Section 2831.2 of the
10 Regulations;

11 (e) caused, suffered, or permitted the balance of funds in Trust Account #4 to be
12 reduced to an amount which, as of March 30, 2009, was approximately
13 \$43,989.96 less than the aggregate liability of Trust Account #4 to all owners
14 of such funds, without the prior written consent of each and every owner of
15 such funds, in violation of Section 10145 of the Code and Section 2832.1 of
16 the Regulations;

17 (f) as of April 28, 2010, converted for personal use and failed to remit trust
18 funds totaling approximately \$42,269.45 from Trust Account #4 to the
19 following property owners, as required by Section 10145(a)(1), which
20 constitutes a violation of Section 10176(i) of the Code;

21

Owner Name	Owner Funds	Security Deposit	Third Parties Not Paid	Total
J & J Christie	\$405.42	\$2,050	\$950	\$3,405.42
W. Crenshaw	\$13,162.13	\$0	\$0	\$13,162.13
Darvish/Chiramonte	\$0	\$1,300	\$0	\$1,300
A. Davis	-\$462.91	\$1,600	\$2,400	\$3,537.09
W. Jeremiah	\$41.79	\$0	\$0	\$41.79
J. McMahan	\$875.76	\$1,100	\$0	\$1,975.76
C. Smethers	\$1,635	\$2,405.08	\$0	\$4,040.08
L. Sterkel	\$5,490	\$1,520	\$0	\$7,010
Zimbelman	\$6,647.18	\$0	\$1,150	\$7,797.18

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- 1 (g) failed to place trust funds entrusted to Respondents into the hands of a
2 principal on whose behalf the funds were received, into a neutral escrow
3 depository, or into a trust fund account in the name of DSRI as trustee at a
4 bank or other financial institution, in conformance with the requirements of
5 Section 10145(d)(1) of the Code and Section 2832(a) of the Regulations, in
6 that Respondents placed such funds in Trust Account #2, Trust Account #3
7 and Trust Account #4, each an account that was not in the name of DSRI as
8 trustee, nor were these accounts designated as trust accounts;
- 9 (h) allowed SCOTT J. SHIELDS to appear as a signatory on Trust Account #1,
10 without written authorization from JACQUELINE SHIELDS as the
11 Designated Officer of DSRI, in violation of Section 10145 of the Code, and
12 Section 2834 of the Regulations;
- 13 (i) allowed ROBERT A. SHIELDS, JR. to appear as a signatory on Trust
14 Account #1, Trust Account #2, Trust Account #3 and Trust Account #4,
15 without written authorization from JACQUELINE SHIELDS as the
16 Designated Officer of DSRI, in violation of Section 10145 of the Code, and
17 Section 2834 of the Regulations; and
- 18 (j) failed to remit funds to a gardening service that performed services for
19 property owners J. and J. Christie due in August 2008 totaling approximately
20 \$750.00 for services rendered in March through July 2007, as required by
21 Section 10145 of the Code.

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23 The acts and/or omissions of Respondents DSRI, JACQUELINE SHIELDS and
24 ROBERT SHIELDS, JR. (collectively "Respondents") as alleged in Paragraph 15, above, constitute
25 grounds for discipline of all licenses and license rights of Respondents pursuant to Sections
26 10177(d) and/or 10177(g) of the Code, and Sections 10176(e) and 10176(i) of the Code.

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2 The acts and/or omissions of Respondents DSRI, JACQUELINE SHIELDS and
3 ROBERT SHIELDS, JR. as alleged in Paragraph 15, above, entitle the Department to
4 reimbursement of the costs of its audit pursuant to Section 10148(b) of the Code.

5 SECOND CAUSE OF ACTION
6 As Against Respondent JACQUELINE SHIELDS

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8 Each and every allegation in Paragraphs 1 through 17, inclusive, above, is
9 incorporated by this reference as if fully set forth herein.

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11 At all times relevant herein, JACQUELINE SHIELDS, as the designated officer
12 broker of DSRI, was required to exercise reasonable supervision and control over the activities of
13 DSRI and its employees pursuant to Section 10159.2 (Reasonable Supervision by Designated
14 Officer) of the Code and Section 2725 of the Regulations (Reasonable Supervision by Broker).

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16 JACQUELINE SHIELDS failed to exercise reasonable supervision over the acts
17 and/or omissions of DSRI and its employees in such a manner as to allow the acts and/or omissions
18 as described in Paragraph 15, above, to occur, which constitutes cause for the suspension or
19 revocation of the licenses and license rights of JACQUELINE SHIELDS under Sections 10177(d)
20 and/or 10177(g) of the Code, and Sections 10177(h) and 10159.2 of the Code.

21 THIRD CAUSE OF ACTION
22 As Against Respondent SCOTT SHIELDS

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24 Each and every allegation in Paragraphs 1 through 20, inclusive, above, is
25 incorporated by this reference as if fully set forth herein.

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Beginning on or about April 5, 2010, and continuing intermittently until June 16, 2010, an audit was conducted at SCOTT SHIELDS' office location on Creek Hills Road in El Cajon, California, and at the Department's San Diego District Office, wherein the Auditor examined SCOTT SHIELDS' records for the period of March 1, 2007 through February 28, 2010 (hereinafter "the SCOTT SHIELDS audit period").

While acting as a real estate broker as described in Paragraph 10, above, and within the SCOTT SHIELDS audit period, SCOTT SHIELDS accepted or received funds in trust (hereinafter "trust funds") from or on behalf of owners and tenants in connection with the leasing, renting, and collection of rents on real property or improvements thereon, as alleged herein, and thereafter from time to time made disbursements of said trust funds.

The trust funds accepted or received by SCOTT SHIELDS as described in Paragraph 23, above, were deposited or caused to be deposited by SCOTT SHIELDS into a trust account maintained by SCOTT SHIELDS for the handling of trust funds, and thereafter from time-to-time SCOTT SHIELDS made disbursements of said trust funds, identified as follows:

TRUST ACCOUNT #1	
Bank Name and Location:	Chase Bank, 4500 Bonita Road, Bonita, CA 91902
Account No.:	Last 4 Digits: 7463
Entitled:	"Scott J. Shields DBA Scott Shields Realtor Trust Account"
Signatories:	Scott Shields (REB)
Purpose/Disposition:	Trust fund handling related to property management activities. Open account as of February 28, 2010.

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2 In the course of the activities described in Paragraph 10, above, and within the
3 SCOTT SHIELDS audit period, Respondent SCOTT SHIELDS:

- 4 (a) caused, suffered or permitted money of others which was received and held
5 by Respondent in Trust Account #1 to be commingled with Respondent's
6 own money, in the form of management fees totaling approximately
7 \$3,319.69 as of February 28, 2010, in violation of Sections 10145 and
8 10176(e) of the Code and Section 2835 of the Regulations;
- 9 (b) failed to disburse Respondent's earned fees within 30 days as required by
10 Section 10145 of the Code and Section 2835 of the Regulations;
- 11 (c) failed to maintain or keep an accurate record in chronological sequence of all
12 trust funds received and disbursed (control record) for Trust Account #1
13 containing all the information required by Section 2831 of the Regulations,
14 in violation of Section 10148 of the Code;
- 15 (d) failed to maintain accurate separate beneficiary records for Trust Account #1
16 as required by Sections 10145(g) and 10148 of the Code, and Section 2831.1
17 of the Regulations;
- 18 (e) failed to perform and maintain accurate records of a reconciliation of the sum
19 of the separate beneficiary records to the records of all trust funds received
20 and disbursed (control records) on at least a monthly basis for Trust Account
21 #1, in violation of Section 10148 of the Code and Section 2831.2 of the
22 Regulations;
- 23 (f) failed to retain for three years both front and back copies of all cancelled
24 checks issued on Trust Account #1 after March 2009, in violation of Section
25 10148 of the Code; and
- 26 (g) as of March 31, 2009, failed to remit trust funds totaling approximately
27 \$224.38 owed to property owners Mr. and Mrs. Christie related to the

1 property known as 4838 Whippoorwill Lane, in violation of the property
2 management agreement entered into by and between Respondent and the
3 Christies on or about August 13, 2008, which provided that owner
4 disbursements be made on a monthly basis, and as required by Section
5 10145(a)(1) of the Code;

6 (h) collected and retained unearned management fees in the amount of \$75 in
7 September 2008 from property owners Mr. and Mrs. Christie related to the
8 property known as 4838 Whippoorwill Lane, in violation of Section
9 10145(a)(1) of the Code; and

10 (i) collected and retained unearned fees and/or compensation in the amount of
11 \$40 in September 2009 from homeowner Zimbelman, and failed to disclose
12 the collection of this compensation to the homeowner, in violation of
13 Sections 10145(a)(1) and 10176(g) of the Code.

14 26

15 The acts and/or omissions of SCOTT SHIELDS, as alleged in Paragraph 25, above,
16 are grounds for discipline of all licenses and license rights of SCOTT SHIELDS pursuant to
17 Sections 10177(d) and/or 10177(g) of the Code, and Sections 10176(e) and 10176(g) of the Code.

18 27

19 The acts and/or omissions of SCOTT SHIELDS as alleged in Paragraph 25, above,
20 entitle the Department to reimbursement of the costs of its audit pursuant to Section 10148 of the
21 Code.

22 COST RECOVERY

23 Section 10106 of the Code provides, in pertinent part, that in any order issued in
24 resolution of a disciplinary proceeding before the Department, the Commissioner may request the
25 Administrative Law Judge to direct a licensee found to have committed a violation of this part to
26 pay a sum not to exceed the reasonable costs of the investigation and enforcement of the case.

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1 WHEREFORE, Complainant prays that a hearing be conducted on the allegations of
2 this Accusation and that upon proof thereof, a decision be rendered revoking all licenses and license
3 rights of all Respondents named herein under the Real Estate Law (Part 1 of Division 4 of the
4 Business and Professions Code), for the cost of investigation and enforcement as permitted by law,
5 and for such other and further relief as may be proper under other provisions of law.

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9 VERÓNICA KILPATRICK
 Deputy Real Estate Commissioner

10 Dated at San Diego, California,
11 this 8th day of March, 2012.