

**FILED**

FEB 25 2021

DEPT. OF REAL ESTATE

By \_\_\_\_\_



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

5 Telephone: (213) 620-6430  
6 Fax: (213) 576-6917  
7  
8

9 BEFORE THE DEPARTMENT OF REAL ESTATE  
10 STATE OF CALIFORNIA

11 \* \* \*

<p>12 In the Matter of the Accusation of ) 13 MICHELLE MARIE SCHNECK, ) 14 Respondent. )</p>	) ) ) ) ) )	<p>No. H- 05213 SD <u>A C C U S A T I O N</u></p>
--	----------------------------	---

16 The Complainant, Veronica Kilpatrick, a Supervising Special Investigator of the  
17 State of California, for cause of Accusation against MICHELLE MARIE SCHNECK  
18 (“Respondent”) is informed and alleges as follows:

19 1.

20 The Complainant, Veronica Kilpatrick, acting in her official capacity as a  
21 Supervising Special Investigator of the State of California, makes this Accusation against  
22 Respondent MICHELLE MARIE SCHNECK.

23 2.

24 All references to the “Code” are to the California Business and Professions Code  
25 and all references to “Regulations” are to Title 10, Chapter 6, California Code of Regulations.

26 ///

27 ///

1 LICENSE HISTORY

2 3.

3 Respondent MICHELLE MARIE SCHNECK ("SCHNECK") presently has  
4 license rights under the Real Estate Law, Part 1 of Division 4 of the Code as a real estate  
5 broker.

6 BROKERAGE

7 MICHELLE MARIE SCHNECK

8 4.

9 At all times mentioned, in the City of Carlsbad, County of San Diego,  
10 Respondent SCHNECK acted as a real estate broker, conducting licensed activities within the  
11 meaning of Code section 10131(b) (leases or rents real property for others).

12 AUDIT

13 MICHELLE MARIE SCHNECK

14 5.

15 On July 8, 2020, the Department of Real Estate ("Department") completed audit  
16 examinations of the books and records of Respondent SCHNECK pertaining to the activities  
17 described in Paragraph 4 which require a real estate license. The audit examinations covered a  
18 period of time from June 1, 2017, to March 31, 2020. The audit examinations revealed  
19 violations of the Code and the Regulations as set forth in the following paragraphs, and as more  
20 fully discussed in Audit Report SD190042 and the exhibits and workpapers attached to said  
21 audit report.

22 ///

23 ///

24 ///

25 ///

26 ///

27 ///

1 6.

2 Respondent SCHNECK accepted or received funds in trust ("trust funds").  
3 Thereafter, Respondent made deposits and or disbursements of such trust funds. During the  
4 examination period described in Paragraph 5 above, Respondent deposited or maintained trust  
5 funds in the following bank accounts:

6 Trust Account 1: California Bank Trust account ending in 456.

7 Bank Account 2: Wells Fargo Bank account ending in 533.

8 AUDIT VIOLATIONS OF THE REAL ESTATE LAW

9 7.

10 In the course of activities described in Paragraph 4 above and during the  
11 examination periods described in Paragraph 5 above, Respondent SCHNECK acted in violation  
12 of the Code and the Regulations in that:

13 7(a) As of March 31, 2020, Respondent SCHNECK had a trust fund shortage  
14 in the amount of \$1.863.06. Respondent did not have written consent from the owners of the  
15 trust funds to reduce the balance of trust funds to an amount less than the aggregate trust fund  
16 liabilities, in violation of Code section 10145 and Regulations section 2832.1.

17 7(b) Respondent SCHNECK did not maintain a complete and accurate control  
18 record or general ledger of all trust funds received and disbursed, in violation of Code  
19 section 10145 and Regulations section 2831.

20 7(c) Respondent SCHNECK did not maintain a complete and accurate  
21 separate record of all trust funds received and disbursed for each beneficiary in connection with  
22 Respondent's mortgage loan brokerage and servicing activities, in violation of Code  
23 section 10145 and Regulations section 2831.1.

24 7(d) Respondent SCHNECK did not perform and maintain a monthly  
25 reconciliation of all the separate records with the control record of all trust funds received and  
26 disbursed, in violation of Code section 10145 and Regulations section 2831.2.

27 ///

1                   7(e) Bank account 2 used by Respondent SCHNECK for trust funds was not  
2 designated as a trust account, and was not in the name of Respondent as trustee or a fictitious  
3 name held by Respondent's real estate license as trustee, in violation of Code section 10145 and  
4 Regulations section 2832.

5                   7(f) Richard Edward Schneck made withdrawals from Trust Account 1, but  
6 Respondent SCHNECK did not specifically authorize in writing that Richard Edward Schneck  
7 could make withdrawals, in violation of Code section 10145 and Regulations section 2834.

8                   7(g) Respondent SCHNECK used the unlicensed fictitious business names  
9 "Snappy Realty Trust", "Snappy Realty and Management Real Estate", and "Snappy Realty and  
10 Management", in violation of Code section 10159.5 and Regulations section 2731.

11                   7(h) The conduct, acts, or omissions of Respondent SCHNECK, as described  
12 in Paragraph 7, in failing to ensure compliance of the Real Estate Law by Respondent  
13 SCHNECK'S officers, agents and employees, is in violation of Regulations section 2725.

14                   8.

15                   The conduct, acts, or omissions of Respondent SCHNECK, described in  
16 Paragraph 7 above, violated the Code and the Regulations as set forth below:

17                   

<u>PARAGRAPH</u>	<u>PROVISIONS VIOLATED</u>
18                   7(a)	Code section 10145 and Regulations section 2832.1
19                   7(b)	Code section 10145 and Regulations section 2831
20                   7(c)	Code section 10145 and Regulations section 2831.1
21                   7(d)	Code section 10145 and Regulations section 2831.2
22                   7(e)	Code section 10145 and Regulations section 2832
23                   7(f)	Code section 10145 and Regulations section 2834
24                   7(g)	Code section 10159.5 and Regulations section 2731
25                   7(h)	Regulations section 2725

26  
27

1 The foregoing violations constitute cause for the suspension or revocation of all  
2 the licenses, license endorsements, and license rights of Respondent SCHNECK under the Real  
3 Estate Law pursuant to the provisions of Code sections 10177(d), 10177(g), and/or 10177(h).

4 9.

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

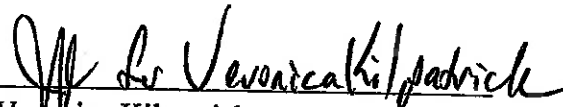
9 10.

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

15 WHEREFORE, Complainant prays that a hearing be conducted on the  
16 allegations of this Accusation and that upon proof thereof, a decision be rendered imposing  
17 disciplinary action against all the licenses, license endorsements, and license rights of  
18 Respondent MICHELLE MARIE SCHNECK under the Real Estate Law, for the cost of audit,  
19 investigation, and enforcement as permitted by law, and for such other and further relief as may  
20 be proper under other applicable provisions of law.

21  
22 Dated at San Diego, California

23 this 9<sup>th</sup> day of February, 2021

24  
25   
26 Veronica Kilpatrick  
27 Supervising Special Investigator

Accusation of Michelle Marie Schneck

cc:

**MICHELLE MARIE SCHNECK**

**HKT Cal Inc DBA The Blu Summit Real Estate Group; Carmel Valley Coast Escrow, a non-independent broker escrow; The Caudill Team; Cornerstone Investment Group; Group 46:10 Southern California; The Heller Real Estate Group; Heller Team; The Heller Team; J & J Realty; Keller Williams Realty; Kindred Real Estate; KW Commercial; LuxRE Group; Pacific Crestar Realty; Revolve Growth Partners  
Veronica Kilpatrick  
Sacto.  
Audits**

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