

FILED

MAY 23 2014

BEFORE THE REAL ESTATE COMMISSION

STATE OF NEVADA

REAL ESTATE COMMISSION
BY *Ruben H. ...*

GAIL J. ANDERSON, Administrator,
REAL ESTATE DIVISION, DEPARTMENT
OF BUSINESS & INDUSTRY,
STATE OF NEVADA,

Case No. REN 13-06-02-034

Petitioner,

vs.

COMPLAINT AND NOTICE OF HEARING

KAREN GREATHOUSE,

Respondent.

The REAL ESTATE DIVISION OF THE DEPARTMENT OF BUSINESS AND INDUSTRY OF THE STATE OF NEVADA ("DIVISION"), by and through its counsel, Catherine Cortez Masto, Attorney General of the State of Nevada, and Kimberly A. Arguello, Senior Deputy Attorney General, hereby notifies RESPONDENT KAREN GREATHOUSE ("RESPONDENT") of an administrative hearing before the STATE OF NEVADA REAL ESTATE COMMISSION ("COMMISSION") which hearing will be held pursuant to Chapters 233B and Chapter 645 of the Nevada Revised Statutes ("NRS") and Chapter 645 of the Nevada Administrative Code ("NAC"). The purpose of the hearing is to consider the allegations stated below and to determine if the RESPONDENT should be subject to an administrative penalty as set forth in NRS 645.633 and/or NRS 645.630 and/or NRS 622.400, and the discipline to be imposed, if violations of law are proven.

JURISDICTION

RESPONDENT KAREN GREATHOUSE was at all relevant times mentioned in this Complaint licensed as a real estate broker by the Division under license number B.1000788.CORP, and as a property manager by the Division under license number PM.0165003.BKR, and is therefore subject to the jurisdiction of the Division and the provisions of NRS chapter 645 and NAC chapter 645.

...

...

Attorney General's Office
555 E. Washington, Suite 3900
Las Vegas, NV 89101

FACTUAL ALLEGATIONS

1
2 1. RESPONDENT, at the relevant times mentioned in this Complaint, was licensed
3 as a real estate broker, license number B.1000788.CORP since March 17, 2011, and as a
4 property manager, license number PM.0165003.BKR since August 5, 2011, and is currently in
5 active status and subject to the jurisdiction of the Division and the provisions of NRS chapter
6 645 and NAC chapter 645.

7 2. RESPONDENT, at the relevant times mentioned in this Complaint, was the
8 broker and owner of Greathouse Real Estate Company.

9 3. On or about October 12, 2011, RESPONDENT on behalf of Greathouse Real
10 Estate Company, entered into a Residential Property Management Agreement (the
11 "Agreement") with Stacey J. Cook, in which RESPONDENT and her company contracted to
12 manage the duplex house owned by Cook at 1325 and 1327 Carville Drive, Reno, Nevada.

13 4. RESPONDENT did not provide Cook with a Duties Owed form at the time of the
14 signing of the Agreement.

15 5. On or about May 24, 2013, Cook filed a Statement of Fact with the Division
16 regarding RESPONDENT's actions pursuant to the Agreement.

17 6. On or about March 12, 2012, RESPONDENT executed a Residential Lease
18 Agreement with Guadalupe Valverde for the unit at 1327 Carville Drive.

19 7. RESPONDENT did not provide Valverde with a Duties Owed form at the time of
20 the signing of the Residential Lease Agreement.

21 8. RESPONDENT did not keep or maintain a copy of all correspondence between
22 her and Cook.

23 9. RESPONDENT, at the relevant times mentioned in this Complaint, was in a
24 personal relationship with David Provenzano, which included cohabitation.

25 10. In or around November and December 2011, Cook authorized RESPONDENT
26 to have repairs made to the duplex home.

27 11. RESPONDENT utilized DP Real Estate Investments LLC in the repairs to the
28 property.

1 12. Provenzano is the Manager and only officer of DP Real Estate Investments LLC.

2 13. The address for DP Real Estate Investments LLC is the same as Greathouse
3 Real Estate Company.

4 14. RESPONDENT paid DP Real Estate Investments LLC for work on Cook's
5 property.

6 15. RESPONDENT did not disclose to Cook RESPONDENT's affiliation and
7 relationship with Provenzano and with DP Real Estate Investments LLC.

8 16. In or about January 2012, RESPONDENT received a \$200 pet deposit from
9 tenant Lillia Bararra, who rented the unit at 1325 Carville Drive.

10 17. Without agreement or authorization from Cook, RESPONDENT converted that
11 \$200 to offset an alleged debt owed to her.

12 18. RESPONDENT failed to provide the Bararra Residential Lease Agreement to
13 the Division.

14 VIOLATIONS

15 RESPONDENT has committed the following violations of law:

16 19. RESPONDENT violated NRS 645.252(3)(a) by failing to provide a Duties Owed
17 form to Cook.

18 20. RESPONDENT violated NRS 645.252(3)(b) by failing to provide a Duties Owed
19 form to Valverde.

20 21. RESPONDENT violated NRS 645.633(1)(b) pursuant to NAC 645.650 by failing
21 to keeping all correspondence with Cook.

22 22. RESPONDENT violated NRS 645.633(1)(h) pursuant to NAC 645.605(4)(b) by
23 failing to disclose her relationship with Provenzano or DP Real Estate Investments LLC.

24 23. RESPONDENT violated NRS 645.630(1)(h) by converting the \$200 pet deposit
25 to her use.

26 24. RESPONDENT violated NRS 645.635(6) by failing to produce to the Division all
27 documents in the broker files regarding 1325 and 1327 Carville Driver, Reno, NV including but
28 not limited to the Bararra Residential Lease Agreement.

1 **DISCIPLINE AUTHORIZED**

2 25. Pursuant to NRS 645.630 and NRS 645.633, the Commission is empowered to
3 impose an administrative fine of up to \$10,000 per violation against RESPONDENT and
4 further to suspend, revoke or place conditions on the license of RESPONDENT.

5 26. Additionally, under NRS Chapter 622, the Commission is authorized to impose
6 costs of the proceeding upon RESPONDENT, including investigative costs and attorney's
7 fees, if the Commission otherwise imposes discipline on RESPONDENT.

8 27. Therefore, the Division requests that the Commission take such disciplinary
9 action as it deems appropriate under the circumstances.

10 **NOTICE OF HEARING**

11 **PLEASE TAKE NOTICE** that a disciplinary hearing has been set to consider the
12 Administrative Complaint against the above-named Respondent in accordance with Chapters
13 233B and 645 of the Nevada Revised Statutes and Chapter 645 of the Nevada Administrative
14 Code.

15 **THE HEARING WILL TAKE PLACE** on June 24, 2014 commencing at 8:30 a.m., or
16 as soon thereafter as the Commission is able to hear the matter, and each day
17 thereafter commencing at 8:30 a.m. through June 26, 2014, or earlier if the business of
18 the Commission is concluded. The Commission meeting will be held at the Legislative
19 Building, 401 South Carson Street, Room 3137, Carson City, Nevada 89701. The
20 meeting will continue on June 25, 2014 at the Legislative Building, 401 South Carson
21 Street, Room 3137, Carson City, Nevada 89701, commencing at 8:30 a.m., and on June
22 26, 2014, starting at 8:30 a.m. at the Legislative Building, 401 South Carson Street,
23 Room 3137, Carson City, Nevada 89701.

24 **STACKED CALENDAR:** Your hearing is one of several hearings scheduled at the
25 same time as part of a regular meeting of the Commission that is expected to last from
26 June 24 through June 26, 2014, or earlier if the business of the Commission is
27 concluded. Thus, your hearing may be continued until later in the day or from day to
28 day. It is your responsibility to be present when your case is called. If you are not

1 present when your hearing is called, a default may be entered against you and the
2 Commission may decide the case as if all allegations in the complaint were true. If you
3 have any questions please call Rebecca Hardin, Commission Coordinator (702) 486-
4 4074.

5 YOUR RIGHTS AT THE HEARING: except as mentioned below, the hearing is an
6 open meeting under Nevada's open meeting law, and may be attended by the public. After
7 the evidence and arguments, the commission may conduct a closed meeting to discuss your
8 alleged misconduct or professional competence. A verbatim record will be made by a certified
9 court reporter. You are entitled to a copy of the transcript of the open and closed portions of
10 the meeting, although you must pay for the transcription.

11 As the Respondent, you are specifically informed that you have the right to appear and
12 be heard in your defense, either personally or through your counsel of choice. At the hearing,
13 the Division has the burden of proving the allegations in the complaint and will call witnesses
14 and present evidence against you. You have the right to respond and to present relevant
15 evidence and argument on all issues involved. You have the right to call and examine
16 witnesses, introduce exhibits, and cross-examine opposing witnesses on any matter relevant
17 to the issues involved.

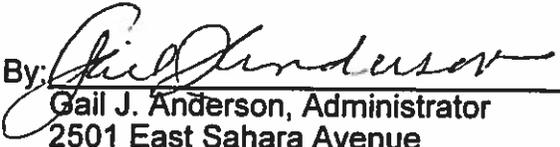
18 You have the right to request that the Commission issue subpoenas to compel
19 witnesses to testify and/or evidence to be offered on your behalf. In making the request, you
20 may be required to demonstrate the relevance of the witness' testimony and/or evidence.
21 Other important rights you have are listed in NRS 645.680 through 645.990, NRS Chapter
22 233B, and NAC 645.810 through 645.875.

23
24
25
26 ...
27 ...
28 ...

1 The purpose of the hearing is to determine if the Respondent has violated NRS 645
2 and/or NAC 645 and if the allegations contained herein are substantially proven by the
3 evidence presented and to further determine what administrative penalty, if any, is to be
4 assessed against the Respondent pursuant to NRS 645.235, 645.633 and or 645.630.

5 DATED this 23rd day of May, 2014.

6 State of Nevada
7 Department of Business and Industry
8 Real Estate Division

9 By: 
10 Gail J. Anderson, Administrator
11 2501 East Sahara Avenue
12 Las Vegas, Nevada 89104-4137
13 (702) 486-4033

14 CATHERINE CORTEZ MASTO
15 Attorney General

16 By: 
17 KIMBERLY A. ARGUELLO
18 Senior Deputy Attorney General
19 555 East Washington Ave., Ste. 3900
20 Las Vegas, Nevada 89101
21 (702) 486-3094
22 Attorneys for Real Estate Division
23
24
25
26
27
28

Attorney General's Office
555 E. Washington, Suite 3900
Las Vegas, NV 89101