

FILED

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DEPARTMENT OF REAL ESTATE
By S. Black

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10 BEFORE THE DEPARTMENT OF REAL ESTATE
11 STATE OF CALIFORNIA

12 * * *

13 In the Matter of the Accusation of)	
)	
14 INNOVATIVE PROPRIETARY ADVISORS, INC.,)	NO. H-7080 SAC
15 DEANNA CHRISTINE CHAVIS,)	
16 JESSICA MARIE PARKER,)	<u>FIRST AMENDED</u>
DARRICK JONATHAN CHAVIS,)	<u>ACCUSATION</u>
and APRIL GAXIOLA,)	(Second Cause of Action added)
17 Respondents.)	

18
19 The Complainant, TRICIA D. PARKHURST, a Supervising Special Investigator
20 of the State of California for cause of Accusation against INNNOVATIVE PROPRIETARY
21 ADVISORS, INC. (IPA), DEANNA CHRISTINE CHAVIS (DEANNA), JESSICA MARIE
22 PARKER (PARKER), DARRICK JONATHAN CHAVIS (DARRICK), and APRIL GAXIOLA
23 (GAXIOLA), collectively referred to as RESPONDENTS, is informed and alleges as follows:

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25 The Complainant makes this Accusation in her official capacity.

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27 At all times herein mentioned, IPA was and is presently licensed and/or has
license rights under the Real Estate Law, Part 1 of Division 4 of the California Business and

1 Professions Code (the Code) by the Department of Real Estate (the Department) as a corporate
2 real estate broker.

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4 All times herein mentioned, DEANNA was and is presently licensed and/or has
5 license rights as a real estate broker.

6 4

7 At all times herein mentioned, PARKER was and is presently licensed and/or has
8 license rights as a real estate broker.

9 5

10 At all times herein mentioned, DARRICK was and is presently licensed and/or
11 has license rights as a real estate salesperson.

12 5A

13 *At all times herein mentioned, GAZIOLA, was and is presently licensed and/or*
14 *has license rights as a real estate salesperson.*

15 6

16 At all times herein mentioned, DEANNA was licensed by the Department as the
17 designated officer of IPA. As the designated officer, DEANNA was responsible, pursuant to
18 Section 10159.2 of the Code, for the supervision of the activities of the officers, agents, real
19 estate licensees and employees of IPA for which a real estate license is required.

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21 Whenever reference is made in an allegation in this Accusation to an act or
22 omission or IPA, such allegation shall be deemed to also mean that DEANNA committed such
23 act or omission while engaged in furtherance of the business or operation of IPA, and while
24 acting within the course and scope of her employment.

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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 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.

FIRST CAUSE OF ACTION

Complainant refers to Paragraphs 1 through 8 above, and incorporates them herein, by reference.

On or about July 25, 2017, DEANNA on behalf of IPA purchased a duplex commonly known as 1208/1210 Florida Street, Vallejo, California. (Florida Property) IPA purchased the property, which was in dilapidated condition, from the City of Vallejo.

DARRICK and his company INNOVATIVE PROPRIETARY ADVISORS CONSTRUCTION, INC. (IPACON), performed substantial renovation to the 1210 Florida Property. DARRICK obtained approval from the City of Vallejo to split the Florida Property into two separate units.

Most of the renovations performed by IPACON, such as the interior remodeling and basement conversion into living space, was done without obtaining the necessary permits from the City of Vallejo. Permits were obtained only for the front porch replacement and new electrical service.

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On or about August 17, 2018, PARKER, acting on behalf of IPA listed the 1210 Vallejo Property on the Multiple Listing Service (MLS). In the listing, PARKER represented that "all work done with permits."

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On or about September 4, 2018, Christian Butler (Buyer) entered into a Residential Purchase Agreement for the 1210 Florida Property. Buyer was represented by DARRICK, acting on behalf of IPA, who was also the selling agent.

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DARRICK failed to advise Buyer of the lack of permits for the construction work on the 1210 Florida Property.

16

DEANNA, acting on behalf of IPA, failed to advise Buyer of the lack of permits for the construction work on the 1210 Florida Property.

17

On or about September 28, 2018, escrow closed on the 1210 Florida Property and Buyer became the owner.

18

On or about June 11, 2019, Steve Arnold, Chief Building Officer for the City of Vallejo, issued a Correction Notice to Buyer. The Correction Notice indicated that the interior remodel and basement conversion on the 1210 Florida Property were done without permits and directed Buyer to submit plans, an application and fees for inspection work. This is the first time that Buyer heard that the construction on the 1210 Florida Property was done without permits.

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On or about August 1, 2021 PARKER provided a statement that alleged that all of the construction work done on the 1210 Florida Property was done with permits.

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Buyer obtained an estimate for the correction work and fees which amounted to \$50,000.

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The acts or omissions of RESPONDENTS as alleged above, above violate Sections 10176(a) (material misrepresentation), 10176(b) (false promises to induce, persuade, induce), 10176(i) (other conduct/fraud or dishonest dealing), and 10177(j) 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(b), 10176(i) and 10177(j) of the Code.

SECOND CAUSE OF ACTION

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Complainant refers to Paragraphs 1 through 21 above, and incorporates them herein, by reference.

23

DARRICK and his company INNOVATIVE PROPRIETARY ADVISORS CONSTRUCTION, INC. (IPACON), performed substantial renovation to the 1208 Florida Property, including adding on a room.

24

Most of the renovations performed by IPACON, such as the interior remodeling and room addition, was done without obtaining the necessary permits from the City of Vallejo.

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On or about August 17, 2018, PARKER, acting on behalf of IPA listed the 1208 Vallejo Property on the Multiple Listing Service (MLS). In the listing, PARKER represented that "all work done with permits."

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On or about September 4, 2018, Mitchell Williams (Buyer) entered into a Residential Purchase Agreement for the 1208 Florida Property. Buyer was represented by GAXIOLA, acting on behalf of IPA, which was representing the seller.

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GAXIOLA failed to advise Buyer of the lack of permits for the construction work on the 1208 Florida Property.

27

DEANNA, acting on behalf of IPA, failed to advise Buyer of the lack of permits for the construction work on the 1208 Florida Property.

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Before the close of escrow, Buyer asked GAXIOLA why there was a discrepancy between the advertised square footage and that reported in the title report, whether the roof was certified for solar and other questions. In response GAXIOLA, on behalf of IPA, represented to Buyer that he had 30 days after all the paper work was signed within which to have replacements or repairs done on the property.

29

GAXIOLA's material omissions, including failing to advise Buyer that work on the 1208 Florida Property was done without permits amounted to a continuing course of misrepresentation that lasted until at least 30 days after the close of escrow.

30

On or about October 12, 2018, escrow closed on the 1208 Florida Property and Buyer became the owner.

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On or about June 11, 2019, Buyer received a Notice of Violation from Steve Arnold, Chief Building Officer for the City of Vallejo. The Notice indicated that the interior remodel and addition of a room on the 1208 Florida Property were done without permits and

1 directed Buyer to submit plans, an application and fees for inspection work. This is the first time
2 that Buyer heard that the construction on the 1208 Florida Property was done without permits.

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4 A representative from the City of Vallejo advised Buyer that permits would cost
5 between \$10,000.00 and \$20,000.00.

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7 Buyer obtained an estimate for the correction work which amounted to
8 \$200,000.00 and \$300,000.00.

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10 The acts or omissions of RESPONDENTS as alleged above, above violate
11 Sections 10176(a) (material misrepresentation,) 10176(b) (false promises to induce, persuade,
12 induce), 10176(i) (other conduct/fraud or dishonest dealing), and 10177(j) other conduct
13 fraud/dishonest dealing) of the Code and are grounds for the suspension or revocation of the
14 licenses and license rights of RESPONDENTS under Sections 10176(a), 10176(b), 10176(l,) and
15 10177(j) of the Code.

16 THIRD CAUSE OF ACTION

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18 Complainant refers to Paragraphs 1 through 34, above, and incorporates them
19 herein, by reference.

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21 At all times herein above mentioned, DEANNA, was responsible as the
22 supervising broker for IPA, for the supervision and control of the activities conducted on behalf
23 of IPA's business by its employees. DEANNA failed to exercise reasonable supervision and
24 control over the property management activities of IPA. In particular, IPA permitted, ratified
25 and/or caused the conduct described above, to occur, and failed to take reasonable steps,
26 including but not limited to handling of trust funds, supervision of employees, and the

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1 implementation of policies, rules, and systems to ensure the compliance of the business with the
2 Real Estate Law and the Regulations.

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5 The above acts and/or omissions of DEANNA violate Section 10159.2 (broker
6 supervision) of the Code and Section 2725 (broker supervision) of the Regulations and
7 constituted grounds for disciplinary action under the provisions of Sections 10177(d), 10177(g)
8 and 10177(h) of the Code.

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

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

19
20 *Tricia D. Parkhurst*
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TRICIA D. PARKHURST
Supervising Special Investigator

22 Dated at Sacramento, California,
23 this 26th day of October, 2021.

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DISCOVERY DEMAND

The Department of Real Estate hereby requests discovery pursuant to Section 11507.6 of the California Government Code. Failure to provide discovery to the Department may result in the exclusion of witnesses and/or documents at the hearing, and other sanctions as the Administrative Law Judge deems appropriate.

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