

BEFORE THE REAL ESTATE COMMISSION

FILED

STATE OF NEVADA

DEC 03 2014

JOSEPH R. DECKER, Administrator,  
REAL ESTATE DIVISION, DEPARTMENT  
OF BUSINESS & INDUSTRY,  
STATE OF NEVADA,

Case No. 2014-3378  
REAL ESTATE COMMISSION  
*[Signature]*

Petitioner,

vs.

COMPLAINT AND NOTICE OF HEARING

MICHAEL CULLUM HARDING,

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 Keith E. Kizer, Deputy Attorney General, hereby notifies RESPONDENT MICHAEL CULLUM HARDING ("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 MICHAEL CULLUM HARDING was at all relevant times mentioned in this Complaint licensed as a real estate salesperson under license number S.0169701, 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

1 **FACTUAL ALLEGATIONS**

2 **GENERAL FACTUAL ALLEGATIONS**

3 1. RESPONDENT, at the relevant times mentioned in this Complaint, has been  
4 licensed as a real estate salesperson, license number S.0169701, since July 14, 2010, and is  
5 currently in active status and subject to the jurisdiction of the Division and the provisions of  
6 NRS chapter 645 and NAC chapter 645.

7 2. RESPONDENT was associated with Krch Realty LLC at the relevant times  
8 mentioned in this Complaint.

9 3. Kyle Krch ("Krch") has been licensed as a real estate broker, license number  
10 B.0056206.LLC, since November 23, 2005, and was the broker for Krch Realty at the relevant  
11 times mentioned in this Complaint.

12 4. Sandra Krch has been licensed as a real estate broker-salesperson, license  
13 number BS.0143619.MGR, since June 29, 2011, was licensed as a real estate salesperson,  
14 license number S.0070017, from February 15, 2006 to June 29, 2011, and was associated  
15 with Krch Realty at the relevant times mentioned in this Complaint.

16 5. Jason A. Jairam ("Jairam") has been licensed as a real estate salesperson,  
17 license number S.0170866, since August 16, 2011, and was associated with Krch Realty at  
18 the relevant times mentioned in this Complaint.

19 6. With respect to properties Krch Realty was contracted to sell, RESPONDENT  
20 facilitated potential buyers in return for the buyers using RESPONDENT and Krch Realty in  
21 their attempts to buy those properties.

22 7. RESPONDENT's actions resulted in many dual or triple agencies for Krch  
23 Realty.

24 **WALL CANYON DRIVE**

25 8. On or about September 26, 2012, Geraldine Malone ("Malone") entered into an  
26 Exclusive Right to Sell Contract, which engaged Krch to list and sell real property located at  
27 665 Wall Canyon Drive, Sun Valley, Nevada (the "Wall Canyon Property").

28 9. Krch was Malone's agent.

1 10. Krch had Malone sign a Multiple Listing Service ("MLS") waiver.

2 11. On or about October 1, 2012, Shayla Gifford ("Gifford") offered to buy the Wall  
3 Canyon Property, and Malone accepted the offer.

4 12. RESPONDENT was Gifford's agent.

5 13. Krch did not input the Wall Canyon Property into the MLS until October 4, 2012,  
6 when he listed the property as pending new/pending short sale.

7 14. On or about December 28, 2012, the sale on the Wall Canyon Property closed  
8 for a final purchase price of \$51,000, resulting in Krch Realty, via RESPONDENT and Krch,  
9 receiving both sides of the sales commission.

10 15. On or about January 12, 2013, Jeanette Hirschy ("Hirschy") entered into an  
11 Exclusive Right to Sell Contract, which engaged Krch Realty to list and sell the Wall Canyon  
12 Property.

13 16. Gifford transferred the Wall Canyon Property to Hirschy.

14 17. On or about January 13, 2013, Hirschy sold the Wall Canyon Property for  
15 \$90,000, approximately \$39,500 more than the purchase price.

16 18. For that resale, Krch was Hirschy's agent, so Krch Realty received the seller's  
17 commission on that sale.

18 19. RESPONDENT and Krch each received \$27,148.98 from the proceeds from the  
19 Hirschy resale, in addition to sales commissions.

20 **PICASSO DRIVE**

21 20. On or about September 4, 2012, Hector and Melissa Vazquez ("the Vazquezes")  
22 entered into an Exclusive Right to Sell Contract, which engaged Krch Realty to list and sell  
23 real property located at 7412 Picasso Drive, Sun Valley, Nevada (the "Picasso Drive  
24 Property").

25 21. Krch was the Vazquezes' agent.

26 22. Krch had the Vazquezes sign an MLS waiver.

27 23. On or about September 12, 2012, Gifford offered to buy the Picasso Drive  
28 Property, and the Vazquezes accepted the offer.

1 24. RESPONDENT acted as the agent for Gifford.

2 25. Krch did not input the Picasso Drive Property into the MLS until September 20,  
3 2012, when it listed the property as pending new/pending short sale.

4 26. On or about December 28, 2012, the sale on the Picasso Drive Property closed  
5 with a final purchase price of \$123,000, resulting in Krch Realty, via RESPONDENT and Krch,  
6 receiving both sides of the sales commission.

7 27. On or about January 12, 2013, Hirschy entered into an Exclusive Right to Sell  
8 Contract, which engaged Krch Realty to list and sell the Picasso Drive Property.

9 28. Gifford transferred the Picasso Drive Property to Hirschy.

10 29. On or about January 17, 2013, Hirschy sold the Picasso Drive Property for  
11 \$164,000, approximately \$41,000 more than the purchase price.

12 30. For that resale, Krch was Hirschy's agent, so Krch Realty received the seller's  
13 commission on that sale.

14 **TIOGA WAY**

15 31. On or about June 11, 2012, Joseph Munoz ("Munoz") entered into an Exclusive  
16 Right to Sell Contract, which engaged Krch Realty to list and sell real property located at 1379  
17 Tioga Way, Reno, Nevada (the "Tioga Way Property").

18 32. Krch was Munoz's agent.

19 33. Krch inputted the Tioga Way Property into the MLS as pending new/short sale.

20 34. On or about November 20, 2012, Gifford offered to buy the Tioga Way Property,  
21 and Munoz accepted the offer.

22 35. Jairam was Gifford's agent.

23 36. On or about January 17, 2013, the sale on the Tioga Way Property closed with a  
24 final purchase price of \$111,000, resulting in Krch Realty receiving both sides of the sales  
25 commission.

26 37. On or about February 8, 2013, Hirschy entered into an Exclusive Right to Sell  
27 Contract, which engaged Krch Realty to list and sell the Tioga Way Property for \$195,000.

28 38. Gifford transferred the Tioga Way Property to Hirschy.

1 39. On or about March 8, 2013, Hirschy sold the Tioga Way Property for \$162,500,  
2 approximately \$51,500 more than the purchase price.

3 40. For that resale, Krch was Hirschy's agent, so Krch Realty received the seller's  
4 commission on that sale.

5 41. RESPONDENT and Krch each received proceeds from the Hirschy resale, Krch  
6 receiving \$61,594.88 and RESPONDENT receiving \$32,604.31, in addition to sales  
7 commissions.

8 **LIMONITE COURT**

9 42. On or about February 1, 2013, Arthur Peppard ("Peppard") entered into an  
10 Exclusive Right to Sell Contract, which engaged Krch to list and sell real property located at  
11 15081 Limonite Court, Reno, Nevada (the "Limonite Court Property").

12 43. Krch was Peppard's agent.

13 44. On or about February 1, 2013, Hirschy offered to buy the Limonite Court  
14 Property, and the Peppard accepted the offer.

15 45. Jairam was Hirschy's agent.

16 46. Krch inputted the Limonite Court Property as pending new/short sale.

17 47. On or about April 17, 2013, the sale on the Limonite Court Property closed with  
18 a final purchase price of \$114,000, resulting in Krch Realty receiving both sides of the sales  
19 commission.

20 48. On or about July 12, 2013, Hirschy entered into an Exclusive Right to Sell  
21 Contract, which engaged Krch Realty to list and sell the Limonite Court Property for \$159,000.

22 49. On or about July 18, 2013, Hirschy resold the Limonite Court Property for  
23 \$167,000, approximately \$53,000 more than her purchase price.

24 50. For that resale, Krch was Hirschy's agent, so Krch Realty received the seller's  
25 commission on that sale.

26 51. Sandra Krch and RESPONDENT each received \$53,305.56 proceeds from the  
27 Hirschy resale.

28 ...

1 **DODGE DRIVE**

2 52. On or about July 30, 2012, George Buddy, Jr. ("Buddy") entered into an  
3 Exclusive Right to Sell Contract, which engaged Krch Realty to list and sell real property  
4 located at 2376 Dodge Drive, Sparks, Nevada (the "Dodge Drive Property").

5 53. Krch was Buddy's agent.

6 54. Krch had Buddy sign an MLS waiver.

7 55. On or about October 2, 2012, Hirschy offered to buy the Dodge Drive Property,  
8 and Buddy accepted the offer.

9 56. Jairam was Hirschy's agent.

10 57. Krch did not input the Dodge Drive Property into the MLS until October 8, 2012,  
11 when he listed the property as pending new/short sale.

12 58. On or about February 28, 2013, the sale on the Dodge Drive Property closed for  
13 a final purchase price of \$127,000, resulting in Krch Realty receiving both sides of the sales  
14 commission.

15 59. On or about March 1, 2013, Hirschy entered into an Exclusive Right to Sell  
16 Contract, which engaged Krch Realty to list and sell the Dodge Drive Property for \$170,000.

17 60. On or about March 13, 2013, Hirschy resold the Dodge Drive Property for  
18 \$158,000, approximately \$31,000 more than her purchase price.

19 61. For that resale, Krch was Hirschy's agent, so Krch Realty received the seller's  
20 commission on that sale.

21 62. RESPONDENT and Krch each received \$51,275.16 from the proceeds from the  
22 Hirschy resale, in addition to sales commissions.

23 **PARK PLACE**

24 63. On or about September 19, 2012, Steven and Billie Wozniak (the "Wozniaks")  
25 entered into an Exclusive Right to Sell Contract, which engaged Krch Realty to list and sell  
26 real property located at 6331 Park Place, Reno, Nevada (the "Park Place Property").

27 64. Krch was the Wozniaks' agent.

28 ...

1           65.    On or about September 21, 2012, Gifford offered to buy the Park Place Property,  
2 and the Wozniaks accepted the offer.

3           66.    RESPONDENT was Gifford's agent.

4           67.    Krch did not input the Park Place Property into the MLS until October 4, 2012,  
5 when he listed the property as pending new/short sale.

6           68.    On or about January 24, 2013, the sale on the Park Place Property closed with a  
7 final purchase price of \$140,000, resulting in Krch Realty, via RESPONDENT and Krch,  
8 receiving both sides of the sales commission.

9           69.    On or about January 26, 2013, Hirschy entered into an Exclusive Right to Sell  
10 Contract, which engaged Krch Realty to list and sell the Park Place Property for \$167,950.

11          70.    Gifford transferred the Park Place Property to Hirschy.

12          71.    On or about March 6, 2013, Hirschy sold the Park Place Property for \$167,999,  
13 approximately \$27,999 more than the purchase price.

14          72.    For that resale, Krch was Hirschy's agent, so Krch Realty received the seller's  
15 commission on that sale.

16 **CERVINO DRIVE**

17          73.    On or about June 12, 2013, Stephanie Tobey ("Tobey") entered into an  
18 Exclusive Right to Sell Contract, which engaged Krch Realty to list and sell real property  
19 located at 11480 Cervino Drive, Reno, Nevada (the "Cervino Drive Property").

20          74.    Krch was Tobey's agent.

21          75.    Krch had Tobey sign an MLS waiver.

22          76.    On or about June 14, 2013, Hirschy offered to buy the Cervino Drive Property,  
23 and Tobey accepted the offer.

24          77.    Jairam was Hirschy's agent.

25          78.    Krch did not input the Cervino Drive Property into the MLS until June 14, 2013,  
26 when he listed the property as pending new/short sale.

27 ...

28 ...

1 79. On or about December 27, 2013, the sale on the Cervino Drive Property closed  
2 for a final purchase price of \$247,500, resulting in Krch Realty receiving both sides of the  
3 sales commission.

4 80. On or about January 11, 2014, Hirschy entered into an Exclusive Right to Sell  
5 Contract, which engaged Krch Realty to list and sell the Cervino Drive Property for \$290,000.

6 81. On or about January 30, 2014, Hirschy resold the Cervino Drive Property for  
7 \$274,500, approximately \$27,000 more than her purchase price.

8 82. For that resale, Hirschy's agent was Krch, so Krch Realty received the seller's  
9 commission on that sale.

10 83. Sandra Krch and RESPONDENT each received approximately \$88,162.74  
11 proceeds from the Hirschy resale.

12 **D'ARCY STREET**

13 84. On or about January 29, 2013, Deborine Dolan ("Dolan") entered into an  
14 Exclusive Right to Sell Contract, which engaged Krch Realty to list and sell real property  
15 located at 2745 D'Arcy Street, Sparks, Nevada (the "D'Arcy Street Property").

16 85. Krch was Dolan's agent.

17 86. Krch had Dolan sign an MLS waiver.

18 87. On or about February 14, 2013, Hirschy offered to buy the D'Arcy Street  
19 Property, and Dolan accepted the offer.

20 88. Jairam was Hirschy's agent.

21 89. Krch did not input the D'Arcy Street Property into the MLS until February 15,  
22 2013, when he listed the property as pending new/short sale.

23 90. On or about July 30, 2013, the sale on the D'Arcy Street Property closed for a  
24 final purchase price of \$214,500, resulting in Krch Realty receiving both sides of the sales  
25 commission.

26 91. On or about August 9, 2013, Hirschy entered into an Exclusive Right to Sell  
27 Contract, which engaged Krch Realty to list and sell the D'Arcy Street Property for \$329,000.

28 . . .

1 92. On or about August 12, 2013, Hirschy resold the D'Arcy Street Property for  
2 \$335,000, approximately \$120,500 more than her purchase price.

3 93. For that resale, Krch was Hirschy's agent, so Krch Realty received the seller's  
4 commission on that sale.

5 94. Sandra Krch and RESPONDENT each received \$49,714.63 proceeds from the  
6 Hirschy resale.

7 **VIOLATIONS**

8 RESPONDENT has committed the following violations of law:

9 95. RESPONDENT violated NRS 645.633(1)(h), pursuant to NAC 645.605(6) and/or  
10 NRS 645.252(2), on *three* occasions by not dealing fairly with the above sellers.

11 96. RESPONDENT violated NRS 645.633(1)(h), pursuant to NAC 645.605(6) and/or  
12 NRS 645.252(2), on *three* occasions by not dealing fairly with the above sellers' mortgage  
13 lenders.

14 97. RESPONDENT violated NRS 645.252(1)(c) and/or NAC 645.640(1)(a) by failing  
15 to disclose in writing that he had an interest in the transaction or was acquiring, leasing or  
16 disposing of the property for himself or for a member, firm, or entity with which he has such a  
17 relationship.

18 **DISCIPLINE AUTHORIZED**

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

22 99. Additionally, under NRS Chapter 622, the Commission is authorized to impose  
23 costs of the proceeding upon RESPONDENT, including investigative costs and attorney's  
24 fees, if the Commission otherwise imposes discipline on RESPONDENT.

25 100. Therefore, the Division requests that the Commission take such disciplinary  
26 action as it deems appropriate under the circumstances.

27 ...

28 ...

**NOTICE OF HEARING**

1  
2 PLEASE TAKE NOTICE that a disciplinary hearing has been set to consider the  
3 Administrative Complaint against the above-named Respondent in accordance with Chapters  
4 233B and 645 of the Nevada Revised Statutes and Chapter 645 of the Nevada Administrative  
5 Code.

6 THE HEARING WILL TAKE PLACE on January 7, 2015 commencing at 9:00 a.m.,  
7 or as soon thereafter as the Commission is able to hear the matter, and each day  
8 thereafter commencing at 9:00 a.m. through January 9, 2015, or earlier if the business  
9 of the Commission is concluded. The Commission meeting will be held on January 7,  
10 2015, at the Henderson City Hall, Council Chambers Conference Room, 240 Water  
11 Street, Henderson, Nevada 89015. The meeting will continue on January 8, 2015, at the  
12 Henderson City Hall, Council Chambers Conference Room, 240 Water Street,  
13 Henderson, Nevada 89015, commencing at 9:00 a.m., and on January 9, 2015, should  
14 business not be concluded, starting at 9:00 a.m. at the Bradley Building, 2501 East  
15 Sahara Avenue, 2<sup>nd</sup> Floor Conference Room, Las Vegas, Nevada 89104.

16 STACKED CALENDAR: Your hearing is one of several hearings scheduled at the  
17 same time as part of a regular meeting of the Commission that is expected to last from  
18 January 7 through January 9, 2015, or earlier if the business of the Commission is  
19 concluded. Thus, your hearing may be continued until later in the day or from day to  
20 day. It is your responsibility to be present when your case is called. If you are not  
21 present when your hearing is called, a default may be entered against you and the  
22 Commission may decide the case as if all allegations in the complaint were true. If you  
23 have any questions please call Rebecca Hardin, Commission Coordinator (702) 486-  
24 4074.

25 YOUR RIGHTS AT THE HEARING: except as mentioned below, the hearing is an  
26 open meeting under Nevada's open meeting law, and may be attended by the public. After  
27 the evidence and arguments, the commission may conduct a closed meeting to discuss your  
28 alleged misconduct or professional competence. A verbatim record will be made by a certified

1 court reporter. You are entitled to a copy of the transcript of the open and closed portions of  
2 the meeting, although you must pay for the transcription.

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

10 You have the right to request that the Commission issue subpoenas to compel  
11 witnesses to testify and/or evidence to be offered on your behalf. In making the request, you  
12 may be required to demonstrate the relevance of the witness' testimony and/or evidence.  
13 Other important rights you have are listed in NRS 645.680 through 645.990, NRS Chapter  
14 233B, and NAC 645.810 through 645.920.

15 ...

16 ...

17 ...

18 ...

19 ...

20 ...

21 ...

22 ...

23 ...

24 ...

25 ...

26 ...

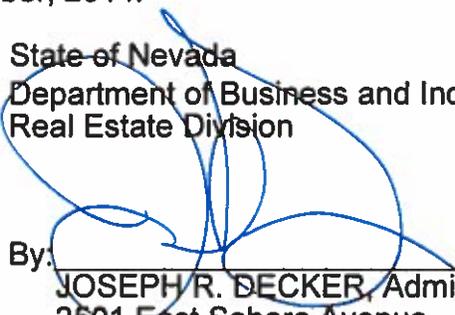
27 ...

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 2nd day of December, 2014.

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

9 By:   
10 JOSEPH R. DECKER, 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 KEITH E. KIZER  
18 Deputy Attorney General  
19 555 East Washington Avenue, Suite 3900  
20 Las Vegas, Nevada 89101  
21 (702) 486-3326  
22 Attorneys for Real Estate Division  
23  
24  
25  
26  
27  
28