



3. Each complainant belongs to one of several groups that share ownership in houseboats stationed in Page, Arizona at the Antelope Point Marina on Lake Powell. Each group is organized as a separate legal entity that is either a limited liability company or a corporation. Each legal entity owns a houseboat on behalf of its members or shareholders and exists for the sole purpose of facilitating the shared-ownership arrangement in the houseboat. Through my investigation I identified a total of 34 legal entities that suffered a substantial risk of loss or detriment due to Schneiman's unlawful conduct. These entities are each comprised of approximately nine to eighteen members or shareholders who are fractional owners in one of the 34 houseboats.

4. Schneiman was hired to manage all aspects of the houseboats' care, maintenance, and expenses. This included managing the houseboat entities' finances. Schneiman set up separate bank accounts in the names of each of the legal entities at J.P. Morgan Chase Bank in Utah and gave himself signatory authority over each account. For some of the legal entities Schneiman was designated as registered agent or manager.

5. Each member or shareholder in each legal entity was required to pay annual dues intended for the maintenance and care of the houseboat owned by the respective entity. These annual dues were deposited in the appropriate legal entity's individual bank account.

6. Schneiman had a duty to use the deposited dues to pay slip fees, marine insurance premiums, government vessel registration fees, repair costs, general maintenance costs, and other expenses related to the maintenance and use of the houseboats. Schneiman was expected to meet at least annually with representatives from each houseboat entity to discuss anticipated expenses and to establish the annual dues amount. This amount was specific to each houseboat based upon its projected annual expenses.

7. Each houseboat entity entrusted Schneiman with the funds in its bank account with the understanding that he would use the funds specifically and exclusively to care for the houseboat owned by the entity. He was not authorized to use the entrusted funds for any other houseboat, for general business expenses, or for any other purpose. In exchange for his services, Schneiman was authorized to pay himself 10% of each houseboat's annual dues as a management fee.

8. As time passed houseboat owners discovered that their houseboats had accrued substantial debts while under Schneiman's care. Many of the houseboats owed thousands of dollars to the marina in delinquent slip fees. Marine insurance coverage had lapsed on some of the houseboats for failure to pay premiums. Some houseboats had expired vessel registrations. Houseboat owners had been unaware of these deficiencies and were continuing to use their boats on the lake while they were unregistered and uninsured.

9. Houseboat owners requested multiple times that Schneiman produce documentation to account for the use of their funds. Schneiman failed to produce the documentation.

10. Houseboat owners took steps to regain control of the management of their houseboats and to obtain access to their entity bank accounts. In many cases the entity bank accounts had balances of zero or negative balances. Overdraft fees had been accruing and many accounts had been closed by the bank. The accounts should have been funded with thousands or tens of thousands of dollars each in annual dues.

11. Upon reviewing the bank records associated with their entity bank accounts, houseboat owners observed numerous unauthorized transfers to unfamiliar accounts over which they had no control.

12. Houseboat entities were forced to negotiate settlements with the marina and other vendors. Owners had to pay the marine insurance carrier directly to reinstate insurance policies. The loss of their funds resulted in substantial harm to each of the houseboat entities.

13. The Attorney General's Office opened a criminal investigation through the Utah Third District Court and subpoenaed bank records from Chase Bank for all accounts connected to Schneiman and Lake Point Management from January 2015 to the present. In response to the subpoenas, I received records for 106 bank accounts. Schneiman is listed as a signer for each of the accounts.

14. One of the Chase Bank accounts was a general business account for Lake Point Management. Schneiman was the only signer designated for this account. Schneiman used Lake Point Management's general business account to pay both business and personal expenses.

15. The other accounts for which I received records were individual houseboat entity accounts that were opened by Schneiman on behalf of the entities.

16. I was assisted in analyzing the bank records by Agent Tyson Downey, a certified fraud examiner. In reviewing the records, we observed a pattern in which Schneiman would transfer funds from one houseboat entity's account to pay the expenses of another houseboat. Sometimes he did this by transferring funds from individual houseboat accounts into the general business account, comingling them, and transferring them into other individual houseboat accounts from which he paid those houseboats' expenses. Other times he transferred funds directly from one houseboat's account to another's. Regardless of how he structured the transactions, Schneiman used funds from donor houseboats' accounts to pay recipient houseboats' bills—often in arrears.

17. Schneiman depleted an increasing number of houseboat entity accounts. Ken Runnels, General Manager for Antelope Point Marina, threatened to pull 20 houseboats under Schneiman's care out of the water unless he addressed an \$800,000 arrearage in slip fees and storage costs. This occurred around the end of 2018. Shortly after receiving new annual dues for 2019, Schneiman made a large, lump sum payment for a fraction of the arrearage. Runnels noticed a pattern in which Schneiman would make lump sum payments toward his growing arrearages after receiving new infusions of annual dues in January of each year. He noticed that the situation worsened as the number of houseboats under Schneiman's care increased.

18. Certain transactions serve as clear examples of how Schneiman was violating his duties as a fiduciary. These instances are not isolated, have distinguishing characteristics, and expose a pattern of how Schneiman placed houseboat owners at risk of loss and detriment with respect to both their funds and their houseboats.

**Count 1**  
**Unlawful Dealing of Property by a Fiduciary**  
**A second-degree felony**

19. On or about May 29, 2018, Schneiman transferred \$20,000.00 from the Mystique LLC, houseboat bank account to the Lake Point Management general business account. The transfer was part of a \$30,600.00 deposit from multiple houseboat accounts. Schneiman then transferred the funds sourced from that deposit to other houseboat entity accounts and/or paid other houseboat entities' obligations in nine separate transactions between May 29, 2018 and May 30, 2018. None of the funds were used for the benefit of the Mystique houseboat or to pay its debts and expenses.

**Count 2**  
**Unlawful Dealing of Property by a Fiduciary**  
**A second-degree felony**

20. On or about August 2, 2018, Schneiman transferred \$11,000.00 from the Mystique, LLC, houseboat bank account to the Lake Point Management general business account. The transfer was part of a \$120,400.00 deposit from multiple houseboat accounts. Schneiman then transferred the funds sourced from that deposit to other houseboat entity accounts and/or paid other houseboat entities' obligations in twelve separate transactions between August 2, 2018 and August 3, 2018. None of the funds were used for the benefit of the Mystique houseboat or to pay its debts and expenses.

**Count 3**  
**Unlawful Dealing of Property by a Fiduciary**  
**A second-degree felony**

21. On or about August 2, 2018, Schneiman transferred \$21,700.00 from the Enigma, LLC houseboat bank account to the Lake Point Management general business account. The transfer was part of a \$120,400.00 deposit from multiple houseboat accounts. Schneiman then transferred the funds sourced from that deposit to other houseboat entity accounts and/or paid other houseboat entities' obligations in twelve separate transactions between August 2, 2018 and August 3, 2018. None of the funds were used for the benefit of the Enigma houseboat or to pay its debts and expenses.

**Count 4**  
**Unlawful Dealing of Property by a Fiduciary**  
**A second-degree felony**

22. On or about August 2, 2018, Schneiman transferred \$14,500.00 from the Titan, LLC, houseboat bank account to the Lake Point Management general business account. The transfer was part of a \$120,400.00 deposit from multiple houseboat accounts. Schneiman then transferred the funds sourced from that deposit to other houseboat entity accounts and/or paid other houseboat entities' obligations in twelve separate transactions between August 2, 2018 and August 3, 2018. None of the funds were used for the benefit of the Titan houseboat or to pay its debts and expenses.

**Count 5**  
**Unlawful Dealing of Property by a Fiduciary**  
**A second-degree felony**

23. On or about May 22, 2018, Schneiman transferred \$6,000.00 from the Intrepid, LLC houseboat bank account to the Lake Point Management general business account. Schneiman then transferred the funds sourced from that deposit to another houseboat entity account and/or paid another houseboat entity's obligations in one transfer occurring on May 22, 2018. None of the funds were used for the benefit of the Intrepid houseboat or to pay its debts and expenses.

**Count 6**  
**Unlawful Dealing of Property by a Fiduciary**  
**A second-degree felony**

24. On or about May 13, 2018, Schneiman transferred \$8,500.00 from the Evolution, LLC houseboat bank account to the Lake Point Management general business account. The

transfer was part of a \$50,550.00 deposit from multiple houseboat accounts. Schneiman then transferred the funds sourced from that deposit to other houseboat entity accounts and/or paid other houseboat entities' obligations in twelve separate transactions between May 13, 2018 and May 16, 2018. None of the funds were used for the benefit of the Evolution houseboat or to pay its debts and expenses.

**Count 7**  
**Unlawful Dealing of Property by a Fiduciary**  
**A second-degree felony**

25. On or about November 16, 2017, Schneiman transferred \$5,000.00 from the Desert Dream, Inc. houseboat bank account to the Lake Point Management general business account. Schneiman then transferred the funds to another houseboat entity account and/or paid another houseboat entity's obligations in nine separate transactions between November 16, 2017 and November 17, 2017. None of the funds were used for the benefit of the Desert Dream houseboat or to pay its debts and expenses.

**Count 8**  
**Unlawful Dealing of Property by a Fiduciary**  
**A second-degree felony**

26. On or about June 13, 2018, Schneiman transferred \$6,000.00 from the Desert Dream, Inc. houseboat bank account to the Lake Point Management general business account. The transfer was part of a \$9,500 deposit from multiple houseboat accounts. Schneiman then transferred the funds sourced from that deposit to another houseboat entity account and/or paid another houseboat entity's obligations in three separate transactions on June 13, 2018. None of the funds were used for the benefit of the Desert Dream houseboat or to pay its debts and expenses.

**Count 9**  
**Unlawful Dealing of Property by a Fiduciary**  
**A second-degree felony**

27. On or about January 23, 2019, Schneiman transferred \$14,250.00 from the Desert Dream Inc. houseboat bank account to the Lake Point Management general business account. The transfer was part of a \$40,450.00 deposit from multiple houseboat accounts. Schneiman then transferred the funds sourced from that deposit to another houseboat entity account and/or to pay another houseboat entity's obligations between January 23, 2019 and January 24, 2019. None of the funds were used to benefit the Desert Dream houseboat or to pay its debts and expenses.

28. Schneiman was a fiduciary for each of the houseboat entities named above. He was charged with managing each houseboat's financial affairs and was authorized to use its funds exclusively for the care and management of the houseboat owned by the entity that was the source of the funds. Schneiman knowingly violated his duty by engaging in conduct that involved a substantial risk of harm or detriment to each entity, its houseboat, and its members.

**Count 10**  
**Pattern of Unlawful Activity,**  
**A second-degree felony**

29. Commencing in about January 2015 and continuing through February 2019, in the state of Utah, Schneiman engaged in multiple episodes of conduct constituting a pattern of unlawful activity. The episodes were not isolated, involved similar characteristics, and were all related to unlawful dealing of property by a fiduciary. Schneiman dealt with property that had been entrusted to him in a manner which he knew was a violation of his duty and which involved a substantial risk of loss or detriment to a person for whose benefit the property was entrusted (to wit, approximately 34 houseboat entities consisting of dozens of houseboat owners.)

30. Schneiman used the proceeds that he received through a pattern of unlawful activity to operate Lake Point Management, LLC. Schneiman was the principal who operated the enterprise. The unlawful acts involve numerous financial transactions that include but are not limited to the transactions described in counts 1-9 above. They include conduct involving the six houseboat entities named above and approximately 28 other houseboat entities whose management and funds were entrusted to Schneiman's care. Schneiman's ability to maintain control of the enterprise likewise hinged upon perpetuating the illegal activity. His conduct continued over a period of many years, caused considerable losses to houseboat owners, and exposed them and their houseboats to numerous detrimental risks.

*Pursuant to Utah Code Ann. 78B-5-705 (2008), I declare under criminal penalty of the State of Utah that the foregoing is true and correct to the best of my knowledge.*

Executed on this 28th day of December 2020.

/s/ Eric T. Varoz

Eric T. Varoz

Special Agent

*(signature affixed with permission)*