

NEW JERSEY REAL ESTATE COMMISSION

NEW JERSEY REAL ESTATE COMMISSION)	DOCKET NUMBER CAP-18-007
)	REC Ref. No. 10004702
Complainant)	
)	
v.)	ORDER TO SHOW CAUSE
)	
GREGORY SCHOULTZ, formerly licensed)	
New Jersey real estate broker (RB8533729), and)	
broker of record of Townsends Inlet Realty, formerly)	
licensed real estate broker (CO8800316))	
)	
Respondent)	

THIS MATTER being commenced by the New Jersey Real Estate Commission in the Department of Banking and Insurance, State of New Jersey, on its own motion, pursuant to the provisions of N.J.S.A. 45:15-17, 45:15-18, and N.J.A.C. 11:5-1.1, et seq., and it appearing that:

1. Respondent Gregory Schoultz is a formerly licensed New Jersey real estate broker. At all times relevant hereto, Respondent was broker of record of Townsends Inlet Realty, formerly licensed New Jersey real estate broker which was located at 8505 Landis Avenue, Sea Isle City, N.J. The Respondent's license as well as the corporate license of Townsends Inlet Realty expired on June 30, 2017 and have not been renewed or reinstated; and

2. An investigation was initiated by the New Jersey Real Estate Commission ("Commission") as a result of a telephone call to the Commission made by Respondent on or about September 9, 2016 wherein he reported that there were no funds left in his broker trust account; and

3. Subsequent to the self-reporting of the Respondent, several consumer complaints were received by the Commission. The various complaints were consolidated into a single investigation and are listed on the attached "Exhibit A." They all involve summer rentals which were handled by Townsends Inlet Realty ("Townsends") and allege that rents collected by

Respondent and Townsends were not turned over to the owners of the individual properties and/or security deposits were not returned to the tenants; and

4. Respondent admitted to a Commission investigator that he regularly transferred funds from the escrow account to cover overdrafts in the operating account. The investigator's review of the bank records for the time period of January 1, 2016 through September 20, 2016 confirmed a consistent misappropriation of escrow funds. Specifically, the analysis revealed the following:

a. 81 instances of automatic electronic transfers of funds from the escrow account to the operating account to cover overdrafts in the operating account;

b. The total amount of transfers from the escrow to the operating account and unaccounted-for withdrawals is equal to \$79,757.64 for the time period covered by the bank statements referenced above; and

c. Payments made from the operating account with funds received from the escrow account included payments for advertising expenses, food and alcohol, entertainment, ATM withdrawals of cash, utility expenses and check withdrawals made by Respondent payable to himself; and

d. 19 instances of check payments made by the Respondent to himself from the operating account with funds from the escrow account totaling \$10,010; and

5. A review of the tenant ledger reports for the period of January 1, 2016 through September 20, 2016 indicated that 24 owners were due a total of \$48,870 and 70 tenants were due a total of \$27,800 for a grand total of \$76,670; and

6. A review of the Townsends escrow account ledger indicated that the available balance as of September 20, 2016 was \$65,857.50. The Townsends escrow account bank statement showed that as of September 20, 2016, the actual balance was (\$-10.00); and

7. Respondent's conduct is in violation of N.J.S.A. 45:15-17(o) and N.J.A.C. 11:5-5.1(a) and (c) in that he commingled the money of his principals with his own, and failed to maintain in a special account, separate and apart from personal or other business accounts, all

monies received by the Respondent acting in the capacity of a real estate broker or as escrow agent or the temporary custodian of the funds of others in a real estate transaction; and

8. Respondents' conduct is in violation of N.J.S.A. 45:15-17(l) in that the above described conduct constitutes fraud or dishonest dealing;

9. Respondent's conduct is in violation of N.J.A.C. 11:5-6.4(a) in that by the above described actions, he failed to protect and promote the interests of his principals; and

10. Respondent's actions as stated above are in violation of N.J.S.A. 45:15-17(d) in that he failed to account for or pay over monies belonging to others which came into his possession as a licensee; and

11. Respondent is in violation of N.J.S.A. 45:15-17(a) by making a substantial misrepresentation as to the status of the escrow account when the escrow account ledger he maintained and produced for a Commission investigator showed that Townsends was holding \$65,857.50 as of September 20, 2016 when in reality the account was out-of-trust and had a negative balance; and

12. Respondent is in violation of N.J.S.A. 45:15-17(e) in that the above described conduct constitutes unworthiness, incompetency, bad faith or dishonesty;

And for good cause shown,

IT IS ON THIS 21st DAY OF MAY, 2018

ORDERED that Respondent Gregory Schoultz shall show cause why Respondent's real estate license should not be suspended or revoked and/or why fines or other sanctions should not be imposed pursuant to N.J.S.A. 45:15-17 and N.J.A.C. 11:5-1.1. Respondent shall file a written Answer to the charges in this Order to Show Cause as required by N.J.A.C. 11:5-11.2 within twenty (20) days of the service of this Order. As required by N.J.A.C. 11:5-11.2, Respondent's written Answer must include specific admissions or denials of all allegations in the Order to

Show Cause, state the factual basis of each and every factual allegation denied and assert any defenses that Respondent intends to present if this matter is deemed a contested case and a plenary hearing is held; and

IT IS FURTHER ORDERED that failure to comply with all the requirements of N.J.A.C. 11:5-11.2 may result in a determination that there are no material facts or issues of law in dispute and any presentation made to the Commission will be limited to the issue of the severity of any sanction or penalty to be imposed; and

IT IS FURTHER ORDERED that the New Jersey Real Estate Commission will review this Order to Show Cause and Answer filed, if any, at a meeting scheduled on or after the 26th day of June, 2018 at 9:30 a.m. to determine whether there is a material fact or issue of law contested. No appearance is required at that time; and

IT IS FURTHER ORDERED that if the Commission determines that there is a material fact or issue of law contested, a hearing will be scheduled for a future date; and

IT IS FURTHER ORDERED that if the Commission determines that there is no material fact or issue of law contested, a hearing shall be scheduled at which the Respondent will be limited to presenting witnesses and documentary evidence regarding the issue of the severity of any sanction or penalty to be imposed; and

IT IS FURTHER ORDERED that a copy of this Order be served upon the Respondent as provided in N.J.S.A. 45:15-18, which service may be accomplished by serving a copy of this Order on the Respondent personally, or by delivering a copy hereof to his last known business address via certified mail.



Patrick J. Mullen
Director of Banking

TOWNSEND INLET REALTY

NJREC CASE #10004702

Tenant Ledger Analysis as of 9/20/2016

Summary:									
Total Due Owners from Escrow:		\$48,870.00							
Total Due Tenants from Escrow:		\$27,800.00							
Total Due from Escrow:		\$76,670.00							
Total Potential Owner Victims:		24							
Total Potential Tenant Victims:		70							
Total Potential Victims:		94							
Total Long Time Tenants:		\$5,250.00							

(Note: Security deposits from Long Time Tenants were not recorded on Tenant Ledgers but were reportedly paid and due to tenants as per Broker.)

Owner	Tenant	Property	Rent	Sec. Deposit	Amt Due Owner minus 10% Commis.	Amt Due Tenant	Notes:
Becker, Dona	Mattera, Frank	17 66th West	\$4,800.00	\$500.00	\$4,320.00	\$500.00	
Bednar, Michelle	Horne, Janan	9205 Pleasure Av #206	\$3,000.00	\$500.00	\$0.00	\$0.00	contract cancelled
Betoni, Vinnie	Ridall, Margaret	13 86th St 1st fl	\$3,300.00	\$500.00	\$2,970.00	\$500.00	
Browning, Ealita	Fedoroff, Stephanie	25 76th st east	\$3,200.00	\$500.00	\$0.00	\$0.00	contract cancelled
Capizzi, Hohn	Barrett, Cheryl	209 86th st east	\$2,300.00	\$300.00	\$0.00	\$300.00	
Cardile, Joseph	Motto, Vince	225 78th St East	\$3,500.00	\$500.00	\$0.00	\$500.00	
Clemente, Robert	Boone, Geri	7922 Central Av 1st Fl	\$2,100.00	\$300.00	\$1,890.00	\$300.00	
Cohen, Robert	Hayman, Eric	9400 Roberts Ave #109	\$5,800.00	\$500.00	\$0.00	\$0.00	
Cohen, Robert	Gasiewski, Ed	9400 Roberts Ave #109	\$2,950.00	\$500.00	\$0.50	\$500.00	NJREC #10004707

Exhibit A

Cord, Betty	Kennedy, Tom	9205 Pleasure Ave, #205	\$2,500.00	\$300.00	\$2,250.00	\$300.00	
Cord, Betty	O'Meara, Denise	9205 Pleasure Ave, #205	\$2,000.00		\$1,800.00	\$0.00	
Daley, Norma	Good, Steve	130 90th St East	\$1,600.00	\$300.00	\$0.00	\$300.00	
Daley, Norma	Lupinski, Kathy	130 90th St West	\$3,525.00	\$300.00	\$0.00	\$300.00	
Daley, Norma	Thiel, Mark	130 90th St West	\$3,900.00	\$300.00	\$0.00	\$2,250.00	contract cancelled
Daly, Mark	Marucci, Marion	9201 Pleasure Ave, #103	\$18,000.00	\$500.00	\$4,000.00	\$500.00	
Dougherty, Mark	Maier, Elizabeth	61 85th St A-301	\$2,000.00	\$300.00	\$0.00	\$300.00	
Duffy, James	Possenti, Michael	7400 Pleasure Ave South	\$5,500.00	\$500.00	\$0.00	\$0.00	Tenant overreimbursed \$1800, paid back
Egan, Martin	Duffy, Heleen	140 91st St, South	\$2,200.00	\$300.00	\$0.00	\$300.00	
Egan, Martin	Stevens, Doug	140 91st St, South 8508 Pleasure Ave	\$2,200.00	\$300.00	\$0.00	\$0.00	
Ellis, James	Hawkey, Emi	South	\$3,400.00	\$300.00	\$0.00	\$300.00	
Featherer, Robert	Webster, Roger	34 81st St 1st Fl	\$3,200.00	\$200.00	\$0.00	\$200.00	Long Time Tenant, Sec. Dep. Carried over
Gizelbach, Ed	Ferrier, Mary	113 82nd West	\$750.00	\$300.00	\$0.00	\$0.00	
Gunshenan, Lisa	Hennigan, Kelly	60 83rd East	\$3,600.00	\$300.00	\$0.00	\$300.00	
Gunshenan, Lisa	Picerno, Joseph	60 83rd East	\$2,200.00	\$300.00	\$0.00	\$0.00	
Harrington, Francis	Dvorkin, Bobbi	118 86th St North	\$2,950.00	\$300.00	\$0.00	\$300.00	
Heary, James	Ryan, Roseph	54 79th St West	\$6,500.00	\$500.00	\$0.00	\$500.00	NJREC #10004709
Heisel, Stephanie	Campo, Peter	5 E. Summer Ave	\$1,100.00	\$100.00	\$0.00	\$100.00	

Horn, David	Sands, Bob	27 79th St East	\$3,600.00	\$300.00	\$0.00	\$300.00	Long Time Tenant, Sec. Dep. Carried
Inguagiato, Jaime	Sawicki, Melani	37 77th 1st Fl	\$4,100.00	\$500.00	\$0.00	\$500.00	
Jewell, Regina	Tatlow, Ray	125 87th St South	\$2,500.00	\$300.00	\$0.00	\$300.00	
Khanna, Kamal	Burrough, James	6315 Pleasure Ave North	\$2,100.00	\$500.00	\$1,890.00	\$500.00	
Khanna, Kamal	Vogelman, Mary	6315 Pleasure Ave North	\$800.00	\$500.00	\$0.00	\$500.00	NIREC
Kirchner, Karen	Burke, Lucia	128 89th St, Single	\$4,900.00	\$500.00	\$0.00	\$500.00	#10004737
Kirkpatrick, Theodore	Coelln, Richard	8508 Pleasure Ave North	\$1,700.00	\$500.00	\$1,530.00	\$500.00	Long Time Tenant, Sec. Dep. Carried
Kisela, Joe	Behe, Michael	7704 Pleasure Ave North	\$4,000.00	\$300.00	\$0.00	\$300.00	Long Time Tenant, Sec. Dep. Carried over
Kisela, Joe	Leneis, Kirt	7704 Pleasure Ave North	\$4,000.00	\$500.00	\$0.00	\$500.00	Long Time Tenant, Sec. Dep. Carried over
Kisela, Joe	Triglia, Michael	7704 Pleasure Ave North	\$4,100.00	\$500.00	\$0.00	\$0.00	
Lark, Maria	Roseboro, Ken	8816 Pleasure Ave Front	\$1,200.00	\$200.00	\$1,080.00	\$0.00	
Lerke, Sue	Benignati, Audrey	226 77th St East	\$925.00	\$300.00	\$0.00	\$300.00	Long Time Tenant, Sec. Dep. Carried over
Logan, Thomas	Campo, Mary	36 82nd St West	\$3,200.00	\$300.00	\$0.00	\$300.00	Long Time Tenant, Sec. Dep. Carried over

Lory, Albert	Sheridan, Dottie	117 93rd St West	\$2,900.00	\$400.00	\$630.00	\$400.00	NJREC #10004715
							Long Time Tenant, Sec. Dep. Carried over
Madonna, Samuel	Allen, Elaine	134 93rd St 1st Fl	\$12,250.00	\$500.00	\$0.00	\$500.00	
Malcolm, Marguerite	Keenan, Bill	116 88th St East	\$3,600.00	\$400.00	\$0.00	\$0.00	
Mallozzi-Roberts, Beth Ann	Ascari, Stephanie	57 83rd St West	\$3,300.00	\$500.00	\$0.00	\$500.00	
Mallozzi-Roberts, Beth Ann	Carapella, Barbara	57 83rd St West	\$1,600.00	\$200.00	\$0.00	\$0.00	contract cancelled
Mallozzi-Roberts, Beth Ann	Carapella, Barbara	57 83rd St West	\$2,000.00	\$200.00	\$0.00	\$200.00	Long Time Tenant, Sec. Dep. Carried over
Mattessich, Martin	Desiderio, Dorothy	214 91st St North	\$2,250.00	\$300.00	\$0.00	\$300.00	
Mccallum, Robert	Lyons Steve	25 81st West	\$3,500.00	\$300.00	\$0.00	\$300.00	
							\$500 Sec Deposit + \$200 overpaid
Mccallum, Robert	Vogelman, Mary	25 81st West	\$3,900.00	\$500.00	\$0.00	\$700.00	
Mcginnis, Michael	Lafferty, Veronica	25 88th St West	\$2,950.00	\$200.00	\$0.00	\$200.00	
Mcmillian Resid Trust	Liebowitz, Sera	9205 Pleasure Ave #204	\$1,800.00	\$300.00	\$0.00	\$300.00	
Mcmillian Resid Trust	Marucci, Marion	9205 Pleasure Ave #204	\$2,000.00	\$200.00	\$0.00	\$200.00	Long Time Tenant, Sec. Dep. Carried over
Mcneilia, thomas	Ashwell, Kevin	140 93rd St 1st Fl	\$1,600.00	\$300.00	\$0.00	\$300.00	

Mcneilia, thomas	Yamuder, Steven	140 93rd St 1st Fl	\$2,000.00	\$300.00	\$0.00	\$300.00	
		8910 Pleasure Ave					
Meek, James	Brodhead, Elaine	West	\$5,400.00	\$500.00	\$0.00	\$500.00	Long Time Tenant, Sec. Dep. Carried over
		8910 Pleasure Ave					
Meek, James	Mcfadden, Frank	West	\$2,650.00	\$250.00	\$0.00	\$250.00	Long Time Tenant, Sec. Dep. Carried over
		8910 Pleasure Ave					
Meek, James	Pajak, Maria	West	\$2,800.00	\$500.00	\$0.00	\$500.00	Long Time Tenant, Sec. Dep. Carried over
		8910 Pleasure Ave					
Miller, Keith	Grant, Dan	213 83rd St East	\$800.00	\$200.00	\$720.00	\$200.00	
		213 83rd St East					
Miller, Keith	Wells, Lauren	213 83rd St East	\$1,950.00	\$300.00	\$0.00	\$300.00	
		213 83rd St East					
Miller, Keith	Werner, Glenn	213 83rd St East	\$2,250.00	\$500.00	\$0.00	\$500.00	
		213 83rd St East					
Morris, Robert	St. Clair, Cathy	144 88th St East	\$3,500.00	\$500.00	\$3,150.00	\$500.00	
		144 88th St East					
Nagle, James	Glazer, Geri	201 90th 2nd Fl	\$2,250.00	\$500.00	\$2,025.00	\$500.00	
		201 90th 2nd Fl					
							Long Time Tenant, Sec. Dep. Carried over
Pancoast, Gary	Boyle, Nancy	35 83rd West	\$6,000.00	\$500.00	\$1,800.00	\$500.00	
		35 83rd West					
Estate of Joseph							
Parise	Cifaloglio, Jovanni	134 86th St 2nd Fl	\$4,250.00	\$500.00	\$945.00	\$500.00	
		134 86th St 2nd Fl					
							contract cancelled
Persa, Daniel	colman, Kim	50 79th St South	\$3,500.00	\$500.00	\$0.00	\$0.00	
		50 79th St South					
Remaley, Gerald	Berko, Mary	50 83rd St Rear	\$905.00	\$200.00	\$814.50	\$200.00	Long Time Tenant, Sec. Dep. Carried over
		50 83rd St Rear					
Renz, Patricia	Danielson, Adele	9 84th South	\$5,100.00	\$500.00	\$4,320.00	\$500.00	
		9 84th South					
Renz, Patricia	Maher, Karen	9 84th South	\$3,700.00	\$500.00	\$3,330.00	\$500.00	
		9 84th South					
							Long Time Tenant, Sec. Dep. Carried over
Rogers, Helen							
Lynne	Nunan, Danielle	122 86th St A-Rear	\$1,600.00	\$300.00	\$0.00	\$300.00	
		122 86th St A-Rear					

Slusarczyk, Stephen	Lafferty, Don	22 71st St West	\$3,500.00	\$500.00	\$0.00	\$500.00	Long Time Tenant, Sec. Dep. Carried over
Spence, Thomas	Barras, Bruce	118 91st St West	\$1,975.00	\$300.00	\$0.00	\$300.00	Long Time Tenant, Sec. Dep. Carried over
Suess, Helen	Cockerham, Andrew	116 88th St West	\$4,900.00	\$500.00	\$0.00	\$500.00	Long Time Tenant, Sec. Dep. Carried over
Suess, Helen	Duggan, Jim	116 88th St West	\$3,300.00	\$400.00	\$0.00	\$400.00	Long Time Tenant, Sec. Dep. Carried over
Vandegrift, Ray	Butts, Sue Anne	105 88th St 1sat Fl 8612 Pleasure Ave, East	\$5,500.00	\$400.00	\$0.00	\$400.00	Long Time Tenant, Sec. Dep. Carried over
Wagner, Francis	Corrigan, James	8612 Pleasure Ave, East	\$4,900.00	\$300.00	\$0.00	\$300.00	Future Rental Nov 2916, \$ not received
Weesie	Madden, Frank	7904 Central Ave East	\$500.00	\$100.00	\$0.00	\$0.00	Only \$100 of \$200 received
Weesie	Stark, Luz	7904 Central Ave West	\$700.00	\$200.00	\$630.00	\$100.00	\$200 received
Weidel, Pamela	Quinn, Elaine	9205 Pleasure Ave #203	\$2,650.00	\$300.00	\$2,385.00	\$300.00	
Weidel, Pamela	Saitte, Stefani	9205 Pleasure Ave #203	\$2,800.00	\$500.00	\$2,520.00	\$500.00	
Wingred III, Harold	Milner, Thomas	8301 Pleasure Ave South	\$7,200.00	\$300.00	\$0.00	\$300.00	Long Time Tenant, Sec. Dep. Carried over
Wisniewski, Dan	McKinney, Bill	13 82nd St North	\$2,900.00	\$500.00	\$0.00	\$500.00	
Wisniewski, Dan	Sands, Bob	13 82nd St North 9300 Pleasure Ave	\$1,200.00	\$300.00	\$0.00	\$300.00	
Ziemer, Robert	Green, Beth	2nd Fl	\$3,200.00	\$200.00	\$2,880.00	\$200.00	NIREC #10004676

