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**FILED**

FEB 26 2026

DEPARTMENT OF REAL ESTATE

By B. Nicholas

8 BEFORE THE DEPARTMENT OF REAL ESTATE  
9 STATE OF CALIFORNIA

10 \* \* \*

11 In the Matter of the Accusation of: )  
12 ) No. H-3651 FR  
13 VARGESTATE, INC. )  
14 and CARLOS DANIEL VARGAS ) ACCUSATION  
Respondents. )

15 The Complainant, RUBEN CORONADO, acting in his official capacity as a  
16 Supervising Special Investigator of the State of California, for this Accusation against  
17 VARGESTATE, INC. ("VI") and CARLOS DANIEL VARGAS ("VARGAS"), sometimes  
18 collectively referred to as Respondents, is informed and alleges as follows:

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20 VI is presently licensed and/or has license rights under the Real Estate Law, Part  
21 1 of Division 4 of the Business and Professions Code ("Code"), by the Department of Real  
22 Estate ("Department") as a corporate real estate broker, License No. 02043526.

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24 VARGAS is presently licensed and/or has license rights under the Code as a real  
25 estate broker, License No. 00989770.

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At all times mentioned, VARGAS was the designated broker-officer of VI. As the designated broker-officer, VARGAS was responsible, pursuant to Section 10159.2 of the Code, for the supervision of the activities of officers, agents, real estate licensees and employees of VI for which a real estate license is required to ensure the compliance of the corporation with the Real Estate Law and the Regulations.

4

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 within the State of California within the meaning of Section 10131(b) of the Code, including the operation and conduct of a property management business with the public wherein, on behalf of others, for compensation or in expectation of compensation, Respondents leased or rented or offered to lease or rent, or placed for rent, or solicited listings of places for rent, or solicited for prospective tenants, or negotiated the sale, purchase or exchange of leases on real property, or on a business opportunity, or collected rents from real property, or improvements thereon, or from business opportunities.

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Whenever acts referred to below are attributed to Respondents, those acts are alleged to have been done by Respondents, acting by themselves, or by and/or through one or more known or unknown agents, associates, and/or co-conspirators.

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On or about June 30, 2025, the Department completed its audit (OK240060) of the books and records of VI's property management activities described above in Paragraph 4. The auditor examined property management records for the period of May 1, 2023, through May 31, 2025 ("the audit period").

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1 FIRST CAUSE OF ACTION

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3 Complainant refers to Paragraphs 1 through 6, above, and incorporates the same,  
4 herein.

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6 While acting as a real estate broker as described in Paragraph 4, above, and within  
7 the audit period, Respondents accepted or received funds in trust (“trust funds”) from or on  
8 behalf of property owners, lessees and others in connection with property management activities,  
9 and deposited or caused to be deposited those funds into bank accounts maintained by  
10 Respondents at JPMorgan Chase Bank, 425 South Main Street, Salinas, CA 93901, as described  
11 below:

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13 BANK ACCOUNT #1 (“B/A1”)	
14 Account No.:	XXXXXX3100
15 Entitled:	Vargestate, Inc. DBA Kenco Property Management

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18 In the course of the activities described in Paragraph 4, in connection with the  
19 collection and disbursement of trust funds, it was determined that:

- 20 (a) B/A1 was used to hold trust funds but was not designated as a trust account in  
21 violation of Section 10145 (trust fund handling) of the Code and Section 2832  
22 (trust fund handling) of the Title 10, Chapter 6, California Code of  
23 Regulations (“Regulations”);
- 24 (b) Respondents failed to perform and/or maintain records of the required  
25 monthly reconciliation that compares the total balance of all separate  
26 beneficiaries or transaction records with the balance of the record of all trust  
27 funds received and disbursed for B/A1 in violation of Section 10145 of the



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The above acts and/or omissions of VARGAS violate Section 2725 (broker supervision) of the Regulations and Section 10159.2 (responsibility/designated officer) of the Code and constitute grounds for disciplinary action under the provisions of Sections 10177(d), 10177(g) and 10177(h) (broker supervision) of the Code.

COSTS OF INVESTIGATION AND ENFORCEMENT

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Section 10106 of the Code provides, in pertinent part, that in any order issued in resolution of a disciplinary proceeding before the Department, 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.

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The acts and/or omissions of Respondents as alleged above, entitle the Department to reimbursement of the costs of its audit pursuant to Section 10148(b) of the Code.

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 Real Estate Law, for the cost of investigation and enforcement as permitted by law, and for such other and further relief as may be proper under other provisions of law.

  
RUBEN CORONADO  
Supervising Special Investigator

Dated at Fresno, California,  
this 18<sup>th</sup> day of February, 2026.

DISCOVERY DEMAND

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

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