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FILED

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BUREAU OF REAL ESTATE

By B. Nicholas

8 BEFORE THE BUREAU OF REAL ESTATE
9 STATE OF CALIFORNIA

10 * * *

11 In the Matter of the Accusation of:)
12) No. H-6609 SAC
13 CHRISTINE M. KUTZKEY and)
14 LUANN M. WIEGELE,)
15) ACCUSATION
16 Respondents.)

16 The Complainant, TRICIA D. PARKHURST, in her official capacity as a
17 Supervising Special Investigator of the State of California, Bureau of Real Estate ("Bureau"), brings
18 this Accusation against CHRISTINE M. KUTZKEY ("KUTZKEY") and LUANN M. WIEGELE
19 ("WIEGELE") (collectively "Respondents"), and is informed and alleges as follows:

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21 At all times mentioned herein, KUTZKEY was and is presently licensed by the
22 Bureau and/or has license rights under the Real Estate Law, Part 1 of Division 4 of the California
23 Business and Professions Code ("Code"), as a real estate broker.

24 2

25 At all times mentioned herein, WIEGELE was and is presently licensed by the
26 Bureau and/or has license rights under the Real Estate Law, Part 1 of Division 4 of the Code, as a
27 real estate salesperson.

1 3

2 Respondents engaged in the business of, acted in the capacity of, advertised or
3 assumed to act as real estate licensees within the State of California within the meaning of Section
4 10131(b) of the Code including the operation and conduct of a property management business with
5 the public, wherein, on behalf of others, for compensation or in expectation of compensation,
6 Respondents leased or rented or offered to lease or rent, and solicited for prospective tenants of real
7 property or improvements thereon, and collected rents from real property or improvements thereon.

8 4

9 From October 1, 2008, through February 25, 2013, WIEGELE was performing
10 property management activities for approximately five properties while under KUTZKEY's
11 employment.

12 5

13 In the course and scope of WIEGELE's property management activities, WIEGELE
14 collected rents and security deposits from real property; sent rent and security checks to real
15 property owners; and was responsible for organizing repairs and maintenance on real property.

16 6

17 In the course and scope of WIEGELE's property management activities, WIEGELE
18 collected property management fees in the amount of approximately \$50 to \$60 per unit.

19 7

20 In the course and scope of WIEGELE's property management activities, neither
21 WIEGELE nor KUTZKEY maintained a trust account.

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23 Complainant is informed, believes, and thereon alleges that KUTZKEY knew of
24 should have known about WIEGELE's property management activities, as described above in
25 Paragraphs 3 through 7.

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At all times herein mentioned, while engaging in the real estate activities described above in Paragraphs 3 through 7, pursuant to the requirements of Section 2725 of Title 10 of the Regulations of the Real Estate Commissioner ("Regulations"), KUTZKEY was responsible for exercising reasonable supervision over the activities of her employees and/or associates, including, but not limited to WIEGELE.

On or about May 17, 2016, the Bureau received an Enforcement Online Complaint against the real estate salesperson license of WIEGELE alleging that WIEGELE was unlawfully conducting property management activities.

Beginning on or about May 17, 2017, and continuing through June 27, 2017, an audit was conducted of KUTZKEY's business activities at KUTZKEY's main office location, 300 S. Broadway, Yreka, CA 96097, wherein the auditor examined KUTZKEY's records for the period of January 1, 2015, through May 31, 2017 ("audit period").

AUDIT FINDINGS

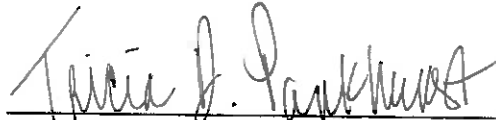
Each and every allegation in Paragraphs 1 through 11, inclusive, is incorporated by this reference as if fully set forth herein.

In the course of the real estate broker activities described above in Paragraphs 3 through 7, and during the audit period, it was discovered:

(a) Compensation received by WIEGELE for her property management activities was paid directly to WIEGELE and not to WIEGELE's employing broker as required by Section 10137 of the Code; and

(b) KUTZKEY did not exercise reasonable supervision over the activities of WIEGELE as required by Section 2725 of the Regulations.

1 and enforcement as permitted by law, for the cost of the audit, and for such other and further relief
2 as may be proper under other provisions of law.

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5 TRICIA D. PARKHURST
6 Supervising Special Investigator

7 Dated at Sacramento, California,
8 this 15th day of February, 2018.

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11 DISCOVERY DEMAND

12 Pursuant to Sections 11507.6, *et seq.* of the *Administrative Procedure Act*, the
13 Bureau hereby makes demand for discovery pursuant to the guidelines set forth in the
14 *Administrative Procedure Act*. Failure to provide Discovery to the Bureau may result in the
15 exclusion of witnesses and documents at the hearing or other sanctions that the Office of
16 Administrative Hearings deems appropriate.