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AVALOS is presently licensed and/or has license rights under the Code, as a real estate broker doing business as Avalos Real Estate Group.

4

CHERNIOGLO is presently licensed and/or has license rights under the Code, as a real estate broker.

5

On or about January 1, 2013, AVALOS formed AAA Ventures, Inc. (AAA), a California Corporation wherein AVALOS is the sole shareholder, director and officer.

6

On or about April 4, 2012, CHERNIOGLO formed Chernioglo Real Estate, Inc. and thereafter changed the name to IMC Enterprise, Inc. (IMC), a California Corporation, wherein CHERNIOGLO is the sole shareholder, director and officer.

7

As the designated officer, Kendall was responsible, pursuant to Section 10159.2 of the Code, for the supervision of the activities of the officers, agents, real estate licensees and employees of NC for which a real estate license is required.

8

At all times mentioned, RESPONDENTS engaged in the business of, acted in the capacity of, advertised or assumed to act as a real estate broker in the State of California, within the meaning of Section 10131(a) of the Code, including the operation and conduct of a residential resale brokerage wherein RESPONDENTS bought, sold, or offered to buy or sell, solicited or obtained listings of, and negotiated the purchase, sale or exchange of real property or business opportunities, all for or in expectation of compensation.

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1 FIRST CAUSE OF ACTION

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3 Complainant refers to Paragraphs 1 through 8, above, and incorporates the same,  
4 herein, by reference.

5 10

6 On or about January 2, 2013, Christine and Quinn J. entered into an Exclusive  
7 Residential Listing Agreement with CHERNIOGLO, acting on behalf of CG, to handle a short  
8 sale of certain real property commonly known as 6025 Marsh Hawk Court, Elk Grove, California  
9 95758 (Marsh Hawk Property).

10 11

11 On or about January 4, 2013, Christine and Quinn J. accepted an offer from AAA  
12 to purchase the Marsh Hawk Property for \$115,000.00. CHERNIOGLO, acting on behalf of CG,  
13 was as a dual agent, representing both sellers and buyer.

14 12

15 On or about May 13, 2013, JP Morgan Chase (Chase), which held the First Deed  
16 of Trust on the Marsh Hawk Property, issued an approval letter for the short sale of said property  
17 in the amount of \$177,400.00

18 13

19 CHERNIOGLO, acting on behalf of CG, prepared an addendum to the purchase  
20 documents of the Marsh Hawk Property, to reflect the \$177,400.00 sales price, which also stated  
21 that "Buyer intends to occupy the property as primary residence". AVALOS signature appears  
22 on the addendum as the owner of AAA.

23 14

24 AVALOS' contends and CHERNIOGLO has conceded that she, CHERNIOGLO  
25 signed AVALOS' name on the addendum described in Paragraph 13, above.

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On or about June 5, 2013, AVALOS and CHERNIOGLO signed an Affidavit of Arms Length Transaction with Chase.

16

The Affidavit, referred to in Paragraph 15, above, states in part:

“The Lender and/or Servicer, in consideration of the representations made below by the Seller, Buyer, and their respective agents, agrees to accept less than the amount owed to resolve its loan ...on the express condition that the Seller, the Buyer, and their respective agents...each truthfully represents, affirms, and states that, to the best of each signatory’s knowledge and belief:

2) There are no agreements, understanding or contracts relating to the current sale or subsequent sale of the Property that have not been disclosed to the Lender and/or Servicer.

5) Neither the Seller(s) nor the Buyer(s) will receive any funds or commissions from the sale of the Property.”

17

On June 14, 2013, AVALOS, by and through AAA, deposited \$30,000.00 into escrow for the purchase of the Marsh Hawk Property.

18

On or about June 10, 2013, Christine J., by email, asked CHERNIOGLO, if she and AVALOS were buying the Marsh Hawk Property. CHERNIOGLO responded to this email by stating that she, CHERNIOGLO, cannot buy the property, since she represented Christine J.

19

Also on June 14, 2013, CHERNIOGLO, by and through IMC, deposited \$50,106.71 into the same escrow account for the purchase of the Marsh Hawk Property.

20

On or about June 17, 2013, escrow closed on the Marsh Hawk Property with a sales price of \$177,400.00. NCG was paid \$10,344.00 in commissions. CHERNIOGLO received her customary share of the commission.

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21

CHERNIOGLO and AVALOS, pursuant to an ongoing agreement, rehabilitated the Marsh Hawk Property and resold it.

22

On or about July 27, 2013, approximately 40 days from that date of purchase of the Marsh Hawk Property, AVALOS, by and through AAA, sold it for \$263,500.00.

23

From the proceeds of the July 27, 2013, sale of the Marsh Hawk Property, AAA received \$69,725.83 and IMC received \$78,625.05.

24

The facts alleged above violate Sections 10176(a) (substantial misrepresentation), 10176(c) (continued and flagrant course of misrepresentation) and 10176 (i) (other conduct/fraud dishonest dealing) of the Code and are grounds for the suspension or revocation of the licenses and license rights of RESPONDENTS under Sections 10176(a), 10176(c) and 10176(i) of the Code.

SECOND CAUSE OF ACTION

25

Complainant refers to Paragraphs 1 through 24, above, and incorporates the same herein by reference.

26

On or about February 12, 2013, Mary P. entered into an Exclusive Residential Listing Agreement with CHERNIOGLO acting on behalf of NG, to handle a short sale of certain real property commonly known as 9441 Lockeridge Way, Sacramento, California 95825 (Lockeridge Property).

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On or about February 12, 2013, Mary P. accepted an offer from AAA to purchase the Lockeridge Property for \$171,000.00. CHERNIOGLO acting on behalf of NG, was a dual agent, representing both sellers and buyer.

28

On or about April 30, 2013, AVALOS, by and through AAA, and seller, executed a counter offer to purchase the Lockeridge property for \$200,000.00.

29

On or about May 7, 2013, AVALOS, by and through AAA, and seller, executed an addendum to their offer to increase the purchase price to \$210,000.00.

30

On or about May 24, 2013, Citimortgage Inc. (Citi), which held the First Deed of Trust on the Lockeridge Property, issued an approval letter for the short sale of said property in the amount of \$210,000.00.

31

On or about July 29, 2013, AVALOS and CHERNIOGLO signed an Affidavit of Arms Length Transaction with Citi.

32

The Affidavit, referred to in Paragraph 30, above, states in part:  
“NOW THEREFORE, the Seller(s), Buyer(s), Agents, and Facilitator do hereby represent, warrant and agree under the pains and penalties of perjury, to the best of each signatory’s knowledge and belief, as follows:  
(c) Neither the Seller(s) nor the Buyers(s) will receive any funds or commissions from the sale of the property.  
(d) There are no agreements, understanding or contracts relating to the current sale or subsequent sale of the property that have not been disclosed to the servicer.”

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On July 30, 2013, AVALOS, by and through AAA, deposited \$44,254.80 into escrow for the purchase of the Lockeridge Property.

34

Also on July 30, 2013, CHERNIOGLO, by and through IMC, deposited \$44,254.81 into the same escrow account for the purchase of the Lockeridge Property.

35

On or about July 30, 2013, escrow closed on the Lockeridge Property with a sale price of \$210,000.00. NCG was paid \$12,600.00 in commissions. CHERNIOGLO took her customary share of the commission.

36

CHERNIOGLO and AVALO, pursuant to an ongoing agreement, rehabilitated the Lockeridge Property and resold it.

37

On or about October 7, 2013, approximately 65 days from that date of purchase of the Lockeridge Property, AVALOS, by and through AAA, sold it for \$305,000.00.

38

From the proceeds of the October 7, 2013, sale of the Lockeridge Property, AAA received \$84,558.96 and IMC received \$80,959.21.

39

The facts alleged above violate Sections 10176(a), 10176(c) and 10176(i) of the Code and are grounds for the suspension or revocation of the licenses and license rights of RESPONDENTS under Section 10176(a), 10176(c) and 10176(i) of the Code.

THIRD CAUSE OF ACTION

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Complainant refers to Paragraphs 1 through 39, above, and incorporates the same, herein by reference.

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On or about May 21, 2013, Brian and Adrienne C. entered into an Exclusive Residential Listing Agreement with CHERNIOGLO, acting on behalf of NG, to handle a short sale of certain real property commonly known as 6025 Marlaw Court, Elk Grove, California 95757 (Marlaw Property).

42

Previously, on or about March 12, 2013, Brian and Adrienne C. accepted an offer from AAA to purchase the Marlaw property for \$200,000.00. CHERNIOGLO, acting on behalf of NG, was a dual agent, representing both sellers and buyer.

43

On or about June 15, 2013, Indimac Mortgage Services (Indi), which held the First Deed of Trust on the Marlaw Property, issued an approval letter for the short sale of said property in the amount of \$250,000.00

44

On or about June 15, 2013, CHERNIOGLO, acting on behalf of NG, prepared an addendum to the purchase documents of the Marlaw Property, to reflect the \$250,000.00 sales price.

45

On or about July 3, 2013, AVALOS and CHERNIOGLO signed an Affidavit of Arms Length Transaction with Citi.

46

The Affidavit, referred to in Paragraph 45, above, states in part:  
“Seller(s) and Buyer(s) have jointly asked Servicer to discount the total amount owed on the loan. Servicer, in consideration of the representations made below by Seller(s), Buyer(s), and their respective agents, has agreed to review the short sale on the express condition that Seller(s), Buyer(s) and their respective agents...each truthfully represent, affirm, and state, under penalty of perjury that:

1 2. There are no agreements, understandings or contracts relating to the current sale or  
2 subsequent sale of the Mortgaged Premises that have not been disclosed to Servicer.

3 5. Neither the Seller(s) nor the Buyer(s) will receive any funds or commissions from the sale  
4 of the Mortgaged Premises...

5 7. Neither the Buyer(s) and/or Seller(s) nor any parties related to or affiliated with the  
6 Buyer(s) and/or Seller(s) may act as the buying or listing/selling agent in the transaction.

7 47

8 On August 9, 2013, AVALOS, by and through AAA, deposited \$50,306.12 into  
9 escrow for the purchase of the Marlaw Property.

10 48

11 Also on August 9, 2013, CHERIOGLO, acting by and through IMC, deposited  
12 \$50,306.12 into the same escrow account for the purchase of the Marlaw Property.

13 49

14 On or about August 9, 2013, escrow closed on the Marlaw Property with a sales  
15 price of \$250,000.00. NG was paid \$15,000.00 in commissions. CHERNIOGLO took her  
16 customary share of the commissions.

17 50

18 CHERNIOGLO and AVALO, pursuant to an ongoing agreement, rehabilitated the  
19 Marlaw Property and resold it.

20 51

21 On or about November 14, 2013, approximately 90 days from that date of  
22 purchase of the Marlaw Property, AVALOS, by and through AAA, sold it for \$320,000.00.

23 52

24 From the proceeds of the November 14, 2013, sale of the Marlaw Property, AAA  
25 received \$151,840.67 and then payed IMC \$72,065.76 as its share of the proceeds.

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The facts alleged above violate Sections 10176(a), 10176(c) and 10176(i) of the Code and are grounds for the suspension or revocation of the licenses and license rights of RESPONDENTS under Section 10176(a), 10176(c) and 10176(i) of the Code.

Section 10106 of the Code provides, in pertinent part, that in any order issued in resolution of a disciplinary proceeding before the Bureau, the commissioner may request the administrative law judge to direct a licensee found to have committed a violation of this part to pay a sum not to exceed the reasonable costs of the investigation and enforcement of the case.

WHEREFORE, Complainant prays that a hearing be conducted on the allegations of this Accusation and that upon proof thereof, a decision be rendered imposing disciplinary action against all licenses and license rights of Respondent under the Code, for the reasonable cost of investigation and agency attorney's fees in this matter, and for such other and further relief as may be proper under other provisions of law.

  
TRICIA D. PARKHURST  
Deputy Real Estate Commissioner

Dated at Sacramento, California,  
this 16<sup>th</sup> day of March, 2016.