

AUG 26 2016

BEFORE THE REAL ESTATE COMMISSION

STATE OF NEVADA

REAL ESTATE COMMISSION
BY *[Signature]*

SHARATH CHANDRA, Administrator,
REAL ESTATE DIVISION, DEPARTMENT
OF BUSINESS & INDUSTRY,
STATE OF NEVADA,

Case No.: REN 14-03-01-027

Petitioner,

vs.

COMPLAINT AND NOTICE OF HEARING

DENNIS J. WILSON JR.,

Respondent.

The REAL ESTATE DIVISION OF THE DEPARTMENT OF BUSINESS AND INDUSTRY OF THE STATE OF NEVADA ("Division"), by and through its counsel, ADAM PAUL LAXALT, Attorney General of the State of Nevada, and PETER K. KEEGAN, Deputy Attorney General, hereby notifies RESPONDENT DENNIS J. WILSON JR. ("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 was at all relevant times mentioned in this Complaint licensed by the Division as a Broker under License Number B.0042507.CORP, and is therefore subject to the jurisdiction of the Division and the provisions of NRS Chapter 645 and NAC Chapter 645.

FACTUAL ALLEGATIONS

1. RESPONDENT, at the relevant times mentioned in this Complaint, was licensed as a Broker under License Number B.0042507.CORP; RESPONDENT is currently licensed

Attorney General's Office
100 N. Carson Street
Carson City, Nevada 89701-4717

1 as a Broker Salesperson under License Number BS.0042507, and subject to the jurisdiction of
2 the Division and the provisions of NRS Chapter 645 and NAC Chapter 645.

3 2. Thomas McGhee and Michele McGhee ("Complainants") were clients of
4 RESPONDENT who were encouraged by RESPONDENT to invest their Investment
5 Retirement Account ("IRA") monies into a property owned by RESPONDENT.

6 3. RESPONDENT learned about Complainant's IRA accounts through a prior real
7 estate transaction where he served as their Broker.

8 4. RESPONDENT is not a licensed financial advisor or securities broker in the
9 State of Nevada.

10 5. In the Spring of 2012, Complainants agreed to invest \$74,000.00 from their IRA
11 accounts with RESPONDENT in an apartment building, located at 228 Mill Street, Reno,
12 Nevada 89501, which RESPONDENT owned.

13 6. RESPONDENT did not identify to the Complainants that the Mill Street property
14 was encumbered with a senior Deed of Trust in the amount of \$360,000.00, which included an
15 Assignment of Rents.

16 7. RESONDENT did not identify to the Complainants that the property was
17 delinquent on its property taxes.

18 8. On or about May 24, 2012, RESPONDENT signed an eight percent (8%)
19 interest only five-year (5) term note and a Deed of Trust with Assignment of Rents in favor of
20 Complainants. RESPONDENT did not attend the closing signing.

21 9. At no time prior to the closing did RESPONDENT advise the Complainants to
22 obtain the advice of an expert relating to self-directed IRA investments.

23 10. Complainants only received two (2) interest only payments from RESPONDENT;
24 one in September of 2012 for \$282.35, and one in December of 2012 for \$880.71.

25 11. The installment payments on the interest only note were scheduled to be paid in
26 the amount of \$493.33 per month.

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1 20. RESPONDENT violated NRS 645.633(1)(h), which precludes gross negligence
2 or incompetence in performing any act for which the person is required to hold a license
3 pursuant to this Chapter; Chapter 119; Chapter 119A or 119B of NRS, pursuant to NAC
4 645.605(6), by breaching his obligation of absolute fidelity to his principal's interest which is
5 gross negligence and incompetence.

6 21. RESPONDENT violated NRS 645.633(1)(h), pursuant to NAC 645.605(9), by
7 failing to properly apply federal and state statutes relating to protection of consumers.

8 **DISCIPLINE AUTHORIZED**

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

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

15 24. Therefore, the Division requests that the Commission take such disciplinary
16 action as it deems appropriate under the circumstances.

17 **NOTICE OF HEARING**

18 **PLEASE TAKE NOTICE** that a disciplinary hearing has been set to consider the
19 Administrative Complaint against the above-named RESPONDENT in accordance with
20 Chapters 233B and Chapter 645 of the Nevada Revised Statutes and Chapter 645 of the
21 Nevada Administrative Code.

22 **THE HEARING WILL TAKE PLACE** on October 5, 2016, commencing at 1:00 p.m.,
23 or as soon thereafter as the Commission is able to hear the matter, and each day
24 thereafter commencing at 9:00 a.m. through October 7, 2016, or earlier if the business
25 of the Commission is concluded. The Commission meeting will be held on
26 October 5, 2016, at the Legislative Building, 401 South Carson Street, Room 2134,
27 Carson City, Nevada 89701. The meeting will continue on October 6, 2016 at the
28 Legislative Building, 401 South Carson Street, Room 2134, Carson City, Nevada 89701,

1 commencing at 9:00 a.m., and on October 7, 2016, should business not be concluded,
2 starting at 9:00 a.m. at the Legislative Building, 401 South Carson Street, Room 2134,
3 Carson City, Nevada 89701.

4 **STACKED CALENDAR:** Your hearing is one of several hearings scheduled at the
5 same time as part of a regular meeting of the Commission that is expected to last from
6 October 5 through October 7, 2016, or earlier if the business of the Commission is
7 concluded. Thus, your hearing may be continued until later in the day or from day to
8 day. It is your responsibility to be present when your case is called. If you are not
9 present when your hearing is called, a default may be entered against you, and the
10 Commission may decide the case as if all allegations in the Complaint were true. If you
11 have any questions, please call Rebecca Hardin, Commission Coordinator, at (702) 486-
12 4074.

13 **YOUR RIGHTS AT THE HEARING:** except as mentioned below, the hearing is an
14 open meeting under Nevada's Open Meeting Law, and may be attended by the public. After
15 the evidence and arguments, the Commission may conduct a closed meeting to discuss your
16 alleged misconduct or professional competence. A verbatim record will be made by a certified
17 court reporter. You are entitled to a copy of the transcript of the open and closed portions of
18 the meeting, although you must pay for the transcription.

19 As the **RESPONDENT**, you are specifically informed that you have the right to appear
20 and be heard in your defense, either personally or through your counsel of choice. At the
21 hearing, the Division has the burden of proving the allegations in the Complaint and will call
22 witnesses and present evidence against you. You have the right to respond and to present
23 relevant evidence and argument on all issues involved. You have the right to call and
24 examine witnesses, introduce exhibits, and cross-examine opposing witnesses on any matter
25 relevant to the issues involved.

26 You have the right to request that the Commission issue subpoenas to compel
27 witnesses to testify and/or evidence to be offered on your behalf. In making the request, you
28 may be required to demonstrate the relevance of the witnesses' testimony and/or evidence.

1 Other important rights you have are listed in NRS 645.680 through 645.990, NRS Chapter
2 233B, and NAC 645.810 through 645.875.

3 The purpose of the hearing is to determine if the RESPONDENT has violated NRS 645
4 and/or NAC 645, and if the allegations contained herein are substantially proven by the
5 evidence presented, and to further determine what administrative penalty is to be assessed
6 against the RESPONDENT, if any, pursuant to NRS 645.254, NRS 645.633 and or NRS
7 645.630.


8 DATED this 26th day of August 2016.

10 State of Nevada
11 Department of Business and Industry
12 Real Estate Division

13 By: 
14 SHARATH CHANDRA, Administrator
15 2501 East Sahara Avenue
16 Las Vegas, Nevada 89104-4137
17 Telephone: (702) 486-4033

18 DATED this 23rd day of August 2016.

19 ADAM PAUL LAXALT
20 Attorney General

21 By: 
22 PETER K. KEEGAN
23 Deputy Attorney General
24 101 North Carson Street
25 Carson City, Nevada 89701
26 Telephone: (775) 684-1153
27 *Attorneys for Real Estate Division*
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