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DEPARTMENT OF REAL ESTATE
By B. Nicholas

BEFORE THE DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

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In the Matter of the Accusation of: C&C MONTEREY PM, INC. and KYLE CHERNETSKY Respondents.	No. H-3663 FR <u>ACCUSATION</u>

The Complainant, RUBEN CORONADO, acting in his official capacity as a Supervising Special Investigator of the State of California, for this Accusation against C&C MONTEREY PM, INC. ("C&C") and KYLE CHERNETSKY ("CHERNETSKY"), sometimes collectively referred to as Respondents, is informed and alleges as follows:

1

C&C is presently licensed and/or has license rights under the Real Estate Law, Part 1 of Division 4 of the Business and Professions Code ("Code"), by the Department of Real Estate ("Department") as a corporate real estate broker, License No. 01526734.

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CHERNETSKY is presently licensed and/or has license rights under the Code as a real estate broker, License No. 01928366.

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At all times mentioned, CHERNETSKY was the designated broker-officer of C&C. As the designated broker-officer, CHERNETSKY 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 C&C for which a real estate license is required to ensure the compliance of the corporation with the Real Estate Law and the Regulations.

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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.

6

On or about October 1, 2025, the Department completed its audit (FR24-0063) of the books and records of C&C's property management activities described above in Paragraph 4. The auditor examined property management records for the period of April 1, 2024, through June 30, 2025 ("the audit period").

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FIRST CAUSE OF ACTION

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

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While acting as a real estate broker as described in Paragraph 4, above, and within the audit period, Respondents accepted or received funds in trust ("trust funds") from or on behalf of property owners, lessees and others in connection with property management activities, and deposited or caused to be deposited those funds into bank accounts maintained by Respondents at BMO, 1050 Del Monte Center, Monterey, CA 93940, as described below:

TRUST ACCOUNT #1 ("T/A1")	
Account No.:	XXXX1038
Entitled:	C&C Monterey PM, Inc Client Trust Account

and thereafter from time-to-time made disbursements of said trust funds.

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

(a) Respondents failed to perform and maintain a monthly reconciliation comparing the sum of the balance of the separate beneficiary or transaction records to the balance of all trust funds received and disbursed for T/A1 as required by Section 10145 (trust fund handling) of the Code and Section 2831.2 (trust account reconciliation) of Title 10, Chapter 6, of the California Code of Regulations;

(b) Respondents were charging tenants a monthly renters insurance fee and a mandatory monthly Home Assistant Concierge fee for more than the actual cost to Respondents and failed to disclose the profit to the property owners in violation of Section 10176(g) (secret profit) of the Code.

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The act and/or omissions described above constitute grounds for discipline under the aforementioned Section and/or Sections 10177(d) (willful disregard or violation of real estate laws), 10176(g), and 10177(g) (negligence/incompetence) of the Code.

SECOND CAUSE OF ACTION

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Complainant refers to Paragraphs 1 through 10, above, and incorporates the same, herein.

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During the Audit Period, Respondents executed property management agreements that included a clause for the receipt of compensation in advance of the services being fully complete, charged the fees, and failed to account for the advance fees as required by real estate law. Respondents required six months of management fees to be deducted from the first month of rent for new properties being managed by Respondents. The charges to property owners were advance fees as defined by Section 10026 (advance fee) of the Code. Respondents were obligated to get an Advance Fee Agreement approved by the Department, treat the funds as trust funds, and properly account for the trust funds as required by Sections 10085 (advance fee agreements and materials), 10145, and 10146 (advance fees to be deposited in trust account) of the Code and Sections 2970 (advance fee materials) and 2972 (accounting content) of the Regulations. Respondents failed to get an advance fee agreement approved, treat the funds as trust funds, and properly account for the funds.

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The act and/or omissions described above constitute grounds for discipline under the aforementioned Section and/or Sections 10177(d) (willful disregard or violation of real estate laws), and 10177(g) (negligence/incompetence) of the Code.

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THIRD CAUSE OF ACTION

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Complainant refers to Paragraphs 1 through 13, above, and incorporates the same, herein.

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At times mentioned above, CHERNETSKY was responsible, as the supervising designated broker/officer for C&C, for the supervision and control of the activities conducted on behalf of C&C's business by its employees to ensure its compliance with the Real Estate Law and Regulations. CHERNETSKY failed to exercise reasonable supervision and control over the property management activities of C&C. In particular, CHERNETSKY permitted, ratified and/or caused the conduct described above to occur, and failed to take reasonable steps, including but not limited to, the handling of trust funds, supervision of employees, and the implementation of policies, rules, and systems to ensure compliance of the business with the Real Estate Law and the Regulations.

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The above acts and/or omissions of CHERNETSKY 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.

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

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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 17th day of June, 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.