

FILED

BEFORE THE REAL ESTATE COMMISSION

DEC 03 2014

STATE OF NEVADA

REAL ESTATE COMMISSION

[Signature]

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

Case No. REN 14-05-07-047

Petitioner,

vs.

COMPLAINT AND NOTICE OF HEARING

KYLE KRCH,

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 KYLE KRCH ("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 KYLE KRCH was at all relevant times mentioned in this Complaint licensed as a real estate broker under license number B.0056206.LLC, and is therefore subject to the jurisdiction of the Division and the provisions of NRS chapter 645 and NAC chapter 645.

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

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FACTUAL ALLEGATIONS

GENERAL FACTUAL ALLEGATIONS

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3 1. RESPONDENT, at the relevant times mentioned in this Complaint, has been
4 licensed as a real estate broker, license number B.0056206.LLC, since November 23, 2005,
5 and is currently in active status and subject to the jurisdiction of the Division and the
6 provisions of NRS chapter 645 and NAC chapter 645.

7 2. RESPONDENT has been the broker for Krch Realty LLC at the relevant times
8 mentioned in this Complaint.

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

13 4. Anita Spencer ("Spencer") has been licensed as a real estate salesperson,
14 license number S.0069280, since January 13, 2006, and was associated with Krch Realty at
15 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. Michael Cullum Harding ("Harding") has been licensed as a real estate
20 salesperson, license number S.0169701, since July 14, 2010, and was associated with Krch
21 Realty at the relevant times mentioned in this Complaint.

22 7. With respect to properties he was contracted to sell, RESPONDENT facilitated
23 potential buyers in return for the buyers using Krch Realty in their attempts to buy those
24 properties.

25 8. RESPONDENT's actions resulted in many dual or triple agencies for Krch
26 Realty.

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1 **WALL CANYON DRIVE**

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

5 10. RESPONDENT had Malone sign a Multiple Listing Service ("MLS") waiver.

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

8 12. Harding was Gifford's agent.

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

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

14 15. On or about January 12, 2013, Jeannette Hirschy ("Hirschy") entered into an
15 Exclusive Right to Sell Contract, which engaged RESPONDENT to list and sell the Wall
16 Canyon Property.

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

18 17. On or about January 13, 2013, Hirschy sold the Wall Canyon Property for
19 \$90,000, approximately \$39,500 more than the purchase price.

20 18. For that resale, RESPONDENT was Hirschy's agent, so RESPONDENT
21 received the seller's commission on that sale.

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

24 **PICASSO DRIVE**

25 20. On or about September 4, 2012, Hector and Melissa Vazquez ("the Vazquezes")
26 entered into an Exclusive Right to Sell Contract, which engaged RESPONDENT to list and
27 sell real property located at 7412 Picasso Drive, Sun Valley, Nevada (the "Picasso Drive
28 Property").

1 21. RESPONDENT had the Vazquezes sign an MLS waiver.

2 22. On or about September 12, 2012, Gifford offered to buy the Picasso Drive
3 Property, and the Vazquezes accepted the offer.

4 23. Harding acted as the agent for Gifford.

5 24. RESPONDENT did not input the Picasso Drive Property into the MLS until
6 September 20, 2012, when it listed the property as pending new/pending short sale.

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

10 26. On or about January 12, 2013, Hirschy entered into an Exclusive Right to Sell
11 Contract, which engaged RESPONDENT to list and sell the Picasso Drive Property.

12 27. Gifford transferred the Picasso Drive Property to Hirschy.

13 28. On or about January 17, 2013, Hirschy sold the Picasso Drive Property for
14 \$164,000, approximately \$41,000 more than the purchase price.

15 29. For that resale, RESPONDENT was Hirschy's agent, so RESPONDENT
16 received the seller's commission on that sale.

17 **TIOGA WAY**

18 30. On or about June 11, 2012, Joseph Munoz ("Munoz") entered into an Exclusive
19 Right to Sell Contract, which engaged RESPONDENT to list and sell real property located at
20 1379 Tioga Way, Reno, Nevada (the "Tioga Way Property").

21 31. RESPONDENT inputted the Tioga Way Property into the MLS as pending
22 new/short sale.

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

25 33. Jairam was Gifford's agent.

26 34. On or about January 17, 2013, the sale on the Tioga Way Property closed with a
27 final purchase price of \$111,000, resulting in Krch Realty, via RESPONDENT and Jairam,
28 receiving both sides of the sales commission.

1 35. On or about February 8, 2013, Hirschy entered into an Exclusive Right to Sell
2 Contract, which engaged RESPONDENT to list and sell the Tioga Way Property for \$195,000.

3 36. Gifford transferred the Tioga Way Property to Hirschy.

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

6 38. For that resale, RESPONDENT was Hirschy's agent, so RESPONDENT
7 received the seller's commission on that sale.

8 39. RESPONDENT and Harding each received proceeds from the Hirschy resale,
9 RESPONDENT receiving \$61,594.88 and Harding receiving \$32,604.31, in addition to sales
10 commissions.

11 **LIMONITE COURT**

12 40. On or about February 1, 2013, Arthur Peppard ("Peppard") entered into an
13 Exclusive Right to Sell Contract, which engaged RESPONDENT to list and sell real property
14 located at 15081 Limonite Court, Reno, Nevada (the "Limonite Court Property").

15 41. On or about February 1, 2013, Hirschy offered to buy the Limonite Court
16 Property, and Peppard accepted the offer.

17 42. Jairam was Hirschy's agent.

18 43. RESPONDENT inputted the Limonite Court Property as pending new/short sale.

19 44. On or about April 17, 2013, the sale on the Limonite Court Property closed with
20 a final purchase price of \$114,000, resulting in Krch Realty, via RESPONDENT and Jairam,
21 receiving both sides of the sales commission.

22 45. On or about July 12, 2013, Hirschy entered into an Exclusive Right to Sell
23 Contract, which engaged RESPONDENT to list and sell the Limonite Court Property for
24 \$159,000.

25 46. On or about July 18, 2013, Hirschy resold the Limonite Court Property for
26 \$167,000, approximately \$53,000 more than her purchase price.

27 47. For that resale, RESPONDENT was Hirschy's agent, so RESPONDENT
28 received the seller's commission on that sale.

1 48. Sandra Krch and Harding each received \$53,305.56 proceeds from the Hirschy
2 resale.

3 **ANCHOR POINT DRIVE**

4 49. On or about September 25, 2012, Michael Juriaan ("Juriaan") and Jessica
5 Sambrano ("Sambrano") entered into an Exclusive Right to Sell Contract, which engaged
6 RESPONDENT to list and sell real property located at 7868 Anchor Point Drive, Reno,
7 Nevada (the "Anchor Point Property").

8 50. RESPONDENT had Juriaan and Sambrano sign an MLS waiver.

9 51. On or about November 15, 2012, Owen Lawson ("Lawson") offered to buy the
10 Anchor Point Property, and Juriaan and Sambrano accepted the offer.

11 52. Krch Realty represented Lawson and Juriaan and Sambrano.

12 53. On or about February 12, 2013, the sale on the Anchor Point Property closed
13 with a final purchase price of \$114,000, resulting in Krch Realty receiving both sides of the
14 sales commission.

15 **DODGE DRIVE**

16 54. On or about July 30, 2012, George Buddy, Jr. ("Buddy") entered into an
17 Exclusive Right to Sell Contract, which engaged RESPONDENT to list and sell real property
18 located at 2376 Dodge Drive, Sparks, Nevada (the "Dodge Drive Property").

19 55. RESPONDENT had Buddy sign an MLS waiver.

20 56. On or about October 2, 2012, Hirschy offered to buy the Dodge Drive Property,
21 and Buddy accepted the offer.

22 57. Jairam was Hirschy's agent.

23 58. RESPONDENT did not input the Dodge Drive Property into the MLS until
24 October 8, 2012, when he listed the property as pending new/short sale.

25 59. On or about February 28, 2013, the sale on the Dodge Drive Property closed for
26 a final purchase price of \$127,000, resulting in Krch Realty, via RESPONDENT and Jairam,
27 receiving both sides of the sales commission.

1 60. On or about March 1, 2013, Hirschy entered into an Exclusive Right to Sell
2 Contract, which engaged RESPONDENT to list and sell the Dodge Drive Property for
3 \$170,000.

4 61. On or about March 13, 2013, Hirschy resold the Dodge Drive Property for
5 \$158,000, approximately \$31,000 more than her purchase price.

6 62. For that resale, RESPONDENT was Hirschy's agent, so RESPONDENT
7 received the seller's commission on that sale.

8 63. RESPONDENT and Harding each received \$51,275.16 from the proceeds from
9 the Hirschy resale, in addition to sales commissions.

10 **PARK PLACE**

11 64. On or about September 19, 2012, Steven and Billie Wozniak (the "Wozniaks")
12 entered into an Exclusive Right to Sell Contract, which engaged RESPONDENT to list and
13 sell real property located at 6331 Park Place, Reno, Nevada (the "Park Place Property").

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

16 66. Harding was Gifford's agent.

17 67. RESPONDENT did not input the Park Place Property into the MLS until October
18 4, 2012, when he listed the property as pending new/short sale.

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

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

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

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

27 72. For that resale, RESPONDENT was Hirschy's agent, so RESPONDENT
28 received the seller's commission on that sale.

1 **BUTLER**

2 73. On or about June 10, 2013, Charles and Valeria Nelson (the "Nelsons") entered
3 into an Exclusive Right to Sell Contract, which engaged Krch Realty to list and sell real
4 property located at 1270 Butler, Reno, Nevada (the "Butler Property").

5 74. On or about June 10, 2013, Jeffrey Veasley ("Veasley") offered to buy the Butler
6 Property, and the Nelsons accepted the offer.

7 75. Spencer was the agent for both Veasley and the Nelsons.

8 76. Spencer did not input the Butler Property into the MLS until June 12, 2013, when
9 she listed the property as pending new/short sale.

10 77. On or about December 23, 2013, the sale on the Butler Property closed for a
11 final purchase price of \$50,000, resulting in Krch Realty receiving both sides of the sales
12 commission.

13 78. On or about April 22, 2014, Veasley entered into an Exclusive Right to Sell
14 Contract, which engaged RESPONDENT to list and sell the Butler Property for \$109,900.

15 79. On or about April 26, 2014, Veasley resold the Butler Property for \$109,900,
16 approximately \$59,900 more than his purchase price.

17 80. For that resale, Spencer was Veasley's agent, and another Krch Realty realtor
18 was the buyer's agent, so Krch Realty received the buyer's and seller's commission on that
19 sale.

20 **CERVINO DRIVE**

21 81. On or about June 12, 2013, Stephanie Tobey ("Tobey") entered into an
22 Exclusive Right to Sell Contract, which engaged RESPONDENT to list and sell real property
23 located at 11480 Cervino Drive, Reno, Nevada (the "Cervino Drive Property").

24 82. RESPONDENT had Tobey sign an MLS waiver.

25 83. On or about June 14, 2013, Hirschy offered to buy the Cervino Drive Property,
26 and Tobey accepted the offer.

27 84. Jairam was Hirschy's agent.

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1 85. RESPONDENT did not input the Cervino Drive Property into the MLS until June
2 14, 2013, when he listed the property as pending new/short sale.

3 86. On or about December 27, 2013, the sale on the Cervino Drive Property closed
4 for a final purchase price of \$247,500, resulting in Krch Realty, via RESPONDENT and
5 Jairam, receiving both sides of the sales commission.

6 87. On or about January 11, 2014, Hirschy entered into an Exclusive Right to Sell
7 Contract, which engaged RESPONDENT to list and sell the Cervino Drive Property for
8 \$290,000.

9 88. On or about January 30, 2014, Hirschy resold the Cervino Drive Property for
10 \$274,500, approximately \$27,000 more than her purchase price.

11 89. For that resale, Hirschy's agent was RESPONDENT, so RESPONDENT
12 received the seller's commission on that sale.

13 90. Sandra Krch and Harding each received approximately \$88,162.74 proceeds
14 from the Hirschy resale.

15 **D'ARCY STREET**

16 91. On or about January 29, 2013, Deborine Dolan ("Dolan") entered into an
17 Exclusive Right to Sell Contract, which engaged RESPONDENT to list and sell real property
18 located at 2745 D'Arcy Street, Sparks, Nevada (the "D'Arcy Street Property").

19 92. RESPONDENT had Dolan sign an MLS waiver.

20 93. On or about February 14, 2013, Hirschy offered to buy the D'Arcy Street
21 Property, and Dolan accepted the offer.

22 94. Jairam was Hirschy's agent.

23 95. RESPONDENT did not input the D'Arcy Street Property into the MLS until
24 February 15, 2013, when he listed the property as pending new/short sale.

25 96. On or about July 30, 2013, the sale on the D'Arcy Street Property closed for a
26 final purchase price of \$214,500, resulting in Krch Realty, via RESPONDENT and Jairam,
27 receiving both sides of the sales commission.

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1 97. On or about August 9, 2013, Hirschy entered into an Exclusive Right to Sell
2 Contract, which engaged RESPONDENT to list and sell the D'Arcy Street Property for
3 \$329,000.

4 98. On or about August 12, 2013, Hirschy resold the D'Arcy Street Property for
5 \$335,000, approximately \$120,500 more than her purchase price.

6 99. For that resale, RESPONDENT was Hirschy's agent, so RESPONDENT
7 received the seller's commission on that sale.

8 100. Sandra Krch and Harding each received \$49,714.63 proceeds from the Hirschy
9 resale.

10 VIOLATIONS

11 RESPONDENT has committed the following violations of law:

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

14 102. RESPONDENT violated NRS 645.633(1)(i) pursuant to NAC 645.605(6) and/or
15 NRS 645.252(2), on *eight* occasions by not representing the above sellers with absolute
16 fidelity.

17 103. RESPONDENT violated NRS 645.633(1)(h), pursuant to NAC 645.605(6) and/or
18 NRS 645.252(2), on *eight* occasions by not dealing fairly with the above sellers' mortgage
19 lenders.

20 104. RESPONDENT violated NRS 645.252(1)(c) and/or NAC 645.640(1)(a) on *six*
21 occasions by failing to disclose in writing that he had an interest in the transaction or was
22 acquiring, leasing or disposing of the property for himself or for a member, firm, or entity with
23 which he has such a relationship.

24 105. RESPONDENT violated NAC 645.600(1) on *nine* occasions by failing to
25 maintain adequate supervision of Spencer, Jairam and Harding.

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1 **DISCIPLINE AUTHORIZED**

2 106. 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.

5 107. 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.

8 108. 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 January 7, 2015 commencing at 9:00 a.m.,
16 or as soon thereafter as the Commission is able to hear the matter, and each day
17 thereafter commencing at 9:00 a.m. through January 9, 2015, or earlier if the business
18 of the Commission is concluded. The Commission meeting will be held on January 7,
19 2015, at the Henderson City Hall, Council Chambers Conference Room, 240 Water
20 Street, Henderson, Nevada 89015. The meeting will continue on January 8, 2015, at the
21 Henderson City Hall, Council Chambers Conference Room, 240 Water Street,
22 Henderson, Nevada 89015, commencing at 9:00 a.m., and on January 9, 2015, should
23 business not be concluded, starting at 9:00 a.m. at the Bradley Building, 2501 East
24 Sahara Avenue, 2nd Floor Conference Room, Las Vegas, Nevada 89104.

25 **STACKED CALENDAR:** Your hearing is one of several hearings scheduled at the
26 same time as part of a regular meeting of the Commission that is expected to last from
27 January 7 through January 9, 2015, or earlier if the business of the Commission is
28 concluded. Thus, your hearing may be continued until later in the day or from day to

1 day. It is your responsibility to be present when your case is called. If you are not
2 present when your hearing is called, a default may be entered against you and the
3 Commission may decide the case as if all allegations in the complaint were true. If you
4 have any questions please call Rebecca Hardin, Commission Coordinator (702) 486-
5 4074.

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

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

19 You have the right to request that the Commission issue subpoenas to compel
20 witnesses to testify and/or evidence to be offered on your behalf. In making the request, you
21 may be required to demonstrate the relevance of the witness' testimony and/or evidence.
22 Other important rights you have are listed in NRS 645.680 through 645.990, NRS Chapter
23 233B, and NAC 645.810 through 645.920.

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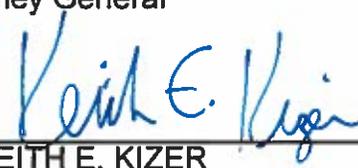
1 The purpose of the hearing is to determine if the Respondent has violated NRS 645
2 and/or NAC 645 and if the allegations contained herein are substantially proven by the
3 evidence presented and to further determine what administrative penalty, if any, is to be
4 assessed against the Respondent, pursuant 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
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24
25
26
27
28