

1 LISSETE GARCIA, Counsel (SBN 211552)
Bureau of Real Estate
2 320 West 4th Street, Suite 350
Los Angeles, California 90013-1105
3 Telephone: (213) 576-6982
Direct: (213) 576-6914
4 Fax: (213) 576-6917

FILED

OCT 26 2016

BUREAU OF REAL ESTATE

By John Guib

7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24

BEFORE THE BUREAU OF REAL ESTATE
STATE OF CALIFORNIA

In the Matter of the Accusation of) CalBRE No. H-40444 LA
)
NEW WAVE REALTY & FINANCE, INC.;) ACCUSATION
LILIT LILY GALADZHYAN, individually and)
as designated officer of New Wave Realty &)
Finance, Inc.;)
RICK LOUIS GARCIA;)
HAIK BOKHCHALIAN; and)
ARTHUR BOYADZHYAN,)
)
Respondents.)
)

The Complainant, Maria Suarez, a Supervising Special Investigator of the State of California, for cause of Accusation against NEW WAVE REALTY & FINANCE, INC.; LILIT LILY GALADZHYAN, individually, and as designated officer of New Wave Realty & Finance, Inc.; RICK LOUIS GARCIA; HAIK BOKHCHALIAN; and ARTHUR BOYADZHYAN (collectively "Respondents"), is informed and alleges as follows:

///

///

1 1.

2 The Complainant, Maria Suarez, a Supervising Special Investigator of the State of
3 California, makes this Accusation in her official capacity.

4 2.

5 All references to the "Code" are to the California Business and Professions Code and all
6 references to "Regulations" are to the Regulations of the Real Estate Commissioner, Title 10,
7 Chapter 6, California Code of Regulations.

8 3.

9 Respondents are presently licensed and/or have license rights under the Real Estate Law
10 (Part 1 of Division 4 of the Code).

11 4.

12 From May 2, 2007, through the present, Respondent NEW WAVE REALTY &
13 FINANCE, INC. ("NEW WAVE") has been licensed and/or has license rights by the Bureau of
14 Real Estate¹ ("Bureau") as a corporate real estate broker, License ID 01806303. At all times
15 relevant herein, NEW WAVE was licensed to use the fictitious business name and was doing
16 business as "New Wave Realty Group."

17 5.

18 From November 15, 2005, through the present, Respondent LILIT LILY
19 GALADZHYAN ("GALADZHYAN"), aka Lily Galajian and Lily Galadjian, has been licensed
20 by the Bureau as a real estate broker, License ID 01244046.

21 ///

22 ///

23 _____
24 ¹ Effective July 1, 2013, the Department of Real Estate became the Bureau of Real Estate ("Bureau"). All references to the agency are to the successor Bureau.

1 6.

2 At all times herein mentioned, Respondent NEW WAVE was licensed as a real estate
3 corporation, acting by and through Respondent GALADZHYAN as its designated broker-officer.
4 As the broker-officer designated by Respondent NEW WAVE pursuant to Section 10211 of the
5 Code, GALADZHYAN was responsible for the supervision and control of the activities
6 conducted on behalf of Respondent NEW WAVE, by its officers and employees, as necessary to
7 secure full compliance with Real Estate Law as set forth in Code Section 10159.2 and Regulation
8 2725.

9 7.

10 From November 24, 2008, through the present, Respondent RICK LOUIS GARCIA
11 ("GARCIA") has been licensed by the Bureau as a real estate salesperson, License ID 01848743.
12 At all times relevant herein, GARCIA was licensed under the employment of NEW WAVE.

13 8.

14 From January 08, 2002, through the present, Respondent HAIK BOKHCHALIAN
15 ("BOKHCHALIAN") has been licensed by the Bureau as a real estate salesperson, License ID
16 01325511. At all times relevant herein, BOKHCHALIAN was licensed under the employment
17 of NEW WAVE.

18 9.

19 From June 15, 2006, through the present, Respondent ARTHUR BOYADZHYAN
20 ("BOYADZHYAN") aka Art Boyadzhyan has been licensed by the Bureau as a real estate
21 salesperson, License ID 01749904. At all times relevant herein, BOYADZHYAN was licensed
22 under the employment of NEW WAVE.

23 ///

1 10.

2 Parkway Investment Group, Inc. ("Parkway") is a California corporation, Entity No.
3 C3355942. Parkway Investment Group, Inc. is owned and controlled by Respondent
4 BOKHCHALIAN.

5 CAUSE OF ACCUSATION

6 (Short Sale of Onyx Property)

7 11.

8 On or about April June 25, 2014, Respondents NEW WAVE and GARCIA entered into
9 an exclusive residential listing agreement with seller, E.D.², for the short sale of a residential
10 property located at 200 Onyx Ave., Newport Beach, California ("Onyx property"). The listing
11 period was June 25, 2014 through December 31, 2014. Respondent GARCIA advised and
12 induced E.D. to list the Onyx property for a listing price of \$975,000. E.D. owed approximately
13 \$1,650,000 on the mortgage for the Onyx property. Respondent NEW WAVE was to receive six
14 (6) percent of the sale price as commission for the sale of the Onyx property. Respondent NEW
15 WAVE is listed as the listing broker and Respondent GARCIA as the listing agent on the
16 residential listing agreement.

17 12.

18 On June 30, 2014, Respondent GARCIA presented seller E.D. with an offer from
19 Parkway to purchase the Onyx property for a purchase price of \$850,000. Respondent NEW
20 WAVE was listed as both the listing and selling broker. Respondent GALADZHYAN is listed
21 as the agent for Parkway on the purchase offer. Respondents GALADZHYAN, GARCIA,
22 BOKHCHALIAN, and BOYADZHYAN failed to disclose to E.D. that BOKHCHALIAN, who

23 ² Initials are used in place of individuals' full names to protect their privacy. Documents containing individuals'
24 full names will be provided during the discovery phase of this case to Respondents and/or their attorneys, after
service of a timely and proper request for discovery on Complainant's counsel.

1 owned Parkway, was an agent for NEW WAVE. Respondent GARCIA advised and induced
2 E.D. to accept Parkway's offer. Respondent GARCIA presented no other offers to E.D. prior to
3 her acceptance of Parkway's offer on or about June 30, 2014. Respondents negotiated, assisted,
4 and performed services to complete the short sale of the Onyx property from E.D. to Parkway.

5 13.

6 On or about July 16, 2014, broker J.H. who represented prospective buyer, D.M.,
7 submitted to Respondent GARCIA, D.M.'s cash offer to purchase the Onyx property for
8 \$1,400,000. Respondent GARCIA failed to present D.M.'s offer to seller, E.D., or to E.D.'s
9 lender.

10 14.

11 On or about August 22, 2014, Respondent GARCIA informed J.H. that another buyer had
12 submitted an offer higher than D.M.'s offer to purchase the Onyx property and that D.M.'s offer
13 would be the first back-up offer. Respondent GARCIA continued negotiations with J.H.
14 concerning the sale of the Onyx property to D.M. without informing E.D. In or around January
15 of 2015, Respondent GARCIA informed J.H. that the lender had agreed to an offer of \$1,592,000
16 and that his buyer would sell the Onyx property to D.M. Parkway subsequently sold the Onyx
17 property to D.M. for \$1,592,000 as is described below in further detail in Paragraph 21.

18 15.

19 On or about January 9, 2015, Cal Smart Escrow, Inc. ("Cal Smart Escrow") issued Sale
20 Escrow Instructions for Escrow No. 2577-EE for the sale of the Onyx property from E.D. to
21 Parkway. The sale price of the Onyx property was \$1,295,500, which included an alleged
22 \$50,000 deposit made to escrow and an additional deposit to be made to escrow of \$1,245,500.
23 Enid Espinoza was the escrow officer for Cal Smart Escrow. Victorian Homes is listed as the
24

1 selling agent on the Sale Escrow Instructions when, in fact, it was Respondent NEW WAVE.

2 Respondent BOKHCHALIAN signed the Sale Escrow Instructions as President of Parkway.

3 16.

4 On or about January 28, 2015, Parkway made an application to borrow \$1,170,000 for the
5 purchase of the Onyx property. On or about January 28, 2015 Respondent BOYADZHYAN
6 submitted an Application for Report of Residential Building Records with the Building Division
7 of the Newport Beach Community Development Department for the Onyx property.

8 BOYADZHYAN executed the Application as agent for E.D.

9 17.

10 On January 30, 2015, E.D.'s lender issued a letter to E.D. which approved the E.D.'s
11 request to sell the Onyx property to Parkway for \$1,295,500. E.D.'s lender would accept a
12 minimum of \$1,175,000 to release the lien on the Onyx property. E.D. was to receive \$35,000 as
13 a cash incentive at closing for moving expenses.

14 18.

15 On February 2, 2015, Respondents BOKHCHALIAN, GARCIA and GALADZHYAN
16 signed an Affidavit of Arm's Length Transaction which was submitted to E.D.'s lender. The
17 Affidavit made the following representations, among others, under penalty of perjury: 1) the
18 transaction had been negotiated by unrelated parties; 2) the sale price was based on fair market
19 value; 3) the agents for the seller and buyer were acting in the best interests of their respective
20 principals; 4) that no agent of the seller or buyer is a business associate of the borrower; and 5)
21 that there were no hidden terms or agreements or special understandings between the seller and
22 buyer or among their respective agents that are not reflected in the residential purchase
23 agreement or the escrow instructions associated with the transaction.

19.

On February 4, 2015, Enid Espinoza emailed a HUD-1 Settlement Statement to Respondent BOYADZHYAN for review and approval. Respondent BOYADZHYAN replied with changes that he wanted made to the HUD-1 Settlement Statement. The final HUD-1 Settlement Statement did not note any deposit of \$50,000 or of any amount by Parkway. Cal Smart Escrow closed escrow no. 2577-EE on February 4, 2015. Respondent NEW WAVE received \$77,730 in commissions from the transaction. On February 6, 2015, Respondent GARCIA sent an email to Enid Espinoza with an attached copy of Amended Escrow Instructions which were signed by Respondents GARCIA and GALADZHYAN. A copy of the Amended Escrow Instructions was not provided to E.D. or E.D.'s lender.

20.

On February 7, 2015, E.D. sent an email to Respondent GARCIA after discovering that escrow had closed on the sale of the Onyx property even though E.D. hadn't signed any escrow documents or received any settlement statement or other documents from escrow. Respondent GARCIA failed to return E.D.'s messages.

(Sale of Onyx Property from Parkway to D.M.)

21.

On February 4, 2015, Respondent BOKHCHALIAN accepted D.M's offer to purchase the Onyx property for \$1,592,000. Escrow no. 2695-EE was opened with Cal Smart Escrow. Enid Espinoza was the escrow officer. Escrow closed on March 6, 2015. Respondent GALADZHYAN requested that NEW WAVE's commission of \$15,920 be paid to her.

///

///

1 22.

2 The conduct, acts and/or omissions of Respondents NEW WAVE, GALADZHYAN,
3 GARCIA, BOKHCHALIAN, and BOYADZHYAN as set forth above in Paragraphs 11 through
4 21, constitute cause for the suspension or revocation of all real estate licenses and license rights
5 of Respondents pursuant to Code sections 10176(a) (substantial misrepresentation); 10176(c)
6 (continued or flagrant course of misrepresentation through real estate agents or salespersons),
7 10176(d) (acting for more than one party in a transaction without the knowledge or consent of all
8 parties thereto); 10176(g) (secret or undisclosed compensation), 10176(i) and 10177(j) (fraud or
9 dishonest dealing), 10177(d) (violation of the Real Estate Law), and/or 10177(g).

10 23.

11 The conduct, acts and/or omissions of Respondent GALADZHYAN, in allowing
12 Respondents NEW WAVE, GARCIA, BOKHCHALIAN, and BOYADZHYAN to violate the
13 Real Estate Law, as set forth above, constitutes a failure by Respondent GALADZHYAN to
14 exercise the supervision and control over the activities of Respondents as required by Code
15 Section 10159.2 and Regulation 2725, and constitutes cause to suspend or revoke the real estate
16 license and license rights of Respondent GALADZHYAN under Code Sections 10177(h) (failure
17 to supervise), 10177(d), and/or 10177(g).

18 COST RECOVERY

19 24.

20 Code Section 10106 provides, in pertinent part, that in any order issued in resolution of a
21 disciplinary proceeding before the Bureau of Real Estate, the Commissioner may request the
22 administrative law judge to direct a licensee found to have committed a violation of this part to
23 pay a sum not to exceed the reasonable costs of the investigation and enforcement of the case.
24

