

**FILED**

MAY 19 2017

REAL ESTATE COMMISSION  
BY *[Signature]*

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10 **BEFORE THE REAL ESTATE COMMISSION**

11 **STATE OF NEVADA**

12 SHARAT CHANDRA, Administrator  
13 REAL ESTATE DIVISION, DEPARTMENT  
14 OF BUSINESS & INDUSTRY,  
15 STATE OF NEVADA,  
16 *Petitioner,*

Case No. 2016-2032

**ANSWER TO COMPLAINT**

17 v.

18 PERRY A. WHITE,  
19 *Respondent.*  
20

21 **ANSWER TO COMPLAINT**

22 COMES NOW Respondent Perry A. White, by and through his counsel of record, Steven  
23 B. Scow of Koch & Scow LLC, and in answer to the Complaint would show as follows:

24 **JURISDICTION**

25 In answer to the Jurisdiction section of the Complaint, Respondent admits only that he  
26 was licensed as a Broker by the Real Estate Division of the Department of Business and Industry  
27 of the State of Nevada (the "Division") under license number B.0034578.CORP, and is therefore  
28 subject to the jurisdiction of the State of Nevada Real Estate Commission (the "Commission")  
29 and the Division, and the provisions of NRS Chapter 645 and NAC Chapter 645. Otherwise,  
30 Respondent lacks knowledge or information sufficient to form a belief as to the truth of the

1 | allegations regarding the Division's understanding of the relevant time period, and therefore  
2 | denies the remaining allegations in the Jurisdiction section.

3 | **FACTUAL ALLEGATION**

4 | 1. In answer to Paragraph 1 of the Complaint, Respondent admits only that he was licensed  
5 | as a Broker by the Division under license number B.0034578.CORP, and that this license is  
6 | currently in inactive status. Otherwise, Respondent denies the remaining allegations in  
7 | Paragraph 1.

8 | 2. In answer to Paragraph 2 of the Complaint, Respondent admits the allegations contained  
9 | therein.

10 | 3. In answer to Paragraph 3 of the Complaint, Respondent admits only that he was a  
11 | licensed broker for Marcus & Millichap Real Estate Investment Services of Nevada, Inc.  
12 | ("Marcus & Millichap"). Otherwise, Respondent lacks knowledge or information sufficient to  
13 | form a belief as to the truth of the allegations regarding the Division's understanding of the  
14 | relevant time period, and therefore denies the remaining allegations in Paragraph 3.

15 | 4. In answer to Paragraph 4 of the Complaint, Respondent lacks knowledge or information  
16 | sufficient to form a belief as to the truth of the allegations in Paragraph 4, and therefore denies  
17 | the allegations contained therein.

18 | 5. In answer to Paragraph 5 of the Complaint, Respondent admits the allegations contained  
19 | therein.

20 | 6. In answer to Paragraph 6 of the Complaint, Respondent admits only that Gordon Allred is  
21 | listed as an out-of-state real estate broker or salesperson affiliated with Marcus & Millichap Real  
22 | Estate Investment Services of California in the "Best Western Agreement." Otherwise,  
23 | Respondent denies any remaining allegations contained in Paragraph 6.

1 7. In answer to Paragraph 7 of the Complaint, Respondent admits only that he is listed as  
2 the Broker of Record in the "Best Western Agreement." Otherwise, Respondent denies any  
3 remaining allegations contained in Paragraph 7.

4 8. In answer to Paragraph 8 of the Complaint, Respondent admits only that the "NEVADA  
5 (TURF) Out of State Checklist" associated with the Best Western Pahrump Oasis property  
6 contains the language quoted in Paragraph 8 of the Complaint in context of other statements.  
7 Otherwise, Respondent denies any remaining allegations contained in Paragraph 8.

8 9. In answer to Paragraph 9 of the Complaint, Respondent admits only that the "NEVADA  
9 (TURF) Out of State Checklist" associated with the Best Western Pahrump Oasis property  
10 contains the language quoted in Paragraph 9 of the Complaint in context of other statements.  
11 Otherwise, Respondent denies any remaining allegations contained in Paragraph 9.

12 10. In answer to Paragraph 10 of the Complaint, Respondent admits only that the "Best  
13 Western Agreement" contains language similar to the language stated in Paragraph 10 of the  
14 Complaint in context of other statements. Otherwise, Respondent denies any remaining  
15 allegations contained in Paragraph 10.

16 11. In answer to Paragraph 11 of the Complaint, Respondent admits only that the form titled  
17 "Duties Owed By A Nevada Real Estate Licensee" contains language similar to the language  
18 stated in Paragraph 11 of the Complaint in context of other statements. Otherwise, Respondent  
19 denies any remaining allegations contained in Paragraph 11.

20 12. In answer to Paragraph 12 of the Complaint, Respondent admits only that Gordon Allred  
21 and Timothy Watkins were the originating agents for the Best Western Pahrump Oasis property.  
22 Otherwise, Respondent denies any remaining allegations contained in Paragraph 12.

1 13. In answer to Paragraph 13 of the Complaint, Respondent admits only that a version of an  
2 Offering Memorandum for the Best Western Pahrump Oasis property states that the property is  
3 exclusively listed by Godron Allred and Timothy Watkins. Otherwise, Respondent denies any  
4 remaining allegations in Paragraph 13.

5 14. In answer to Paragraph 14 of the Complaint, Respondent denies the allegations contained  
6 therein.

7 15. In answer to Paragraph 15 of the Complaint, Respondent admits only that a version of a  
8 Market Positioning and Pricing Analysis for the Best Western Pahrump Oasis property states that  
9 it was presented by Gordon Allred. Otherwise, Respondent denies the remaining allegations  
10 contained in Paragraph 15.

11 16. In answer to Paragraph 16 of the Complaint, Respondent admits the allegations contained  
12 therein.

13 17. In answer to Paragraph 17 of the Complaint, Respondent denies the allegations contained  
14 therein.

15 18. In answer to Paragraph 18 of the Complaint, Respondent lacks knowledge or information  
16 sufficient to form a belief as to the truth of the allegations in Paragraph 18, and therefore denies  
17 the allegations contained therein.

18 19. In answer to Paragraph 19 of the Complaint, Respondent lacks knowledge or information  
19 sufficient to form a belief as to the truth of the allegations in Paragraph 19, and therefore denies  
20 the allegations contained therein.

21 20. In answer to Paragraph 20 of the Complaint, Respondent admits the allegation contained  
22 therein.

1 21. In answer to Paragraph 21 of the Complaint, Respondent admits only that Gordon Allred  
2 is listed as an out-of-state real estate broker or salesperson affiliated with Marcus & Millichap  
3 Real Estate Investment Services of Ontario in the "Battle Mountain Inn Agreement." Otherwise,  
4 Respondent denies any remaining allegations contained in Paragraph 21.

5 22. In answer to Paragraph 22 of the Complaint, Respondent admits only that he is listed as  
6 the Broker of Record in the "Battle Mountain Inn Agreement." Otherwise, Respondent denies  
7 any remaining allegations contained in Paragraph 22.

8 23. In answer to Paragraph 23 of the Complaint, Respondent admits only that the "Battle  
9 Mountain Inn Agreement" contains language similar to the language stated in Paragraph 23 of  
10 the Complaint in context of other statements. Otherwise, Respondent denies any remaining  
11 allegations contained in Paragraph 23.

12 24. In answer to Paragraph 24 of the Complaint, Respondent admits only that Gordon Allred  
13 and Timothy Watkins were the originating agents for the Battle Mountain Inn property.  
14 Otherwise, Respondent denies any remaining allegations contained in Paragraph 24.

15 25. In answer to Paragraph 25 of the Complaint, Respondent admits the allegations contained  
16 therein.

17 26. In answer to Paragraph 26 of the Complaint, Respondent admits only that a document  
18 titled "Memorandum: For Marketing/Advertising Nevada Deals" associated with the Battle  
19 Mountain Inn property contains the language quoted in Paragraph 26 of the Complaint in context  
20 of other statements. Otherwise, Respondent denies any remaining allegations contained in  
21 Paragraph 26.

22 27. In answer to Paragraph 27 of the Complaint, Respondent admits only that the form titled  
23 "Duties Owed By A Nevada Real Estate Licensee" contains language similar to the language

1 stated in Paragraph 27 of the Complaint in context of other statements. Otherwise, Respondent  
2 denies any remaining allegations contained in Paragraph 27.

3 28. In answer to Paragraph 28 of the Complaint, Respondent lacks knowledge or information  
4 sufficient to form a belief as to the truth of the allegations in Paragraph 28, and therefore denies  
5 the allegations contained therein.

6 29. In answer to Paragraph 29 of the Complaint, Respondent lacks knowledge or information  
7 sufficient to form a belief as to the truth of the allegations in Paragraph 29, and therefore denies  
8 the allegations contained therein.

9 30. In answer to Paragraph 30 of the Complaint, Respondent admits only that a document  
10 exists that is dated on or about February 9, 2015 titled "INTERSTATE BROKERAGE  
11 COOPERATION AGREEMENT – TURF STATE" ("Las Vegas Hotel Agreement"), regarding  
12 the Las Vegas Hotel Casino Development Site property, located at 4300 West Tropicana  
13 Avenue, Las Vegas, Nevada, which lists Respondent, Gordon Allred, and James Yang as parties.  
14 Otherwise, the Las Vegas Hotel Agreement speaks for itself. Respondent denies any remaining  
15 allegations contained in Paragraph 30.

16 31. In answer to Paragraph 31 of the Complaint, Respondent admits only that Gordon Allred  
17 is listed as an out-of-state real estate broker or salesperson affiliated with Marcus & Millichap  
18 Real Estate Investment Services of California in the Las Vegas Hotel Agreement. Otherwise,  
19 Respondent denies any remaining allegations contained in Paragraph 31.

20 32. In answer to Paragraph 32 of the Complaint, Respondent admits only that James Yang is  
21 listed as an out-of-state real estate broker or salesperson affiliated with Marcus & Millichap Real  
22 Estate Investment Services of California in the Las Vegas Hotel Agreement. Otherwise,  
23 Respondent denies any remaining allegations contained in Paragraph 32.

1 33. In answer to Paragraph 33 of the Complaint, Respondent admits only that he is listed as  
2 the Broker of Record in the Las Vegas Hotel Agreement. Otherwise, Respondent denies any  
3 remaining allegations contained in Paragraph 33.

4 34. In answer to Paragraph 34 of the Complaint, Respondent admits only that the Las Vegas  
5 Hotel Agreement contains language similar to the language stated in Paragraph 34 of the  
6 Complaint in context of other statements. Otherwise, Respondent denies any remaining  
7 allegations contained in Paragraph 34.

8 35. In answer to Paragraph 35 of the Complaint, Respondent admits only that a version of an  
9 Offering Memorandum for the Las Vegas Hotel Casino Development Site property states that the  
10 property is exclusively listed by Godron Allred, James Yang, and Ray Germain. Otherwise,  
11 Respondent denies any remaining allegations in Paragraph 35.

12 36. In answer to Paragraph 36 of the Complaint, Respondent admits only that Gordon Allred,  
13 James Yang, and Ray Germain were the originating agents for the Las Vegas Hotel Casino  
14 Development Site property. Otherwise, Respondent denies any remaining allegations contained  
15 in Paragraph 36.

16 37. In answer to Paragraph 37 of the Complaint, Respondent admits only that a document  
17 exists titled "Exclusive Land Offering" regarding the Las Vegas Hotel Casino Development Site  
18 property, which contains Gordon Allred's contact information. Otherwise, Respondent denies  
19 the remaining allegations contained in Paragraph 37.

20 38. In answer to Paragraph 38 of the Complaint, Respondent admits the allegations contained  
21 therein.

22 39. In answer to Paragraph 39 of the Complaint, Respondent admits only that a document  
23 titled "Memorandum: For Marketing/Advertising Nevada Deals" associated with the Las Vegas

1 Hotel Casino Development Site property contains the language quoted in Paragraph 39 of the  
2 Complaint in context of other statements. Otherwise, Respondent denies any remaining  
3 allegations contained in Paragraph 39.

4 40. In answer to Paragraph 40 of the Complaint, Respondent lacks knowledge or information  
5 sufficient to form a belief as to the truth of the allegations in Paragraph 40, and therefore denies  
6 the allegations contained therein.

7 41. In answer to Paragraph 41 of the Complaint, Respondent lacks knowledge or information  
8 sufficient to form a belief as to the truth of the allegations in Paragraph 41, and therefore denies  
9 the allegations contained therein.

#### 10 VIOLATIONS

11 42. In answer to Paragraph 42 of the Complaint, Respondent denies the allegations contained  
12 therein.

#### 13 DISCIPLINE AUTHORIZED

14 43. The allegations contained in Paragraph 45 of the Complaint state legal conclusions and  
15 do not require a response from the Respondent; however, to the extent a response is required by  
16 rule, Respondent denies the allegations that are inconsistent with the referenced statutes.

17 44. The allegations contained in Paragraph 44 of the Complaint state legal conclusions and  
18 do not require a response from the Respondent; however, to the extent a response is required by  
19 rule, Respondent denies the allegations that are inconsistent with the referenced statutes.

20 45. The allegations contained in Paragraph 45 of the Complaint requests disciplinary action  
21 and do not require a response from the Respondent; however, to the extent a response is required  
22 by rule, Respondent denies the allegations contained therein.

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**AFFIRMATION**

52. Pursuant to NRS 239B.030, the undersigned does hereby affirm that the preceding document does not contain the personal information of any person as defined in NRS 603A.040.

**DATED** this 19<sup>th</sup> day of May, 2017.

**Koch & Scow, LLC**

By: /s/ Steven B. Scow  
Steven B. Scow  
Nevada Bar No. 9906  
11500 S. Eastern Ave., Suite 210  
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sscow@kochscow.com  
Attorney for Perry A. White

**CERTIFICATE OF SERVICE**

I hereby certify that on the date shown below, a true and correct copy of the foregoing instrument was served on the following parties:

*Via Certified Mail, RRR*  
REAL ESTATE DIVISION  
STATE OF NEVADA  
3300 W. Sahara Avenue, Suite 350  
Las Vegas, Nevada 89102  
Attn: Legal Administrative Officer

*Via Certified Mail, RRR and Email*  
Rebecca Hardin, Commission Coordinator  
Nevada Real Estate Division  
3300 W. Sahara Avenue, Suite 350  
Las Vegas, Nevada 89102  
Telephone: (702) 486-4074  
Facsimile: (702) 486-4067  
rhardin@red.nv.gov

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*Via Certified Mail, RRR and Email*  
Keith A. Kizer  
Senior Deputy Attorney General  
555 E. Washington Ave., Ste. 3900  
Las Vegas, Nevada 89101  
Telephone: (702) 486-3326  
kkizer@ag.nv.gov  
Attorney for Real Estate Division

DATED this 19<sup>th</sup> day of May, 2017.

/s/ Steven B. Scow  
Steven B. Scow

# **EXHIBIT 1**

**BECK REDDEN LLP**

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*(pro hac vice admissions pending)*

*(will comply with LR IA 10-2 within  
45 days)*

**PRINCE, YEATES & GELDZAHLER**

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*Attorneys for Marcus & Millichap Real  
Estate Investment Services of Nevada, Inc.,  
Marcus & Millichap Real Estate Investment  
Services, Inc., Gordon Allred, Alvin Najib  
Mansour, Kevin Najib Mansour, Perry  
White, and Nenad Zivkovic.*

**FOR COMPLIANCE WITH NSCR 42.1 ONLY**

**KOCH & SCOW, LLC**

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**(Local Counsel)**

IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF NEVADA  
SOUTHERN DIVISION

MARCUS & MILLICHAP REAL ESTATE §  
INVESTMENT SERVICES OF NEVADA, §  
INC., MARCUS & MILLICHAP REAL §  
ESTATE INVESTMENT SERVICES, INC., §  
GORDON ALLRED, ALVIN NAJIB §  
MANSOUR, KEVIN NAJIB MANSOUR, §  
PERRY WHITE, and NENAD ZIVKOVIC, §

Plaintiffs, §

vs. §

JOSEPH DECKER, in his official capacity as §  
Administrator of the Real Estate Division, §  
Department of Business & Industry, State of §  
Nevada, §

and §

NORMA JEAN OPATIK, NEIL SCHWARTZ, §  
SHERRIE CARTINELLA, DEVIN REISS, and §  
LEE K. BARRETT, in their official capacities as §  
Commissioners of the Nevada Real Estate §  
Commission, §

Defendants. §

Civil Action No. 2:16-cv-1299

PLAINTIFFS' COMPLAINT  
AND REQUEST  
FOR DECLARATORY  
AND INJUNCTIVE RELIEF

**PLAINTIFFS' COMPLAINT AND REQUEST  
FOR DECLARATORY AND INJUNCTIVE RELIEF**

Plaintiffs Marcus & Millichap Real Estate Investment Services of Nevada, Inc.; Marcus & Millichap Real Estate Investment Services, Inc. (together "Marcus & Millichap"); Gordon Allred; Alvin Najib Mansour; Kevin Najib Mansour; Perry White; and Nenad Zivkovic file this Complaint. Plaintiffs seek damages as well as declaratory, injunctive, and other relief as outlined below.

### NATURE OF THIS ACTION

1. Plaintiffs challenge the unconstitutional prohibition against cooperation between Nevada real estate brokers and real estate agents licensed by other states found in the regulations promulgated by the Nevada Real Estate Commission (“NREC”) in cooperation with the Administrator of the Nevada Real Estate Division (“NRED”).<sup>1</sup> The NREC and NRED have elected to ban out-of-state real estate agents from almost any involvement in transactions involving the sale of Nevada property and in the representation of a Nevada buyer, even when such agents associate with a licensed Nevada broker. The last state to attempt to defend such a scheme was Kentucky, and its former policy—which was similar to the scheme in this case—was twice held to be an unconstitutional violation of the Commerce Clause of the United States Constitution. *See River Oaks Mgmt. v. Brown*, No. 3:06-CV-00451-S, 2007 WL 2571909 (W.D. Ky. Sept. 4, 2007); *Marcus & Millichap Real Estate Inv. Brokerage Co. v. Skeeters*, 395 F. Supp. 2d 541 (W.D. Ky. 2005). This ruling has now been acknowledged by Kentucky’s appellate court. *LexCin Partners, Ltd. v. Newmark S. Region, LLC*, No. 2008-CA-001170, 2009 WL 2341553, at \*1 (Ky. Ct. App. 2009).

2. Plaintiffs have cited this and other authority to the NRED in an effort to convince it to stop enforcing these unconstitutional restrictions on out-of-state agents. But the NRED has chosen to ignore that authority. The NREC and NRED have refused to relent and continue to ban constitutionally protected interstate commerce. The NRED threatens those who engage in such commerce with administrative actions and civil penalties. Thus, plaintiffs have no choice but to file this action seeking to enforce their constitutional rights.

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<sup>1</sup> The NRED administers the provisions of Chapter 645 of the Nevada Revised Statutes, dealing with Real Estate Brokers and Salespersons. NEV. REV. STAT. § 645.045. The NREC is a commission which acts in an advisory capacity to the NRED, adopts regulations, conducts hearings, and may through regulation delegate any authority it has to the NRED Administrator. *Id.* § 645.050.

3. Pursuant to Federal Rule of Civil Procedure 5.1, and to the extent necessary, Plaintiffs are concurrently serving the Attorney General of Nevada with a Notice of Constitutional Question and a copy of Plaintiffs' Complaint and Request for Declaratory and Injunctive Relief.

#### **JURISDICTION AND VENUE**

4. This Court has subject matter jurisdiction over this action pursuant to 28 U.S.C. § 1331 and 28 U.S.C. § 1343(a)(3).

5. Venue is proper in this district under 28 U.S.C. § 1391(b)(1) because the NREC and NRED maintain their principal place of business and reside in this district. Venue is proper under 28 U.S.C. § 1391(b)(2) because a substantial part of the events giving rise to this action occurred in this district, in which the NREC and NRED sit. This action is properly assigned to this division pursuant to Dist. Nevada Loc. Civ. R. IA 1-8.

#### **PARTIES**

##### ***A. Plaintiffs***

6. Marcus & Millichap Real Estate Investment Services of Nevada, Inc. is a subsidiary of Marcus & Millichap Real Estate Investment Services, Inc. It is headquartered in Calabasas, California. Marcus & Millichap Real Estate Investment Services of Nevada, Inc. has offices in Las Vegas and Reno, Nevada through which it services clients both within and outside the State of Nevada.

7. Marcus & Millichap Real Estate Investment Services, Inc. is headquartered in Calabasas, California. Marcus & Millichap Real Estate Investment Services, Inc. is the parent company for Marcus & Millichap Real Estate Investment Services of Nevada, Inc. and other subsidiary entities (collectively "Marcus & Millichap"). Marcus & Millichap entities



collectively service commercial real estate investment needs for clients across the United States, as well as in Canada.

8. Gordon Allred is First Vice President of Investments with Marcus & Millichap. Mr. Allred holds a California broker's license and works out of Marcus & Millichap's Ontario, California office. He resides in California.

9. Alvin Najib Mansour is Executive Vice President of Investments with Marcus & Millichap. He is also President for the Mansour Group, which is an entity affiliated with Marcus & Millichap. Mr. Mansour holds a California broker's license as well as a Texas broker's license, and works out of Marcus & Millichap's San Diego, California office. He resides in California.

10. Kevin Najib Mansour is Managing Partner for the Mansour Group, which is an entity affiliated with Marcus & Millichap. Mr. Mansour holds a California salesperson's license and works out of the Mansour Group's San Diego, California office. He resides in California.

11. Perry White is Vice President of Investments with Marcus & Millichap. Mr. White holds a Nevada broker's license and works out of Marcus & Millichap's Las Vegas, Nevada office. He resides in Nevada.

12. Nenad Zivkovic is an Associate with Marcus & Millichap. He is also a Senior Associate for the Mansour Group, which is an entity affiliated with Marcus & Millichap. Mr. Zivkovic holds a Nevada salesperson's license and works out of Marcus & Millichap's San Diego, California office. He resides in California.

***B. Defendants***

13. Joseph Decker is the Administrator of the NRED, and was appointed in 2014. He may be served at the principal office of the NRED as follows: Legal Administrative Officer;

State of Nevada, Department of Business & Industry; Real Estate Division; 2501 E. Sahara Avenue, Suite 303; Las Vegas, NV 89104.

14. Norma Jean Opatik was re-appointed as a commissioner of the NREC in 2015. She serves as President of the NREC. *See* NEV. REV. STAT. § 645.110. She holds a Nevada real estate license and works at 250 S. Highway 160 Suite 11; Pahrump, NV 89048. She may be served at the principal office of the NRED as follows: Legal Administrative Officer; State of Nevada, Department of Business & Industry; Real Estate Division; 2501 E. Sahara Avenue, Suite 303; Las Vegas, NV 89104.

15. Defendant Neil Schwartz was appointed as a commissioner of the NREC in 2013. He serves as Vice President of the NREC. *See* NEV. REV. STAT. § 645.110. He holds a Nevada license and works at 8290 W. Sahara #100; Las Vegas, NV 89117. He may be served at the principal office of the NRED as follows: Legal Administrative Officer; State of Nevada, Department of Business & Industry; Real Estate Division; 2501 E. Sahara Avenue, Suite 303; Las Vegas, NV 89104.

16. Defendant Sherrie Cartinella was appointed as a commissioner of the NREC in 2013. She serves as Secretary of the NREC. *See* NEV. REV. STAT. § 645.110. She holds a Nevada license and works at 3700 Lakeside Drive, Suite 100; Reno, NV 89509. She may be served at the principal office of the NRED as follows: Legal Administrative Officer; State of Nevada, Department of Business & Industry; Real Estate Division; 2501 E. Sahara Avenue, Suite 303; Las Vegas, NV 89104.

17. Defendant Devin Reiss was appointed as a commissioner of the NREC in 2014. He holds a Nevada license and works at 10120 S. Eastern #300; Henderson, NV 89052. He may be served at the principal office of the NRED as follows: Legal Administrative Officer; State of

Nevada, Department of Business & Industry; Real Estate Division; 2501 E. Sahara Avenue, Suite 303; Las Vegas, NV 89104.

18. Defendant Lee K. Barrett was appointed as a commissioner of the NREC in 2015. He holds a Nevada license and works at 2885 South Jones Boulevard; Las Vegas, NV 89146. He may be served at the principal office of the NRED as follows: Legal Administrative Officer; State of Nevada, Department of Business & Industry; Real Estate Division; 2501 E. Sahara Avenue, Suite 303; Las Vegas, NV 89104.

### **FACTS**

#### ***A. Background***

19. Plaintiffs include a national commercial real estate brokerage firm, one of its subsidiary entities, out-of-state licensed real estate agents, and real estate agents licensed in Nevada. All of the Plaintiffs are being deprived of their constitutional right to engage in interstate commerce free from protectionist, discriminatory, and unnecessarily burdensome state economic restraints.

20. The NRED is the state administrative agency that regulates the practice of real estate. The NREC is a state-constituted commission controlled by local Nevada real estate brokers, which issues regulations regarding the practice of real estate. As permitted by statute, the NREC, in conjunction with the NRED, has adopted regulations that allow licensed out-of-state agents to acquire a cooperative certificate, thereby ostensibly allowing the out-of-state agent to work in cooperation with a Nevada real estate broker. *See* NEV. REV. STAT. § 645.605.

21. But the policy adopted by the NREC and NRED—as evidenced through regulations and enforcement efforts—regarding cooperative certificates severely restrict the out-of-state agent's ability to engage in interstate commerce.

22. The newest version of this policy was implemented via a regulation made effective on April 4, 2016. *See* NEV. ADMIN. CODE § 645.185(11) (2016). It prohibits an out-of-state agent from using the cooperative certificate as authority to sell or attempt to sell real estate in Nevada on behalf of the owner of that real estate. Furthermore, it limits the agent's use of the cooperative certificate to only representing a non-Nevada resident in the purchase of real estate in Nevada.

23. The prior version of the regulation was little better. In the prior version, an out-of-state agent was prohibited from using the cooperative certificate as authority to sell or attempt to sell real estate in Nevada to a resident of Nevada. *See* NEV. ADMIN. CODE § 645.185(11) (2004). As this regulatory history demonstrates, the NREC and NRED have consistently favored protectionist and discriminatory policies as they have sought to cut back on the scope of an out-of-state agents' participation in the Nevada marketplace.

24. Under the NREC's and NRED's policy, even if a national brokerage firm maintains an office and a licensed broker in Nevada (as Marcus & Millichap does), that broker is prohibited from using the resources of his or her own firm to promote Nevada properties and assist clients. The NRED has the ability to enforce this ban on national firms engaging in interstate commerce by leveling civil fines and conducting disciplinary actions against the national firms, their out-of-state agents, and their in-state agents.

***B. The Commercial Real Estate Market***

25. Commercial real estate is promoted and sold nationally and internationally. Buyers of investment properties, which range from small private concerns to large institutional investors, often have diversified portfolios that include investment properties located in different

states. This is especially true for large institutional investors, which frequently invest in specialized types of property on a regional or national basis.

26. As distinct from residential real estate, investors in commercial real estate typically develop long-term relationships with one or more broker advisors upon whom they rely to assist in managing and growing their portfolios. In this respect, commercial investors often view their real estate agents as trusted advisors and partners. Among other things, such agents generally have an expertise in the type of investment their clients favor along with an in-depth understanding of each client's investment objectives. Such specialization, coupled with access to a national platform of commercial properties, assists the agent in maximizing value for his or her client in both the purchase and the sale of commercial real estate.

27. Commercial real estate is a national marketplace in which buyers and sellers of real estate are often located in states other than where the commercial property is located. Consequently, commercial brokerage firms expend significant resources to develop integrated networks of brokers who can promote listings to investors with whom they have relationships, assist existing clients in the listing and marketing of properties located in different states, coordinate multi-state transactions (which are increasingly common), and share expertise on specific types of transactions. In contrast, local brokers who choose not to (or are not permitted to) cooperate or work with out-of-state agents are not able to compete on the basis of market access and expertise, both of which are especially important if a seller is to be able to market a property effectively to the largest possible pool of qualified buyers. Additionally, such local brokers do not generally have the resources to efficiently coordinate multi-state transactions, nor do they typically possess the same in-depth understanding of a national client's investment

strategies, objectives, and portfolio that national brokers have by virtue of their established long-term relationships.

28. Buyers and sellers of commercial property are predominantly sophisticated private and institutional investors. These investors often have diversified portfolios that include specialized types of property located in multiple states. Accordingly, commercial brokers must be able to promote properties nationally, advise on a multitude of different (and often complex) transactions, and analyze the financial aspects of transactions involving the specific type of property at issue.

29. Because the market for commercial real property is national, agents in different states must work together to efficiently and effectively meet client needs. This is true regardless of whether the client wishes to list commercial properties for sale or to buy commercial properties that have been listed by another broker. Whatever the commercial asset class, whether retail shopping properties, single tenant properties, commercial office assets, or some other category of commercial real estate, successful commercial brokerage requires sophisticated financial analysis attuned to the asset class in question as well as national marketing to find and match interested buyers and sellers.

30. As a result of the national nature of the market and the multitude and complexity of the different types of transactions, commercial brokerage firms compete on the basis of, among other things, their ability to: (1) bring capital to local and regional markets by matching buyers and sellers nationally; (2) coordinate complex multi-state transactions; and (3) provide value-added consulting services such as strategic planning, market analysis, value analysis, trend forecasts, and counseling. Also important is a firm's knowledge of submarkets and market segments, which is essential to planning investment strategies, evaluating investment

opportunities, and handling multi-state transactions. In short, commercial brokerage firms function as a sort of real estate investment bank by serving as investment advisors and assisting in the efficient placement of capital.

31. There are a number of national commercial real estate brokerage firms that provide highly specialized investment brokerage services to private and institutional investors nationwide for transactions involving a wide variety of commercial properties. Marcus & Millichap is one of the largest of such firms. Marcus & Millichap, like other commercial brokerage firms, is not involved in brokering personal residences among individual homeowners. It brokers only commercial (income producing) property.

32. Commercial brokerage firms often have offices in multiple states, if not throughout the country. Marcus & Millichap has offices in most major U.S. cities, with more than 1,600 affiliated commercial real estate agents across the country. All of Marcus & Millichap's agents are duly licensed in one or more states or jurisdictions, are managed by full-time veteran executives and carry errors and omissions insurance, so there is little question about oversight and accountability. These agents share information within the firm and work together to meet their clients' needs efficiently and seamlessly.

33. Clients of national brokerage firms like Marcus & Millichap frequently have large portfolios with properties in many states, and transactions can and often do involve a client's entire multi-state portfolio.

34. Clients choose commercial firms such as Marcus & Millichap precisely because their agents work together, sharing information and expertise and acting as intermediaries with their established contacts to broker commercial property. The benefits of such an integrated approach are readily apparent in the context of complex multi-state transactions (e.g., the

simultaneous sale of retail chain stores in multiple states), which enable clients to realize substantial efficiencies while limiting transaction costs.

35. Investors in commercial real estate assets typically rely on close business relationships with those who represent them as brokers or agents. Many brokers and agents have served as the exclusive representative for an investor-client throughout relationships spanning 5, 10, and 20 years or more. Commercial brokerage firms such as Marcus & Millichap have invested considerable resources developing a nationwide network of commercial property owners, developers, investors, and other commercial real estate agents. That network enables them to identify and market properties more efficiently and effectively than would otherwise be possible by a single local firm dependent exclusively on “cold calls” and advertisements. And the network allows trusted brokers and agents to manage transactions around the country with the cooperation of local brokers, much like trusted lawyers licensed in their home state litigate cases around the country with the cooperation of local counsel.

36. Additionally, commercial brokerage firms, especially national brokerage firms, have developed sub-specialties in various types of properties, transactions and representations that involve unique expertise and specialized knowledge typically not possessed by a single broker or local firm.

37. In sum, permitting cooperation between Nevada brokers and out-of-state agents benefits consumers by ensuring that they obtain the best possible advice and counsel and have efficient and effective access to the national investment market. But permitting such cooperation presents a competitive threat to local Nevada brokers who choose not to affiliate with out-of-state agents, and thus cannot offer clients the same national networks or expertise. The obvious purpose of the NREC’s and NRED’s protectionist policy is to benefit Nevada brokers by



protecting those brokers from competition with national firms in the interstate marketing and sale of Nevada commercial property. The result is simple economic protectionism of Nevada brokers. The effect is an undue burden on interstate commerce.

38. Marcus & Millichap has offices in Las Vegas and Reno, and it ensures that all transactions involving Nevada real estate are overseen by a licensed Nevada broker, even where the buyer and seller are not Nevada residents and never enter the state. By working with Marcus & Millichap agents in other states, Marcus & Millichap's Nevada offices have assisted its national investor clients in the national marketing, sale, and purchase of many Nevada real estate listings.

*C. The NREC's and NRED's Unconstitutional Policy*

39. The NREC together with the NRED constitutes the state regulatory body that issues real estate brokerage licenses and regulates and imposes discipline on brokers for violations of its rules or of state statutes governing real estate law. Heading the NREC are five commissioners. In accordance with Nevada Revised Statute § 645.090, each commissioner must have been actively engaged in business either as a Nevada real estate broker for 3 years or as a Nevada broker-salesperson for 5 years. NEV. REV. STAT. § 645.090. Apart from the NREC, the NRED is tasked with administering Chapter 645 of the Nevada Revised Statutes, which set forth the relevant state laws regulating the practice of real estate. NEV. REV. STAT. § 645.045.

40. The NREC acts in an advisory capacity to the NRED, adopts regulations, conducts hearings, and may through regulation delegate any authority it has to the NRED Administrator. *Id.* § 645.050. The NREC or the NRED Administrator, with approval of the NREC, may from time to time adopt reasonable regulations for the administration of the relevant statutory scheme regarding real estate. *Id.* § 645.190.

41. Chapter 645 of the Nevada Revised Statutes explicitly recognizes that out-of-state real estate agents may work cooperatively with Nevada brokers. Section 645.280(1) of the Nevada Revised Statutes expressly indicates that “[a] licensed real estate broker may pay a commission to a licensed broker of another state.” And Section 645.605 deals with the “[c]ertificate authorizing out-of-state licensed broker[s] to cooperate with broker[s] in Nevada.” NEV. REV. STAT. § 645.605. The statute gives the NRED Administrator the “authority to issue certificates authorizing out-of-state licensed brokers to cooperate with Nevada brokers.” *Id.* Moreover, it gives the NREC the “authority to promulgate rules and regulations establishing the conditions under which such certificates shall be issued and cancelled, all subject to the provisions and penalties of this chapter.” *Id.*

42. As part of that regulatory power, the NREC has promulgated three regulations dealing specifically with the cooperative certificate: Nevada Administrative Code §§ 645.180, 645.183, and 645.185. Together, these regulations set forth how an out-of-state agent may acquire a cooperative certificate and the conditions for the use of such a certificate.

43. Nevada Administrative Code § 645.185, in particular, deals with the use of the certificate. The current version of this regulation, made effective on April 4, 2016, provides: “An out-of-state broker may not use a cooperating broker’s certificate as authority to sell or attempt to sell real estate in Nevada on behalf of the owner of that real estate. Such a certificate may be used only for the purpose of allowing the out-of-state broker or salesperson to represent a person other than a resident of Nevada in the purchase of real estate in Nevada.” NEV. ADMIN. CODE § 645.185(11) (2016). The previous version provided: “An out-of-state broker may not use a cooperating broker’s certificate as authority to sell or attempt to sell real estate in Nevada to a resident of Nevada. Such a certificate may be used only for the purpose of allowing the out-

of-state broker or salesperson to offer real estate in Nevada for sale to a person other than a resident of Nevada.” NEV. ADMIN. CODE § 645.185(11) (2004). Both versions of the regulation are constitutionally and statutorily impermissible.

44. The NREC has promulgated this regulation for the purported purpose of enforcing Nevada laws that regulate the practice of real estate brokerage. Never mind that nothing in Nevada statutory law restricts such cooperation to the representation of out-of-state buyers. The NREC’s regulation is absolute. It applies even where a Nevada broker within the same national firm as the out-of-state agent is involved and supervises the transaction to ensure compliance with Nevada law. It applies even where the seller does not reside in Nevada. It applies where a Nevada seller has an established relationship with an out-of-state agent and desires that agent’s participation in the transaction. And it applies when a Nevada buyer has a similarly longstanding relationship with an out-of-state agent and desires that agent’s participation in the transaction.

45. By way of example, under the regulation, a California real estate agent who attempts to help his California client in the sale of Nevada commercial property would be engaging in inappropriate brokering activity, even if a Nevada broker is supervising the transaction. For the reasons set forth in this Complaint, such regulation violates both the U.S. Constitution and Nevada statutory law.

46. The NREC’s and NRED’s ban against out-of-state agents’ involvement in the sale of Nevada property *and* in the representation of Nevada buyers serves only one purpose: to protect local Nevada brokers from competition by severely limiting the ability of regional and national brokerage firms to offer integrated services to their investor clients. Under the NREC’s regulation and the NRED’s enforcement actions, a local Nevada office of a regional or national commercial broker, operated by a licensed Nevada broker, is prohibited from collaborating with

the firm's other agents to promote Nevada properties, provide value-added consulting services, or share expertise. The NREC's restrictions serve to unfairly protect the commissions of Nevada commercial brokers, who enjoy a virtually captive market without the competitive forces inherent in a national marketplace.

47. In truth, the NREC's and NRED's policy harms the very consumers—buyers and sellers of Nevada commercial property—that the NREC and NRED are charged with protecting. Consumers are injured by this restrictive regulation because it (1) reduces the pool of qualified investors for Nevada properties; (2) deters capital investment in Nevada; (3) prevents consumers from utilizing real estate professionals with whom they have established relationships; and (4) limits consumers in their ability to obtain specialized knowledge and expertise. Out-of-state brokers and brokerage firms are injured because they are limited in their ability to compete on the basis of superior service and expertise for business involving interstate transactions.

***D. The NREC's and NRED's Policy Violates Nevada Law***

48. As stated above, the NREC's regulation and the NRED's attendant enforcement efforts do not derive their mandate from Nevada statutory law. Rather, the policy misreads the relevant Nevada statutory language and exercises a limiting power that has not been granted to either the NREC or NRED. Section 645.605 of the Nevada Revised Statutes deals with the “[c]ertificate authorizing out-of-state licensed broker[s] to cooperate with broker[s] in Nevada.” NEV. REV. STAT. § 645.605. The statute gives the NRED Administrator the “authority to issue certificates authorizing out-of-state licensed brokers to cooperate with Nevada brokers.” *Id.* Moreover, it gives the NREC the “authority to promulgate rules and regulations establishing the conditions under which such certificates shall be issued and cancelled, all subject to the provisions and penalties of this chapter.” *Id.*

49. The NREC, therefore, has the power to set forth the “conditions under which such certificates shall be issued and cancelled.” *Id.* It has done so through Nevada Administrative Code §§ 645.180, 645.183, and 645.185. For example, § 645.180 sets out the application requirements for the out-of-state agent, including the requirement that the agent provide a copy of his or her current license issued in another state, and detail his or her employment and disciplinary history. NEV. ADMIN. CODE § 645.180. Section 645.183 provides that the NREC Administrator may deny the cooperative certificate for any reason which is sufficient to deny a Nevada license, permit, or registration and empowers the Administrator to initiate disciplinary proceedings. *Id.* § 645.183. Finally, § 645.185 contains additional safeguards. For example, § 645.185(8) provides that the out-of-state broker who is cooperating with the Nevada broker is governed by the same provisions as Nevada brokers. *Id.* § 645.185(8). Any violation by the out-of-state broker subjects his or her cooperative certificate *and* the Nevada broker’s license to fine, suspension, or revocation. *Id.*

50. But § 645.185(11) represents more than a *condition* for the issuance or cancellation of a cooperative certificate. Rather, it limits the very nature of “cooperation” by insisting that an out-of-state broker may only represent a non-Nevada resident in the purchase of real estate in Nevada.

51. The NREC’s regulation has no basis in Nevada law. Nevada’s law in fact contemplates local brokers collaborating with out-of-state agents on Nevada real estate transactions, and that law does not qualify the word “cooperate.” *See* NEV. REV. STAT. § 645.605. The NREC’s current regulation severely restricts the ability of out-of-state brokers to assist their clients in connection with Nevada property. Even if the out-of-state broker has a longstanding relationship with the client, and an intimate understanding of the type of property

involved in a transaction, they are relegated to the sidelines under the NREC's regulation. They cannot negotiate the transaction nor have any involvement in the purchase or sale of the property.

52. More importantly, as discussed in more detail below, the NREC's regulation and the NRED's attendant enforcement actions violate the Commerce Clause of the United States Constitution. Their policy discriminates against, obstructs, and unreasonably burdens interstate commerce. It seeks to protect the economic interests of local Nevada brokers by banning any other agents or brokers from many "brokerage" activities in transactions involving Nevada property. It effectively assures that, even in interstate transactions, all substantive activity in connection with the property may only be performed by local brokers. In addition, the NREC's regulation and the NRED's attendant enforcement actions violate Plaintiffs' First Amendment rights by improperly restricting Plaintiffs' freedom of speech.

***E. The NRED's Administrative Enforcement Actions and Investigations***

53. The NRED has now begun actively enforcing the NREC's unauthorized and unconstitutional regulation. The NRED has begun several investigations against out-of-state and in-state agents affiliated with Marcus & Millichap. The NRED has also taken action: it has issued cease and desist orders against three out-of-state agents affiliated with Marcus & Millichap. Marcus & Millichap and its agents and brokers face the threat of imminent prosecution for engaging in constitutionally protected activity.

54. Significantly, although Plaintiffs Gordon Allred, Alvin Najib Mansour, Kevin Najib Mansour, Perry White, and Nenad Zivkovic are currently facing investigations and possible disciplinary actions, to Plaintiffs' knowledge no complaint has been made by the buyer, the seller, or any other participant in the property transaction at issue. In other words, no participants have been complaining about any aspects of the deals. Rather, as evidenced by the

NRED's correspondence and as detailed below, the investigations at issue here were seemingly brought on the NRED's own initiative based on information the NRED acquired from website biographies or informational pamphlets.

55. If the NREC and NRED are successful in obtaining penalties or sanctions against Marcus & Millichap, out-of-state agents, or in-state agents for allegedly violating their protectionist policy, those penalties or sanctions would eliminate competition from national commercial brokerage firms to the benefit of Nevada licensees.

56. The NRED currently has the following investigations and disciplinary actions open against the following Plaintiffs:

a. Plaintiff Gordon Allred – Mr. Allred is First Vice President of Investments with Marcus & Millichap. Mr. Allred holds a California broker's license and works out of Marcus & Millichap's Ontario, California office. He resides in California. On April 5, 2016, the NRED notified Mr. Allred that it has "received information against" him and had opened a case for investigation—styled *NRED v. Allred* Case No. 2016-1734—based on his listing and/or selling certain properties in Nevada. Ex. A at 1. The letter asked Mr. Allred to explain why he is soliciting the sale of property in Nevada without a Nevada license, and asked for transaction files. *Id.* The letter did not detail any complaints by transaction participants against Mr. Allred, but only attached his website biography, which includes certain descriptions of brokerage activities in Nevada. Just two days later, on April 7, 2016, the NRED issued a cease and desist order to Mr. Allred. Ex. B at 1–3. The order held that Mr. Allred does not hold a Nevada license, and the NRED Administrator ordered Mr. Allred "to cease and desist from engaging in the business of, acting in the capacity of, any form of advertisement or/and [sic] sale of

property and/or assume to act as a real estate agent or any other position that requires” a Nevada license. The NRED threatened Mr. Allred that a failure to comply would necessitate the filing of a formal complaint for prosecution with the Clark County District Attorney or the Office of the Attorney General. See NEV. REV. STAT. § 645.230.

b. Plaintiff Alvin Najib Mansour – Mr. Mansour is Executive Vice President of Investments with Marcus & Millichap. He is also President for the Mansour Group, which is an entity affiliated with Marcus & Millichap. Mr. Mansour holds a California broker’s license as well as a Texas broker’s license, and works out of Marcus & Millichap’s San Diego, California office. He resides in California. On May 31, 2016, the NRED notified Mr. Mansour that it has “received information against” him and had opened a case for investigation—styled *NRED v. Mansour*, A Case No. 2016-2402—based on his listing and/or selling certain properties in Nevada. Ex. C at 1. The letter asked Mr. Mansour to explain why he is soliciting the sale of property in Nevada without a Nevada license, and asked for transaction files. *Id.* The letter did not detail any complaints by transaction participants against Mr. Mansour, but only attached an informational pamphlet, which includes descriptions of brokerage activities in Nevada. On the very same day, the NRED issued a cease and desist order to Mr. Mansour. Ex. D at 1–3. The order held that Mr. Mansour does not hold a Nevada license, and the NRED Administrator ordered Mr. Allred “to cease and desist from engaging in the business of; acting in the capacity of; any form of advertisement and/or sale of property; assuming to act as a real estate broker, broker-salesperson, salesperson or any other position that requires” a Nevada license. The NRED threatened Mr. Mansour that a failure to comply



would necessitate the filing of a formal complaint for prosecution with the Clark County District Attorney or the Office of the Attorney General. *See* NEV. REV. STAT. § 645.230.

c. Plaintiff Kevin Najib Mansour – Mr. Mansour is Managing Partner for the Mansour Group, which is an entity affiliated with Marcus & Millichap. Mr. Mansour holds a California salesperson’s license and works out of the Mansour Group’s San Diego, California office. He resides in California. On May 31, 2016, the NRED notified Mr. Mansour that it has “received information against” him and had opened a case for investigation—styled *NRED v. Mansour, K* Case No. 2016-2403—based on his listing and/or selling certain properties in Nevada. *Ex. E* at 1. The letter asked Mr. Mansour to explain why he is soliciting the sale of property in Nevada without a Nevada license, and asked for transaction files. *Id.* The letter did not detail any complaints by transaction participants against Mr. Mansour, but only attached an informational pamphlet, which includes descriptions of brokerage activities in Nevada. On the very same day, the NRED issued a cease and desist order to Mr. Mansour. *Ex. F* at 1–3. The order held that Mr. Mansour does not hold a Nevada license, and the NRED Administrator ordered Mr. Mansour “to cease and desist from engaging in the business of; acting in the capacity of; any form of advertisement and/or sale of property; assuming to act as a real estate broker, broker-salesperson, salesperson or any other position that requires” a Nevada license. The NRED threatened Mr. Mansour that a failure to comply would necessitate the filing of a formal complaint for prosecution with the Clark County District Attorney or the Office of the Attorney General. *See* NEV. REV. STAT. § 645.230.

d. Plaintiff Perry White – Mr. White is Vice President of Investments with Marcus & Millichap. Mr. White holds a Nevada broker’s license and works out of Marcus &

Millichap's Las Vegas, Nevada office. He resides in Nevada. On April 28, 2016, the NRED notified Mr. White that he had been added to the investigation involving Nevada properties brokered by certain other Plaintiffs. The investigation against Mr. White is styled *NRED v. White* Case No. 2016-2032. Ex. G at 1. The letter did not detail any complaints by transaction participants against Mr. White. While no cease and desist order has been issued, Mr. White faces the threat of sanctions and prosecution as a result of this investigation.

e. Plaintiff Nenad Zivkovic – Mr. Zivkovic is an Associate with Marcus & Millichap. He is also a Senior Associate for the Mansour Group, which is an entity affiliated with Marcus & Millichap. Mr. Zivkovic holds a Nevada salesperson's license and works out of Marcus & Millichap's San Diego, California office. He resides in California. On May 31, 2016, the NRED notified Mr. Zivkovic that he had been added to the investigation involving Nevada properties brokered by certain other Plaintiffs. The investigation against Mr. Zivkovic is styled *NRED v. Zivkovic* Case No. 2016-2404. Ex. H at 1; *see also* Ex. I. The letter did not detail any complaints by transaction participants against Mr. Zivkovic, but only attached an informational pamphlet, which includes descriptions of brokerage activities in Nevada. While no cease and desist order has been issued, Mr. Zivkovic faces the threat of sanctions and prosecution as a result of this investigation.

57. In sum, these investigations and disciplinary actions concern an alleged violation of the NREC's and NRED's policy forbidding cooperation between in-state brokers and out-of-state agents regarding the sale of Nevada property.

**F. *The NREC's Regulation Violates the Commerce Clause***

58. Challenges to state statutes and regulations under the Commerce Clause are analyzed under a two-tiered approach. *S.D. Myers, Inc. v. City and Cty. of S.F.*, 253 F.3d 461, 466 (9th Cir. 2001). When a state statute or regulation directly regulates or discriminates against interstate commerce, or when its effect is to favor in-state economic interests over out-of-state interests, the statute or policy is generally struck down without further inquiry. *Id.* If the statute or regulation has only indirect effects on interstate commerce and regulates evenhandedly, however, a Commerce Clause analysis requires examination into whether the state's interest is legitimate and whether the burden on interstate commerce clearly exceeds any local benefits. *Id.* Under either approach, "[t]he 'central rationale' of the dormant Commerce Clause 'is to prohibit state or municipal laws whose object is local economic protectionism, laws that would excite those jealousies and retaliatory measures the Constitution was designed to prevent.'" *Id.* (quoting *C & A Carbone, Inc. v. Town of Clarkstown*, 511 U.S. 383, 390 (1994)).

59. In this case, the NREC's and NRED's discriminatory and protectionist policy—as seen through regulation and attendant enforcement actions—fails under either tier of the Commerce Clause analysis.

**1. *The NREC's and NRED's policy directly regulates or discriminates against interstate commerce***

60. The NREC's regulation violates the first tier of the Commerce Clause analysis. Under the current NREC regulation, out-of-state brokers are prevented from involvement in transactions involving the sale of Nevada property and in the representation of a Nevada buyer, even when such agents associate with a licensed Nevada broker. Thus, an out-of-state broker may not form a commercial relationship with: (1) a Nevada buyer; (2) a Nevada seller; or (3) a non-Nevada seller for transactions involving Nevada properties. The NREC, and by extension

the NRED, are thus discriminating against interstate commerce to the benefit of local Nevada brokers. This discrimination is felt most acutely by national brokerage firms and their clients. It also harms all buyers and sellers of Nevada commercial property by denying them the services, networks, expertise, and access to national markets that national commercial brokerage firms can provide. The effect of the NREC's regulation is to favor local brokers over out-of-state agents. The result is that licensed out-of-state agents are precluded from participating in interstate commerce with regard to Nevada property transactions. For these reasons as well, the NREC's regulation and the NRED's attendant enforcement actions violate the Commerce Clause. *See Skeeters*, 395 F. Supp. 2d at 549; *see also River Oaks Mgmt.*, 2007 WL 2571909, at \*6-7.

**2. *The burden on interstate commerce clearly exceeds any benefit to Nevada***

61. The NREC's regulation and the NRED's attendant enforcement actions also violate the second tier of the Commerce Clause analysis. The NREC and NRED have no legitimate interest in forbidding licensed out-of-state agents from working with Nevada brokers in brokering transactions involving Nevada property. The NREC's regulation imposes burdens on interstate commerce that are clearly excessive in relation to any supposed local benefits. *See River Oaks Mgmt.*, 2007 WL 2571909 at \*8. The NREC's regulation places a "heavy burden" on interstate commerce by restricting market access and isolating Nevada from the national market. *Id.* Prohibiting cooperation between out-of-state agents and licensed Nevada brokers does not serve a legitimate public interest, especially if the out-of-state agent is licensed and the Nevada broker oversees the interstate transaction. *Id.* Indeed, only Nevada brokers benefit from such restrictions, as they are able to reap the financial rewards of no national competition and a virtual monopoly on Nevada real estate transactions. Everyone else, including Nevada property

owners, out-of-state agents, and national brokerage firms suffers at the hands of the NREC's and NRED's protectionist policies.

62. Furthermore, the NREC and NRED can achieve the goal of competent broker representation through less burdensome means. Requiring out-of-state agents to be licensed, and to work in conjunction with a licensed Nevada broker who is responsible for insuring compliance with Nevada law, would serve to protect Nevada property owners without unduly burdening interstate commerce or discriminating against out-of-state agents. *Skeeters*, 395 F. Supp. 2d at 549. Any legitimate concern the NREC and NRED might have with the activities of out-of-state agents would be adequately addressed by the involvement and supervision of the cooperating Nevada broker. As the court in *Skeeters* noted, a supervising local broker would be legally and professionally responsible for the acts of the cooperating broker and could “make certain that the guidelines, regulations and laws of [Nevada] are observed while the out-of-state broker can advise the foreign investor on matters critical to its overall interests.” *Id.* at 549–50 (quoting *Furr v. Fonville Morisey Realty, Inc.*, 503 S.E.2d 401, 406 (N.C. Ct. App. 1998)). “[W]hen, as happens with increasing frequency in our state, the buyer/lessee is an out-of-state investor or corporation with complex interests and concerns best known to its regular brokers in its home state, the interests of the parties are better served if the out-of-state party is allowed to rely on the combined efforts of a local broker and a broker familiar with its particular situation.” *Id.* at 549. “[I]ndeed, the complete exclusion of its regular broker from a transaction may well render the foreign buyer/lessee more vulnerable to fraud.” *Id.* at 550 (quoting *Furr*, 503 S.E.2d at 406).

63. There is no legitimate local regulatory purpose for prohibiting the involvement of out-of-state agents in brokering the sale of Nevada commercial property *or* the representation of

Nevada buyers, especially when Nevada licensees are involved to ensure compliance with applicable local regulations.

64. There is no legitimate local regulatory purpose for prohibiting the involvement of out-of-state agents in brokering Nevada commercial property where that agent has an established relationship of trust and confidence with a particular seller or buyer of Nevada real estate.

65. If all states were to adopt policies similar to the NREC's and NRED's, it would be virtually impossible for consumers of real estate brokerage services to obtain consistent investment advice, maintain a diverse portfolio of properties, engage in multi-state transactions, and maximize property values or identify investment opportunities without expending substantial additional resources. Buyers and sellers would not be permitted to work with a single national broker analyzing and consulting on their whole portfolio. Instead, real estate investors would need to employ scores of local brokers focused only on properties in their individual states. And each of those local brokers would be legally prohibited from even discussing other properties the client owns or might have interest in with potential buyers or sellers, for fear of transgressing the protectionist policies in the state where the client's other properties or possible acquisition targets may be located.

66. When taken to its logical conclusion, the gridlock that would result if all 50 states adopted the NREC's and NRED's approach is apparent. A seller with properties in ten states would have to retain ten separate agents, one in every state, who would be negotiating contracts and closing deals for each state. These separate agents would literally be prohibited from working together to effectuate the seller's overall business objectives, because any involvement by any other broker would violate the protectionist policies in a broker's local jurisdiction. Likewise, each buyer, at significant financial and transaction costs, would have to retain an agent

licensed in the state of each property's location and segregate communications between them. A purchaser who desires to buy property in ten states would have to retain ten agents, all working independently. A deal that could have been completed principally by two agents, with appropriate supervision, in a single transaction would thus require 20 agents and ten transactions. This obstruction of interstate commerce is precisely what the Commerce Clause forbids.

***G. The NREC's Regulation and NRED's Enforcement Actions Restrict Plaintiffs' Freedom of Speech Rights, Violating the First and Fourteenth Amendments***

67. To effect their protective scheme, the NREC and NRED restrict the speech of those involved in Nevada real estate transactions in a variety of ways. These restrictions include both content-based and speaker-based restrictions. They restrict broad marketing speech directed at a wide audience and speech that does no more than propose a commercial transaction to a particular market participant.

68. The NREC regulation and its implementation by the NRED restrict Plaintiffs' speech proposing a commercial transaction to buyers or sellers of Nevada real estate. First, as demonstrated by the cease and desist orders, the NRED has ordered that the out-of-state agents refrain from "any form of advertisement" as a real estate agent or licensee. *See, e.g., Ex. A* at 1. Second, the cease and desist order more broadly prohibits the out-of-state agents from "engaging in the business of" real estate, "acting in the capacity of" a real estate agent, "any form of . . . sale of property," or "assum[ing] to act" as a real estate agent. *See, e.g., Ex. A* at 1. But a critical part of being a real estate broker, as Nevada statutory law recognizes, includes the negotiating of deals. NEV. REV. STAT. § 645.030. Negotiation involves speech. Therefore, when Plaintiffs propose and negotiate commercial transactions, communicate with market participants, and market properties, they are engaging in commercial speech. Accordingly, the NREC and the NRED prohibit commercial speech.

69. This commercial speech neither relates to unlawful activity nor is it misleading. Thus, Plaintiffs' commercial speech is subject to protection and, at a minimum, the NREC and NRED must justify the regulation as consistent with the First Amendment. *Central Hudson Gas & Elec. Corp. v. Public Serv. Comm'n of New York*, 447 U.S. 557, 565 (1980). To be consistent with the First Amendment, the NREC and NRED must demonstrate: (1) the asserted governmental interest is substantial; (2) the regulation advances the governmental interest asserted in a direct and material way; and (3) the regulation is not more extensive than is necessary to serve that interest. *Id.* at 565; *Rubin v. Coors Brewing Co.*, 514 U.S. 476, 487 (1995).

70. The NREC's regulation and the NRED's enforcement efforts do not directly advance any substantial governmental interest. Silencing out-of-state brokers directly advances no substantial state interest. Rather, the regulation and enforcement efforts serve primarily to protect local brokers. The present and threatened disciplinary actions at issue demonstrate the incongruity of the regulatory scheme with any substantial interest. Here, the NREC and NRED seek to penalize Plaintiffs for exercising protected commercial speech in connection with a Nevada real estate transaction despite the fact that no participant of the transaction has complained of any harm.

71. The NREC's regulation and the NRED's enforcement efforts are also more extensive than is necessary to regulate any substantial interest. Again, any legitimate concern the Nevada regulatory agencies might have with the activities of out-of-state agents could be adequately addressed by the involvement and supervision of the cooperating Nevada broker. *Skeeters*, 395 F. Supp. 2d at 549-50. Such a proposal, used by states across the United States,



adequately addresses any legitimate concern without Nevada's draconian restrictions, which silence out-of-state brokers in connection with Nevada real property transactions.

72. Moreover, legislation or government regulation which imposes a specific, content-based ban is subject to heightened judicial scrutiny. *Sorrell v. IMS Health Inc.*, 564 U.S. 552, 131 S. Ct. 2653, 2664 (2011). The NRED's prohibition on advertising is a content-based ban, specifically regulating speech based on the content.

73. Finally, advertising Plaintiffs' involvement in a real estate transaction through marketing materials is commercial speech. Many national real estate brokers, including Marcus and Millichap brokers, are hired for their recognized expertise in particular commercial real estate transactions. Advertising provides truthful, factual information relevant to the transaction. The NREC and NRED seek to stop this marketing content because they do not like the message: advertising by non-Nevada brokers who bring national expertise and recognition to a transaction and may therefore take business away from Nevada brokers.

***H. Irreparable Harm***

74. Without intervention from this Court, Plaintiffs face irreparable harm from the NREC's regulation and the NRED's enforcement of this protectionist regime. Such enforcement deprives Plaintiffs of their rights under the Commerce Clause of the United States Constitution to engage in interstate commerce free from protectionist, discriminatory, and/or unnecessarily burdensome state economic restraints.

75. The NREC's regulation and the NRED's enforcement efforts have the potential to threaten the livelihoods of Nevada brokers and agents. See NEV. ADMIN. CODE § 645.185(8).

76. The NREC's regulation and the NRED's enforcement efforts deny non-Nevada licensees, including licensees affiliated with Marcus & Millichap, access to Nevada markets and prevent them from being able to service their long-standing clients.

77. The NREC's regulation and the NRED's enforcement efforts injure owners of Nevada commercial property, by preventing them from engaging the brokers of their choice when they wish to sell their properties, by preventing them from obtaining valuable investment and marketing services provided by national brokerage firms, and by potentially depressing the value of their property by segregating Nevada commercial property from the national marketplace.

78. The NREC's regulation and the NRED's enforcement efforts injure Nevada-based investors and potential investors by preventing them from openly accessing the interstate market for valuable investment services with respect to their potential Nevada property.

79. The NREC's regulation and the NRED's enforcement effort also violate Plaintiffs' First Amendment free speech rights, made applicable to the states through the Fourteenth Amendment. The policy restricts the free flow of truthful, factual information relevant to commercial real estate transactions based on the content of the message and the speaker. Without intervention from this Court, Plaintiffs face irreparable harm from this continued suppression of Plaintiffs' free speech rights.

### COUNT I

#### *42 U.S.C. § 1983, Violation of the Commerce Clause*

80. Plaintiffs restate and reallege the allegations set forth above.

81. Defendants, under color of state law, have imposed and continue to enforce the NREC's regulation prohibiting cooperation between Nevada brokers and non-Nevada licensed

agents in many aspects of the interstate brokerage of Nevada commercial property. Nevada law, as interpreted by the NREC and the NRED, and the associated regulations and enforcement efforts, create a protectionist, discriminatory, and/or unreasonably burdensome restraint on interstate commerce in violation of the Commerce Clause of the United States Constitution.

**COUNT II**

***42 U.S.C. §1983, Violation of the First Amendment***

82. Plaintiffs restate and reallege the allegations set forth above.

83. Defendants, under color of state law, have imposed and continue to enforce the NREC's regulation. Nevada law, as interpreted by the NREC and the NRED, and the associated regulation and enforcement efforts, deprive Plaintiffs of their right to freedom of speech in violation of the First Amendment to the United States Constitution as applied to Nevada, the NREC, and the NRED under the Fourteenth Amendment to the United States Constitution and 42 U.S.C. § 1983.

**COUNT III**

***28 U.S.C. § 2201, Declaratory Relief***

84. Plaintiffs restate and reallege the allegations set forth above.

85. Plaintiffs seek a declaration that Nevada Revised Statute § 645.605 does not prohibit licensed out-of-state agents from brokering Nevada property transactions in conjunction with a licensed Nevada real estate broker in *any* fashion, and that the NREC's regulation found at Nevada Administrative Code § 645.185(11) and the NRED's associated enforcement efforts violate Nevada law.

86. Plaintiffs also seek a declaration that the NREC's regulation found at Nevada Administrative Code § 645.185(11) and the NRED's associated enforcement efforts violate the

Commerce Clause of the United States Constitution, obstructing Plaintiffs' rights to engage in interstate commerce in transactions involving Nevada property.

87. To the extent this Court finds that the NREC's regulation found at Nevada Administrative Code § 645.185(11) and the NRED's associated enforcement efforts *do not* conflict with Nevada law, Plaintiffs seek a declaration that Nevada Revised Statute § 645.605 violates the Commerce Clause of the United States Constitution to the extent it purports to prohibit out-of-state licensed real estate agents from collaborating with Nevada brokers in the brokering of Nevada commercial property in *any* fashion.

88. To the extent this Court finds that the NREC's regulation found at Nevada Administrative Code § 645.185(11) and the NRED's associated enforcement efforts *do not* conflict with Nevada law, Plaintiffs seek a declaration that Nevada Revised Statute § 645.605 violates Plaintiffs First Amendment free speech rights, made applicable to the state of Nevada by the Fourteenth Amendment.

### **COUNT III**

#### ***42 U.S.C. § 1988, Attorneys' Fees***

89. Plaintiffs restate and reallege the allegations set forth above.

90. Plaintiffs bring this action to vindicate their civil rights under the United States Constitution.

91. Because Defendants have violated Plaintiffs' civil rights, Plaintiffs are entitled to an award of attorneys' fees and other allowable expenses pursuant to 42 U.S.C. § 1988.

### **PRAYER FOR RELIEF**

WHEREFORE, Plaintiffs pray that final judgment be entered against Defendants declaring, ordering and adjudicating that:

- (a) The NREC's and NRED's policy, including the attendant regulations and enforcement efforts, violates Nevada law;
- (b) The NREC's and NRED's policy, including the attendant regulations and enforcement efforts, violates the Commerce Clause of the United States Constitution;
- (c) The NREC's and NRED's policy, including the attendant regulations and enforcement efforts, violates the First Amendment to the United States Constitution as made applicable to the state of Nevada, the NREC, and the NRED through the Fourteenth Amendment to the United States Constitution;
- (d) To the extent Nevada Revised Statute § 645.605 is found to support the NREC's and NRED's policy, including the attendant regulations and enforcement efforts, that statute violates the Commerce Clause of the United States Constitution;
- (e) To the extent Nevada Revised Statute § 645.605 is found to support the NREC's and NRED's policy, including the attendant regulations and enforcement efforts, that statute violates the First Amendment to the United States Constitution as made applicable to the state of Nevada, the NREC, and the NRED through the Fourteenth Amendment to the United States Constitution;
- (f) Defendants be enjoined from enforcing the NREC's and NRED's unconstitutional policy, and specifically from initiating or prosecuting any further disciplinary investigations, prosecutions, or other actions arising from such enforcement efforts;

- (g) Defendants be enjoined from enforcing their ban on cooperation between Nevada brokers and out-of-state agents in the interstate brokerage of Nevada commercial property;
- (h) Defendants be enjoined from enforcing their advertising ban on non-Nevada agents or brokers;
- (i) Defendants be enjoined from enforcing their ban on non-Nevada brokers proposing commercial transactions of Nevada real property, even when such brokers represent someone other than an out-of-state buyer;
- (j) Defendants be enjoined from enforcing their ban on non-Nevada brokers engaging in any communication, whether written or oral, that may be construed as "negotiation," even when such brokers represent someone other than an out-of-state buyer;
- (k) Defendants dismiss all pending investigations and/or disciplinary actions initiated or prosecuted under the NREC's and NRED's unlawful policy;
- (l) Plaintiffs be awarded all costs and attorneys' fees to which they are entitled; and
- (m) Such further relief as the Court may deem just and reasonable.

DATED this 10th day of June, 2016.

Respectfully submitted,

**BECK REDDEN LLP**

By: /s/ Fields Alexander

Fields Alexander

Texas State Bar No. 00783528

falexander@beckredden.com

Parth S. Gejji

Texas State Bar No. 24087575

pgejji@beckredden.com

1221 McKinney Street, Suite 4500

Houston, Texas 77010-2010

Telephone: (713) 951-3700

Facsimile: (713) 951-3720

*(pro hac vice admissions pending)*

*(will comply with LR IA 10-2 within  
45 days)*

**PRINCE, YEATES & GELDZAHLER**

By: /s/ John A. Snow

John A. Snow

Nevada Bar No. 4133

jsnow@vancott.com

15 West South Temple, Suite 1700

Salt Lake City, UT 84101

Telephone: (801) 524-1000

Facsimile: (801) 524-1098

*Attorneys for Marcus & Millichap Real  
Estate Investment Services of Nevada,  
Inc., Marcus & Millichap Real Estate  
Investment Services, Inc., Gordon  
Allred, Alvin Najib Mansour, Kevin  
Najib Mansour, Perry White, and  
Nenad Zivkovic.*

FOR COMPLIANCE WITH NSCR 42.1  
ONLY

**KOCH & SCOW, LLC**

By: /s/ Steven B. Scow

Steven B. Scow

Nevada Bar No. 9906

sscow@kochscow.com

11500 S. Eastern Ave., Suite 210

Henderson, Nevada 89052

Telephone: (702) 318-5040

Facsimile: (702) 318-5039

(Local Counsel)



**IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF NEVADA  
SOUTHERN DIVISION**

MARCUS & MILLICHAP REAL ESTATE §  
INVESTMENT SERVICES OF NEVADA, §  
INC., MARCUS & MILLICHAP REAL §  
ESTATE INVESTMENT SERVICES, INC., §  
GORDON ALLRED, ALVIN NAJIB §  
MANSOUR, KEVIN NAJIB MANSOUR, §  
PERRY WHITE, and NENAD ZIVKOVIC, §

Plaintiffs, §

vs. §

Civil Action No. 2:16-cv-1299 §

JOSEPH DECKER, in his official capacity as §  
Administrator of the Real Estate Division, §  
Department of Business & Industry, State of §  
Nevada, §

and §

**INDEX TO EXHIBITS  
TO COMPLAINT**

NORMA JEAN OPATIK, NEIL SCHWARTZ, §  
SHERRIE CARTINELLA, DEVIN REISS, and §  
LEE K. BARRETT, in their official capacities as §  
Commissioners of the Nevada Real Estate §  
Commission, §

Defendants. §

**INDEX TO EXHIBITS TO COMPLAINT**

Exhibit A	Allred Letter
Exhibit B	Allred Order
Exhibit C	Mansour, A Letter
Exhibit D	Mansour, A Order
Exhibit E	Mansour, K Letter
Exhibit F	Mansour, K Order
Exhibit G	White Letter
Exhibit H	Zivkovic Letter
Exhibit I	Zivkovic Letter (Continued)

**EXHIBIT A -  
ALLRED LETTER**

BRIAN SANDOVAL  
Governor

STATE OF NEVADA



BRUCE H. BRESLOW  
Director

JOSEPH (JD) DECKER  
Administrator

DEPARTMENT OF BUSINESS AND INDUSTRY  
REAL ESTATE DIVISION  
www.red.nv.gov

April 05, 2016

Gordon Allred  
Marcus & Millichap  
3281 E. Guasti Road, Suite 800  
Ontario, CA. 91761

Certified Mail No. 7015 0640 0007 2047 0902.

RE: NRED vs. ALLRED  
CASE NO. 2016-1734

Dear Mr. Allred;

The Nevada Real Estate Division has received information against you and the Division has opened a case for investigation on your listing and / or sale of the properties Las Vegas Hotel Casino Development Site Land Mixed-Use \$14,500,000.00 Las Vegas, NV, Best Western Pahrump Oasis Hotel / Motel Pahrump, NV, Saddle West Hotel Casino & RV Park Hotel / Motel Pahrump, NV, Las Vegas Redevelopment Site Land - Hotel / Motel Day Inn Town Hall Hotel & Casino Las Vegas, NV and 650 W Front St Battle Mountain, NV 89820. Please provide the following transactions file for all of the property listed above. Also explain why you are soliciting the sale of a property located in the State of Nevada without you having a Nevada Real Estate License. Complete the enclosed Sworn Declaration or you may use the interactive version of the Sworn Declaration from the Division's website (Form 770) for the document(s) you are providing

The investigation of this information has been assigned to me Daryl J. McCloskey. Please direct all correspondence related to this case to my attention. Ensure you label all correspondence with the case name and number.

Enclosed is an affidavit for you to document your knowledge of the matter referenced in the complaint or you may use the interactive version of the affidavit from the Division's website (Form 652). Once you have completed your affidavit, have your signature on the affidavit notarized.

Please provide this information to the Division by April 19, 2016. Should you be in possession of other items you feel are relevant to this investigation, please provide those as well.

Should you have any questions, you may contact me at (702) 486-2423.

Sincerely,

Mr. Daryl J. McCloskey  
Compliance/Audit Investigator

2501 E. Sahara Avenue, Suite 102, Las Vegas, Nevada 89104-4137 Telephone: (702) 486-4033 Fax: (702) 486-4275  
1179 Fairview Drive, Suite E, Carson City, Nevada 89701-5453 Telephone: (775) 687-4280 Fax: (775) 687-4868

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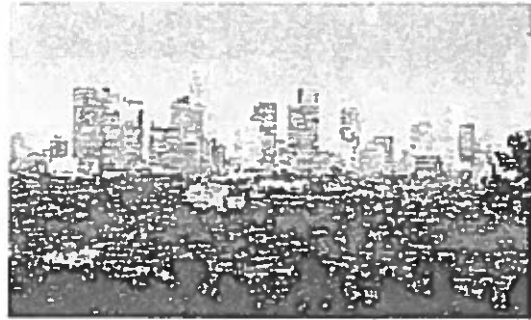
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## Gordon Allred

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### Overview

Gordon Allred is a National Hospitality agent out of Marcus & Millichap's Ontario, California office. Mr. Allred, a First Vice President Investments, joined the firm in 1992. He is a Senior Director of the National Hospitality Group and an Associate Director of the Special Asset Services Group. Gordon has brokered virtually every type of hospitality property including limited and full service, franchised and independent, resort, casino hotel and B&B in most states throughout the country. During his time with Marcus & Millichap, Mr. Allred earned twelve sales recognition awards and became part of the firm's seven-figure club. He leads Marcus & Millichap's National Hospitality Group in terms of activity and deals closed.



### Gordon Allred

First Vice President Investments  
Tel: (909) 456-3420  
Fax: (909) 456-3410

Hospitality/Golf  
Ontario  
License: CA 01892229  
License: CA 00927200

[Contact](#)

[Affiliations](#) [Expertise](#) [Professional History](#) [Education](#) [Key Accomplishments](#)

### Our Team

Gordon Allred, Shane Hanrahan, Karianne J. Cibello, Matt Monahan, Timothy Watkins

### Team Members:

**Shane Hanrahan**  
Associate  
(503) 200-2000

**Karianne J. Cibello**  
Associate  
(202) 536-3700

**Matt Monahan**  
Associate  
(310) 909-5500

**Timothy Watkins**  
Associate  
(775) 348-5200

**Emad Awadalla**  
SIP  
(909) 456-3400

### Listed Properties



**Best Western Plus  
Beachfront Inn**  
Hotel/Motel  
\$24,500,000  
Brookings, OR



**Best Western Plus  
Parkersville Inn & Suites**  
Hotel/Motel  
\$7,900,000  
Washougal, WA



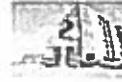
**La Quinta Inn & Suites**  
Hotel/Motel  
\$6,500,000  
Coventry, RI



**Las Vegas Hotel Casino**  
Development Site  
Land - Mixed-Use  
\$14,500,000  
Las Vegas, NV



**Clarion Hotel &  
Conference Center**  
Harrisburg  
Hotel/Motel  
\$6,750,000  
New Cumberland, PA



**Days Inn Six  
Flags/Balfour/AT&T  
Stadium**  
Hotel/Motel  
\$6,500,000  
Arlington, TX



**Best Western Pahrump  
Oasis**  
Hotel/Motel  
\$9,750,000  
Pahrump, NV



**Motel 6 + Candlewood  
Suites Development**  
Hotel/Motel  
\$6,500,000  
Portland, OR

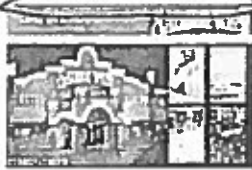


**Holiday Inn Express**  
Hotel/Motel  
\$5,900,000  
Prince Frederick, MD

### Private Listings

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### Transactions Closed



**Saddle West Hotel,  
Casino & RV Park**  
Hotel/Motel  
Pahrump, NV  
Price: \$21,800,000  
Size: 50,000 sqft  
Size: 156 units  
Cap Rate: 9.15%



**Crystal Casino Hotel**  
Hotel/Motel  
Compton, CA  
Price: \$16,500,000  
Size: 238 units



**Las Vegas  
Redevelopment Site**  
Land - Hotel/Motel  
Las Vegas, NV  
Price: \$15,500,000  
Size: 203,425 sqft



**Courtyard Fairfield**  
Napa Valley Area  
Hotel/Motel  
Fairfield, CA  
Price: \$13,445,818  
Size: 137 units  
Cap Rate: 7.59%

There are additional transactions closed, [contact us](#) for more.

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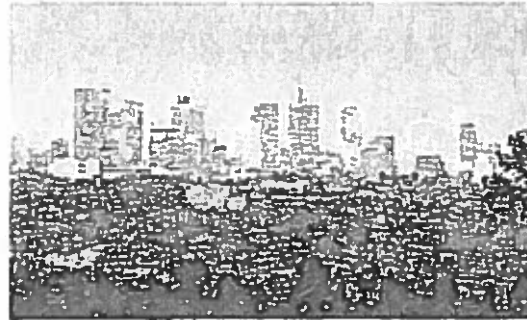
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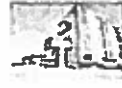
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Retail \$300,000 to \$100,000,000 Mar 12, 2018

**650 W Front St**

Battle Mountain, NV 89820 - Submarket  
 24,544 SF Retail Building Built in 1979  
 Property is for sale at \$2,000,000 (\$81.48/SF)

**Investment Information**

Sale Price: \$2,000,000  
 Price/SF: \$81.48  
 Cap Rate: 6.50%  
 Sale Status: Active  
 Sale Conditions: -  
 Sale Type: Investment  
 Days On Market: 211

**Sales Contacts**

Marcus & Millichap  
 3281 E Grand Rd  
 Suite 800  
 Ontario, CA 91761  
 (909) 456-3400  
 Gordon Alfred  
 First Vice President - Investments  
 (909) 456-3419 (phone)  
 (909) 605-1832 (fax)

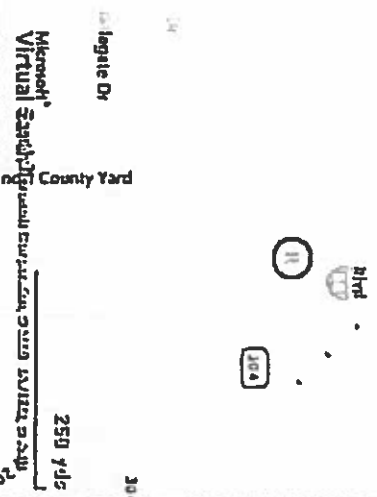
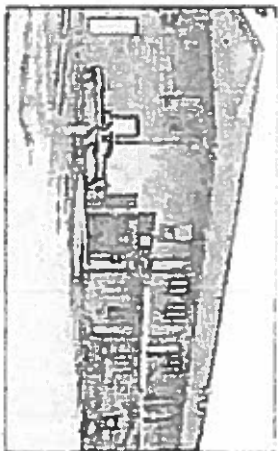
**Investment Notes**

- Highlights**
- Frontage on West Front Street/State Route 304
  - Close Proximity to Interstate 80
  - Recent 2013 Renovation
  - Adjacent to the Cold Casino/Restaurant & Flying J Truck Stop
  - Potential Retailing Opportunity
  - Two Bedroom/Two Bath Manager's Apartment

**Description**  
 Marcus & Millichap has been chosen to exclusively market for sale the Battle Mountain Inn & Suites, a two-story, finished service hotel located in historic Battle Mountain, Nevada. The hotel consists of 72 exterior corridor rooms with frontage on West Front Street/State Route 304. Amenities include a business center, laundry facilities, vending machines and ice machines. The hotel is just under one mile from Interstate 80 and is within close proximity to the Battle Mountain Sports Complex and several P...

**Center Information**

Center Type: Retail	Center Size: 24,544 SF
Build Status: Built 1979	Zoning: C2
% Leased: 100.0%	Owner Type: -
Rent/SF/Yr: For Sale	Land Area: 1.91 AC
Shops: -	Lot Dimensions: -
Elevators: -	CAM: -
Owner Occupied: -	
Tenancy: Multiple Tenant	
Parking: 87 Surface Spaces are available; Ratio of 3.54/1,000 SF	



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# **EXHIBIT B - ALLRED ORDER**

BEFORE THE ADMINISTRATOR OF THE REAL ESTATE DIVISION

STATE OF NEVADA

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

Petitioner,

GORDON ALLRED,

Respondent,

Case No. 2016-1734

CEASE AND DESIST ORDER

THE ADMINISTRATOR OF THE REAL ESTATE DIVISION, DEPARTMENT OF  
BUSINESS & INDUSTRY, STATE OF NEVADA FINDS THE FOLLOWING:

- GORDON ALLRED does not hold an active real estate broker, broker-salesperson or salesperson license issued by the Real Estate Division pursuant to NRS 645.

THEREFORE, THE ADMINISTRATOR HEREBY ORDERS GORDON ALLRED TO CEASE AND DESIST from engaging in the business of, acting in the capacity of, any form of advertisement or/and sale of property and/or assume to act as a real estate agent or any other position that requires a license in the State of Nevada from the State of Nevada Real Estate Division.

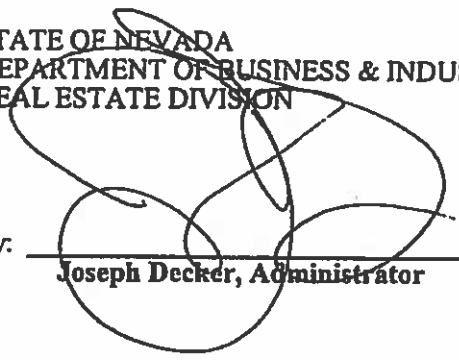
Your failure to comply with this order immediately will necessitate filing a formal complaint with the Clark County District Attorney or the Office of the Attorney General for prosecution of unlicensed activity pursuant to NRS 645.230. Your failure to comply with this order immediately will result in the Administrator for the Real Estate Division bringing further legal action against you.

This order shall be EFFECTIVE IMMEDIATELY and shall continue in full force and effect UNTIL FURTHER ORDER OF THE ADMINISTRATOR.

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DATED this 7 day of APRIL, 2016, to be effective immediately.

STATE OF NEVADA  
DEPARTMENT OF BUSINESS & INDUSTRY  
REAL ESTATE DIVISION

By:   
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Joseph Decker, Administrator

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**Certificate of Service**

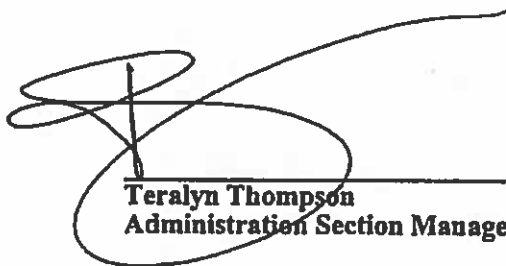
I certify that on the 7th day of April, 2016, I deposited a copy of the foregoing:

**CEASE AND DESIST FOR CASE NO. 2016-1734 GORDON ALLRED**

in the United States Mail, postage pre-paid, in Las Vegas, Nevada, through the State of Nevada mailroom, by first class mail addressed to the following respondents at their last known address as follows:

**Certified No. 7008 0150 0003 7637 9033**

Gordon Allred  
Marcus & Millichap  
3281 E. Guasti Road, Suite 800  
Ontario, CA. 91761



**Teralyn Thompson**  
**Administration Section Manager**

**EXHIBIT C -  
MANSOUR, A  
LETTER**

BRIAN SANDOVAL  
Governor

STATE OF NEVADA



BRUCE H. BRESLOW  
Director

JOSEPH (JD) DECKER  
Administrator

DEPARTMENT OF BUSINESS AND INDUSTRY  
REAL ESTATE DIVISION  
www.red.nv.gov

May 31, 2016

Seth M. Mott  
Marcus & Millichap  
36 South State Street  
Salt Lake City, UT 84111

Certified Mail No. 7015 0640 0007 2047 4160

RE: NRED vs. MANSOUR, A  
CASE NO. 2016-2402

Dear Mr. Mott;

The Nevada Real Estate Division has received information against Alvin Najib Mansour and the Division has opened a case for investigation on the listing and / or sale of the property Dollar General at 3059 Highway 50 East Carson City, NV 89701. Please provide the following transactions file for the property listed above. Also explain why you are soliciting the sale of a property located in the State of Nevada without you having a Nevada Real Estate License. Complete the enclosed Sworn Declaration or you may use the interactive version of the Sworn Declaration from the Division's website (Form 770) for the document(s) you are providing

The investigation of this information has been assigned to me Daryl J. McCloskey. Please direct all correspondence related to this case to my attention. Ensure you label all correspondence with the case name and number.

Enclosed is an affidavit for you to document your knowledge of the matter referenced in the complaint or you may use the interactive version of the affidavit from the Division's website (Form 652). Once you have completed your affidavit, have your signature on the affidavit notarized.

Please provide this information to the Division by June 15, 2016. Should you be in possession of other items you feel are relevant to this investigation, please provide those as well.

Should you have any questions, you may contact me at (702) 486-2423.

Sincerely,

A handwritten signature in black ink, appearing to read "Daryl J. McCloskey", written over a white background.

Mr. Daryl J. McCloskey  
Compliance/Audit Investigator

Cc; Alvin Najib Mansour, Respondent

**BRIAN SANDOVAL**  
Governor

**STATE OF NEVADA**



**BRUCE H. BRESLOW**  
Director

**JOSEPH (JD) DECKER**  
Administrator

**DEPARTMENT OF BUSINESS AND INDUSTRY  
REAL ESTATE DIVISION**  
<http://red.nv.gov/>

**SWORN DECLARATION**

I, \_\_\_\_\_, declare under penalty of  
(Print Name)

perjury under the law of the State of Nevada, that the documents submitted  
herewith consisting of \_\_\_\_\_ pages are a true, correct, and complete copy of  
any and all documents for

\_\_\_\_\_  
(Client name)

\_\_\_\_\_  
(Transaction Address, City, State, Zip code)

Executed on \_\_\_\_\_  
(date)

\_\_\_\_\_  
(signature)

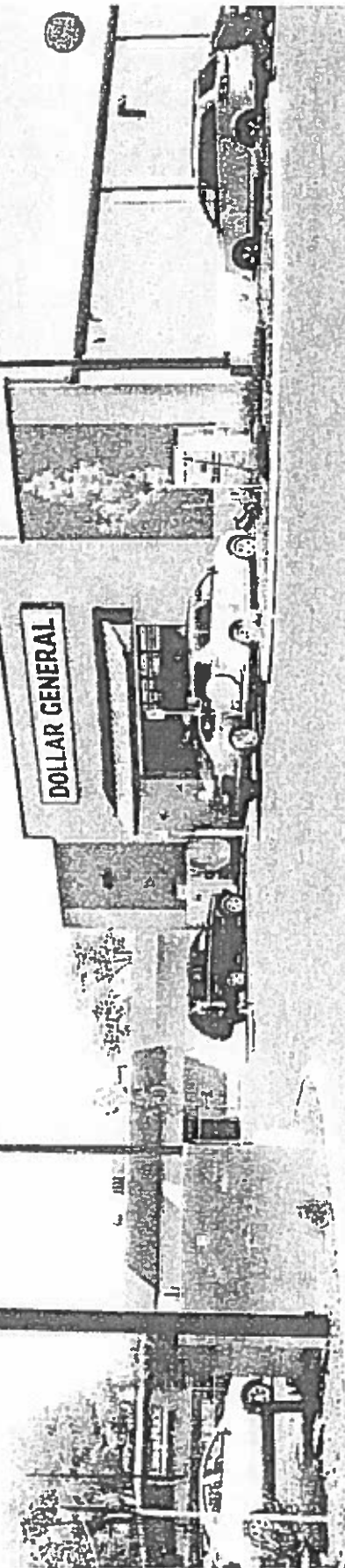
2501 E. Sahara Avenue, Suite 102 Las Vegas, Nevada 89104 (702) 486-4033 • Fax (702) 486-4275



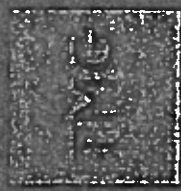


**DOLLAR  
GENERAL**

**DOLLAR  
GENERAL**



Actual Site



**THE  
MANSOUR  
GROUP**  
at Marcus & Millichap

OFFERING MEMORANDUM

**Dollar General**

3059 Highway 50 East, Carson City, NV 89701

**Alvin Mansour**  
President

Tel: (959) 373-2184  
alvin@themansourgroup.com

Licenses: CA 01301653  
TX 0506255

**Kevin Mansour**  
Managing Partner

Tel: (858) 273-2187  
kevin@themansourgroup.com

License: CA 01878011

**Ned Zivkovic**  
Associate

Tel: (859) 373-3124  
ned@themansourgroup.com

License: NV 72029

# DOLLAR GENERAL

## The Offering

The subject property is a brand new 9,026-square foot Dollar General location in Carson City, Nevada. Dollar General has signed a fifteen-year corporate guaranteed absolute net lease with zero landlord responsibilities and three 5-year option periods. The lease provides a ten percent (10%) rent increase for each option period. Dollar General (NYSE: DG) is a publicly traded company with a current "BBB" investment grade credit rating by Standard & Poor's that operates over 12,483 stores across 43 states.

## Overview

Price \$2,407,988  
 Gross Leasable Area 9,026 SF  
 Lot Size 0.9 Acres +/-  
 Year Built 2014  
 Net Operating Income \$148,091.28  
 CAP Rate 6.15%

## Annualized Operating Data

Lease Term  
 Current - March 31, 2029  
 Options 1 - 3 (5 Years Each)  
 Base Rent (\$16.41/SF)  
 Annual Rent \$148,091.28  
 10% Increases at Each Option  
 \$148,091.28

## Lease Summary

Tenant Trade Name Dollar General  
 Initial Lease Term 15 Years  
 Lease Type Absolute Net  
 Roof & Structure Responsibility Tenant Responsible  
 Rent Commencement Date March 31, 2014  
 Expiration Date March 31, 2029  
 Remaining Lease Term 12.5+ Years  
 Increases 10% at Each Option  
 Renewal Options Three 5-Year

## Tenant Summary

Tenant Dollar General  
 Ownership Public  
 Lease Guarantor Corporate  
 Sales Volume \$20.4 Billion  
 Net Worth \$5.4 Billion  
 Stock Symbol (NYSE) DG  
 Credit Rating (S&P) BBB  
 Number of Locations 12,483+  
 Headquarters Goodlettsville, TN  
 Website www.dollargeneral.com

Dollar General operates a chain of over 12,483 discount stores in about 43 states as of March 23, 2016, primarily in the Southern and Eastern US, the Midwest, and the Southwest. The company offers basic household supplies including cleaning supplies, health and beauty aids, food and apparel. Most of the merchandise which is carried in the Dollar General stores is priced between \$1 and \$35.



This information has been secured from sources we believe to be reliable, but we make no representations or warranties, expressed or implied, as to the accuracy of the information. References to square footage or age are approximate. Buyer must verify the information and bears all risk for any inaccuracies. Marcus & Milichap is a trademark of Marcus & Milichap Real Estate Investment Services, Inc. © 2016 Marcus & Milichap. All rights reserved.

# DOLLAR GENERAL

## Investment Highlights

- **New 2014 Construction - 15-Year Corporate Guaranteed Absolute Net Lease (Zero Landlord Responsibilities) and a Strong National Tenant - Dollar General (NYSE: DG) with Investment Grade Credit Rating "BBB" by S&P and Annual Revenue Exceeding \$20.4 Billion**
- **Features Easy Access and Excellent Visibility Along Highway 50 (Lincoln Highway) with Exposure to Over 26,600 VPD with Direct Access to I-580 - Few Minutes Away From Lake Tahoe - Destination to Over 3 Million Visitors Each Year**
- **Surrounded by Several Major Retailers Including Dunkin Donuts, AT&T, Wells Fargo, AutoZone, CVS Pharmacy, 7-Eleven, NAPA Auto Parts, US Bank, Subway, Dairy Queen, Taco Bell, Domino's, 99 Cents Only, Tractor Supply, and Many More**
- **Centrally Located with Strong Demographics - Less than 5 Miles from Casino Fandango and Nevada State Railroad Museum - Strong Attractions for Tourists and Visitors to the Area - Over 53,000 People Reside within a 5-Mile Radius**
- **Near Numerous Schools with Strong Student Populations Including Western Nevada College (4,300+ Students), Carson High School (2,200+ Students), Carson Middle School (1,100+ Students), Grace Bordewich Mildred Bray Elementary School (600+ Students), and More**

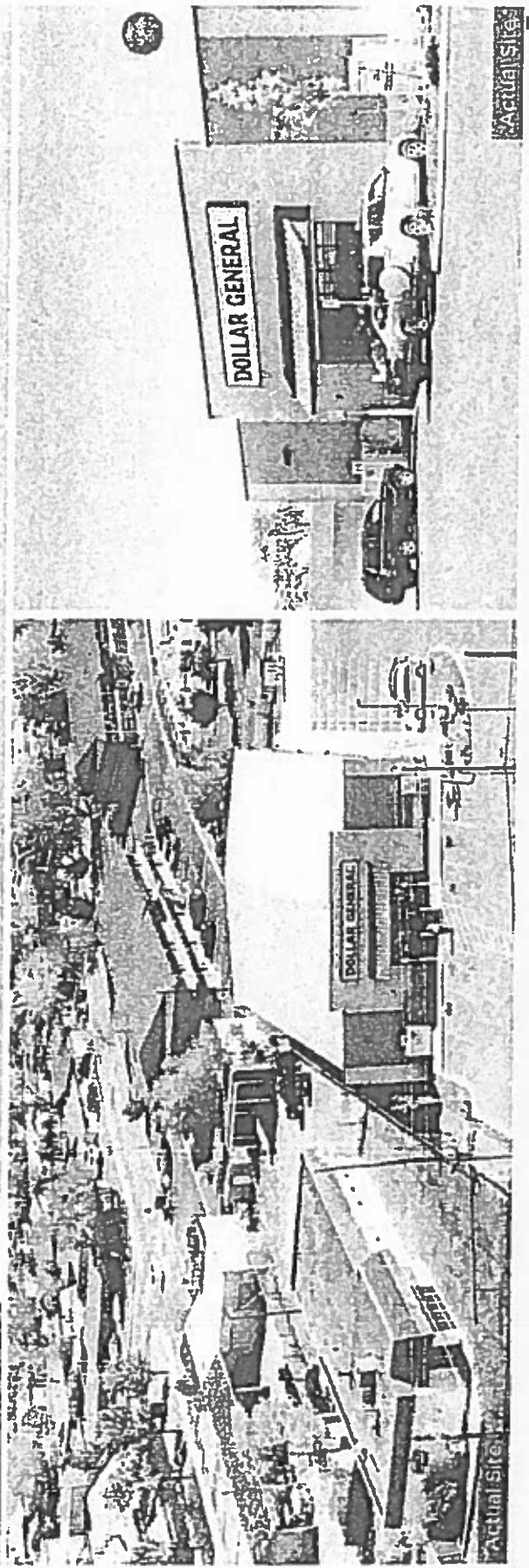
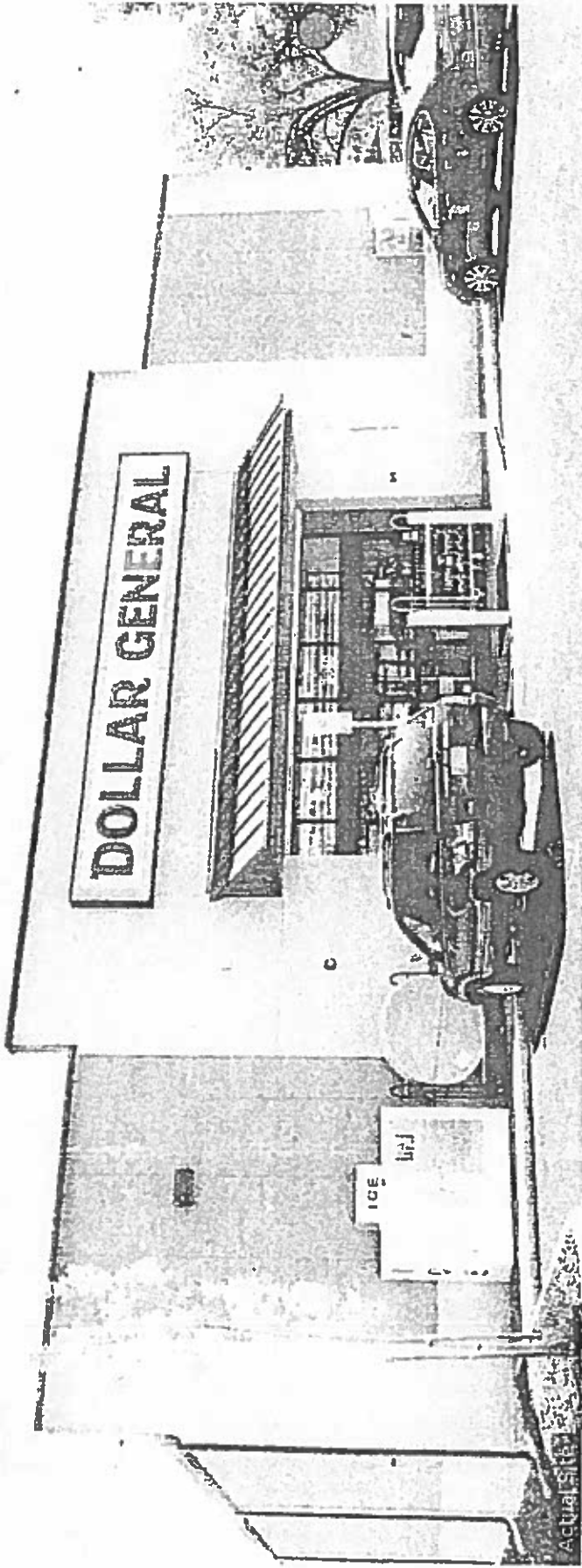
## Location Overview

Located along Highway 50 (Lincoln Highway), the subject property features easy access and excellent visibility with exposure to over 26,200 vehicles per day and is located minutes away from Lake Tahoe, a destination to over three million visitors each year. The site is surrounded by major retailers including Dunkin Donuts, AT&T, Wells Fargo, AutoZone, CVS Pharmacy, 7-Eleven, NAPA Auto Parts, US Bank, Subway, Dairy Queen, Taco Bell, Domino's, 99 Cents Only, Tractor Supply, and many more. This site is situated less than two miles from Carson City Airport, an FAA classified "relief airport" to Reno-Tahoe International Airport. Located less than four miles from the site is the Nevada State Railroad Museum, a cultural resource dedicated to educating visitors and the community about Nevada railroad history. The property is located less than five miles from Casino Fandango, featuring over 40,800-square feet of gaming space and 88 rooms for guests to stay. The property is near numerous schools with strong student populations including Western Nevada College (4,300+ students), Carson High School (2,200+ students), Carson Middle School (1,100+ students), Grace Bordewich Mildred Bray Elementary School (600+ students), and more. The site features strong demographics with over 53,000 people residing within a five-mile radius.

Carson City is an independent city and the capital of the state of Nevada. The population was 55,274 at the 2010 U.S. Census. The majority of the population of the town lives in Eagle Valley, on the eastern edge of the Carson Range, a branch of the Sierra Nevada. Carson City is about 30 miles south of Reno and originated as a stopover for California-bound emigrants, but developed into a city with the Comstock Lode, a silver strike in the mountains to the northeast. The city has served as the capital of Nevada since statehood in 1864 and for much of its history was a hub for the Virginia and Truckee Railroad, although the tracks were removed in the 1950s. The city limits today extend west across the Sierra Nevada to the California state line in the middle of Lake Tahoe.

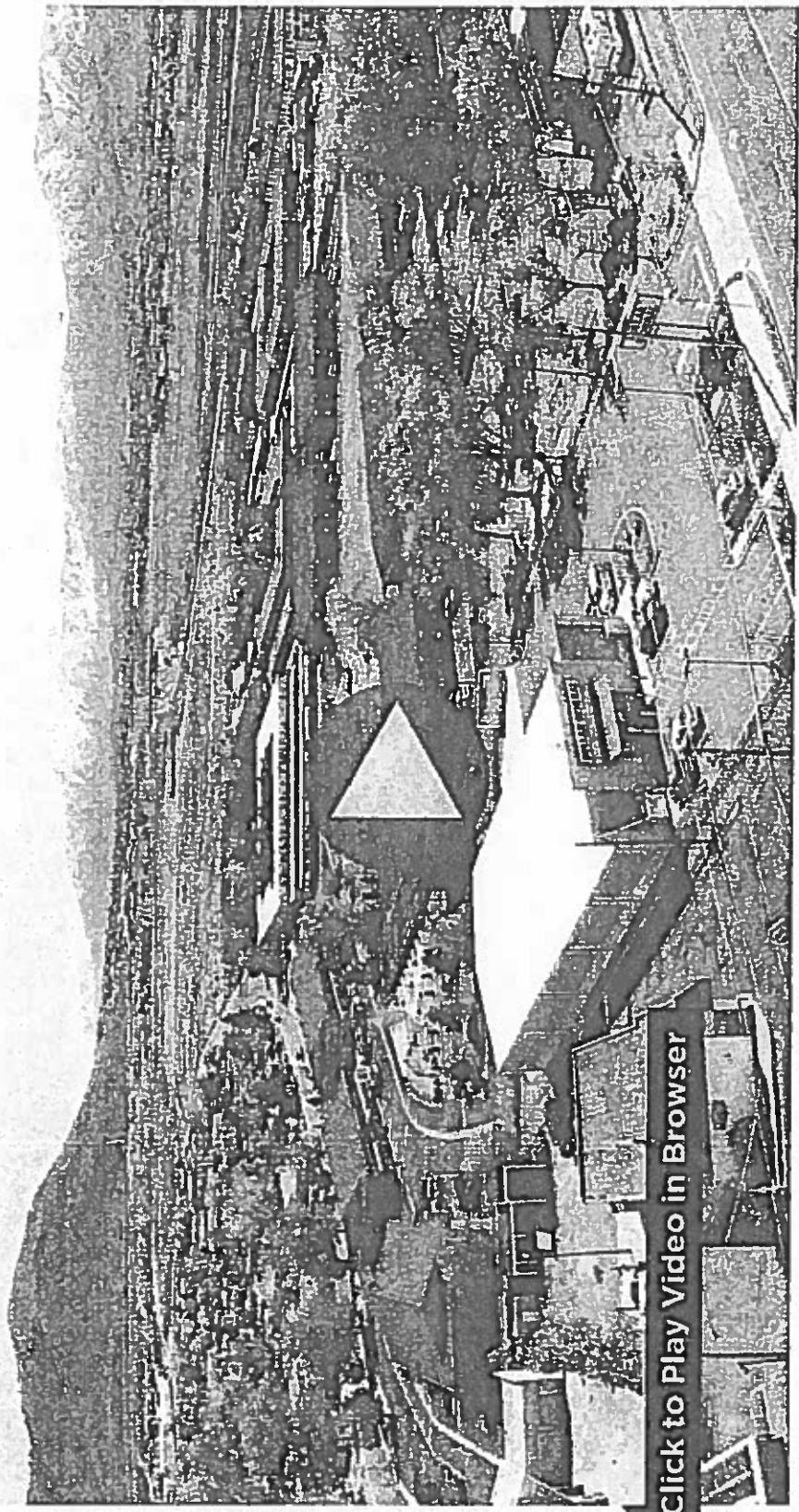


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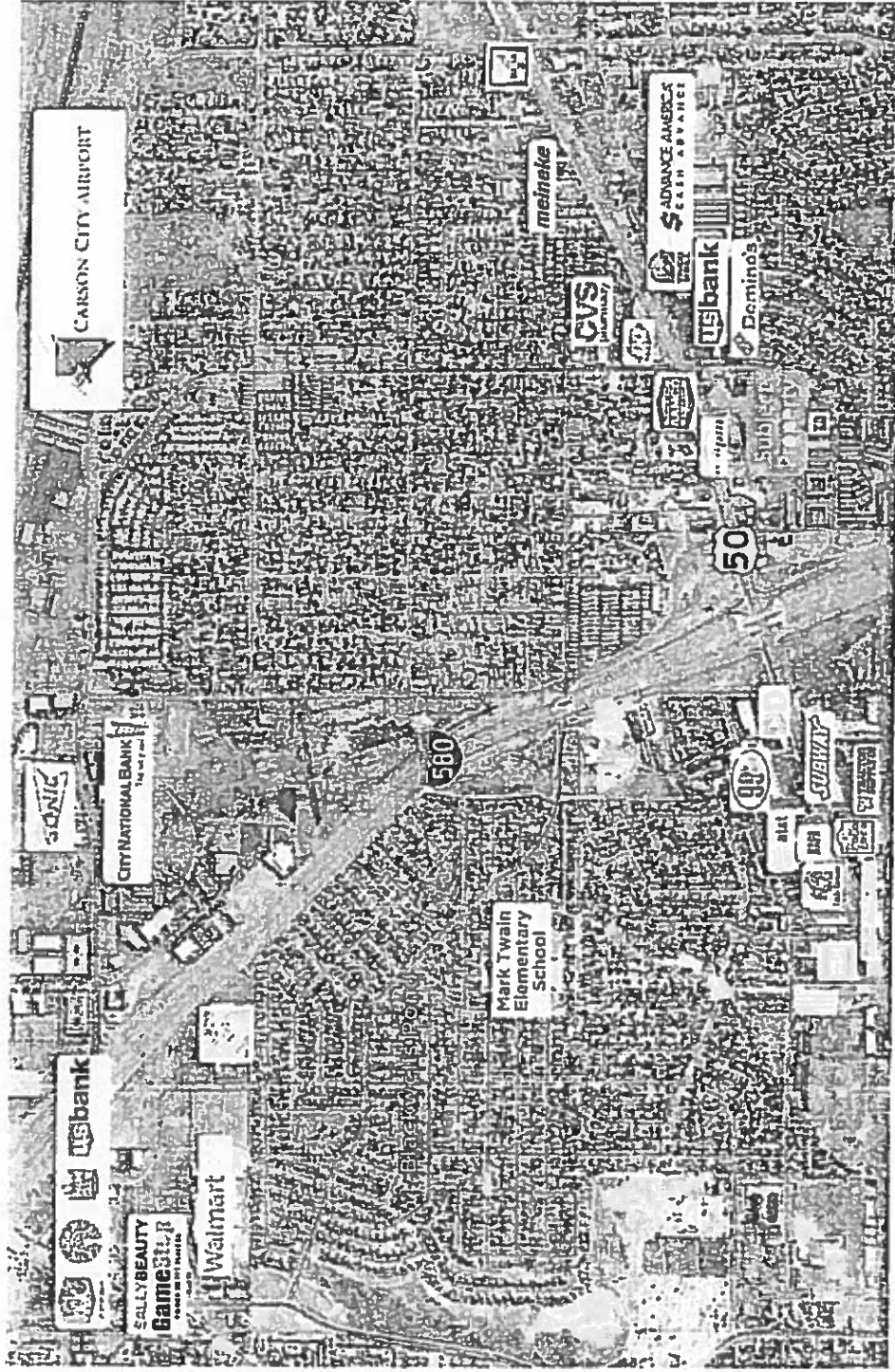
**DOLLAR GENERAL**

**Aerial Video**



# DOLLAR GENERAL

## Aerial



This information has been derived from TMG's aerial imagery, which is not guaranteed to be accurate, but we make no representation, warranty, or assurance as to the accuracy of the information. References to specific locations or businesses are for identification purposes only and do not constitute an endorsement or approval of any business or individual. TMG Mansour is not responsible for any errors or omissions in this information.

**DOLLAR GENERAL**

**Demographic Summary**

Population	1-Mile	3-Miles	5-Miles
2014 Population	12,813	45,185	53,619
2019 Population	13,199	46,231	54,958

Households	1-Mile	3-Miles	5-Miles
2014 Households	4,819	18,263	21,739
2019 Households	5,001	18,894	22,535
2014 Average Household Size	2.65	2.41	2.41
2014 Daytime Population	2,101	25,988	31,838

Income	1-Mile	3-Miles	5-Miles
2014 Median Household Income	\$41,726	\$45,608	\$48,027
2014 Per Capita Income	\$20,824	\$25,386	\$27,210
2014 Average Household Income	\$55,179	\$61,145	\$64,396

**Population**

In 2014, the population in your selected geography is 53,619. The population has changed by 1.72% since 2000. It is estimated that the population in your area will be 54,958 five years from now, which represents a change of 2.49% from the current year. The current population is 50.49% male and 49.50% female. The median age of the population in your area is 42.0, compare this to the Entire US average which is 37.3. The population density in your area is 681.81 people per square mile.

**Households**

There are currently 21,739 households in your selected geography. The number of households has changed by 5.17% since 2000. It is estimated that the number of households in your area will be 22,535 five years from now, which represents a change of 3.66% from the current year. The average household size in your area is 2.41 persons.

**Income**

In 2014, the median household income for your selected geography is \$48,027, compare this to the Entire US average which is currently \$51,972. The median household income for your area has changed by 14.41% since 2000. It is estimated that the median household income in your area will be \$55,992 five years from now, which represents a change of 16.58% from the current year. The current year per capita income in your area is \$27,209, compare this to the Entire US average, which is \$28,599. The current year average household income in your area is \$64,396, compare this to the Entire US average which is \$74,533.

**Race and Ethnicity**

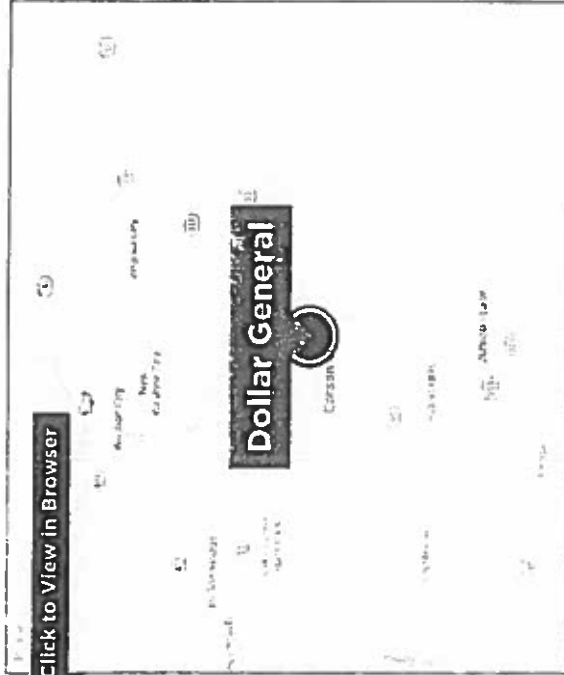
The current year racial makeup of your selected area is as follows: 79.94% White, 1.73% Black, 0.18% Native American and 2.20% Asian/Pacific Islander. Compare these to Entire US averages which are: 71.60% White, 12.70% Black, 0.18% Native American and 5.02% Asian/Pacific Islander. People of Hispanic origin are counted independently of race. People of Hispanic origin make up 23.54% of the current year population in your selected area. Compare this to the Entire US average of 17.13%.

**Housing**

In 2000, there were 13,140 owner occupied housing units in your area and there were 7,529 renter occupied housing units in your area. The median rent at the time was \$581.

**Employment**

In 2014, there are 31,837 employees in your selected area, this is also known as the daytime population. The 2000 Census revealed that 57.75% of employees are employed in white-collar occupations in this geography, and 42.22% are employed in blue-collar occupations. In 2014, unemployment in this area is 10.30%. In 2000, the average time traveled to work was 18.4 minutes.



This information has been secured from sources we believe to be reliable, but we make no representations or warranties, expressed or implied, as to the accuracy of the information. References to square footage or age are approximate. Buyer must verify the information and bears all risk for any inaccuracies. Marcus & Millichap is a trademark of Marcus & Millichap Real Estate Investment Services, Inc. © 2016 Marcus & Millichap. All rights reserved.

## Confidentiality Agreement

The information contained in the following offering memorandum is proprietary and strictly confidential. It is intended to be reviewed only by the party receiving it from Marcus & Millichap and it should not be made available to any other person or entity without the written consent of Marcus & Millichap. By taking possession of and reviewing the information contained in the offering memorandum, the recipient agrees to hold and treat all such information in the strictest confidence. The recipient further agrees that recipient will not photocopy or duplicate any part of the offering memorandum, if you have no interest in the subject property at this time, please return this offering memorandum to Marcus & Millichap.

This offering memorandum has been prepared to provide summary, unverified financial and physical information to prospective purchasers and to establish only a preliminary level of interest in the subject property. The information contained herein is not a substitute for a thorough due diligence investigation. Marcus & Millichap has not made any investigation, and makes no warranty or representation with respect to the income or expenses for the subject property, the future projected financial performance of the property, the size and square footage of the property and improvements, the presence or absence of contaminating substances, PCBs, or asbestos, the compliance with local state and federal regulations, the physical condition of the improvements, the age, or the financial condition or business prospects of any tenant, or any tenant's plans or intentions to continue its occupancy of the subject property. The information contained in this offering memorandum has been obtained from sources we believe to be reliable; however, Marcus & Millichap has not verified, and will not verify, any of the information contained herein, and makes no warranty or representation whatsoever regarding the accuracy or completeness of the information provided. All potential buyers must take appropriate measures to verify all of the information set forth herein. Prospective buyers shall be responsible for their costs and expenses of investigating the subject property.

**ALL PROPERTY SHOWINGS ARE BY APPOINTMENT ONLY. PLEASE CONTACT THE MARCUS & MILLICHAP AGENT FOR MORE DETAILS.**



THE  
**MARCUS & MILLICHAP**  
GROUP

This information has been received from sources we believe to be reliable, but we make no representation as to the accuracy of the information. We make no guarantee of accuracy or completeness of the information. Marcus & Millichap shall not be held liable in the event of any error or omission.

## Net Leased Disclaimer

Marcus & Millichap hereby advises all prospective purchasers of Net Leased property as follows:

The information contained in this Marketing Brochure has been obtained from sources we believe to be reliable. However, Marcus & Millichap has not and will not verify any of this information, nor has Marcus & Millichap conducted any investigation regarding these matters. Marcus & Millichap makes no guarantee, warranty or representation whatsoever about the accuracy or completeness of any information provided. As the Buyer of a net leased property, it is the Buyer's responsibility to independently confirm the accuracy and completeness of all material information before completing any purchase. This Marketing Brochure is not a substitute for your thorough due diligence investigation of this investment opportunity. Marcus & Millichap expressly disavows any obligation to conduct a due diligence examination of this Property for Buyer. Any projections, opinions, assumptions or estimates used in this Marketing Brochure are, for example only and do not represent the current or future performance of this property. The value of a net leased property to you depends on factors that should be evaluated by you and your tax, financial and legal advisors.

Buyer and Buyer's tax, financial, legal, and construction advisors should conduct a careful independent investigation of any net leased property to determine to your satisfaction with the suitability of the property for your needs. Like all real estate investments, this investment carries significant risks. Buyer and Buyer's legal and financial advisors must request and carefully review all legal and financial documents related to the property and tenant. While the tenant's past performance at this or other locations is an important consideration, it is not a guarantee of future success. Similarly, the lease rate for some properties, including newly constructed facilities or newly-acquired locations, may be set based on a tenant's projected sales with little or no record of actual performance or comparable rents for the area. Rent rates are not guaranteed; the tenant and any guarantors may fail to pay the lease rent or property taxes, or may fail to comply with other material terms of the lease. Cash flow may be interrupted in part or in whole due to market, economic, environmental or other conditions. Regard less of tenant history and lease guarantees, Buyer is responsible for conducting his/her own investigation of all matters affecting the intrinsic value of the property and the value of any long-term lease including the likelihood of locating a replacement tenant at the current tenant should default or abandon the property, and the lease terms that Buyer may be able to negotiate with a potential replacement tenant considering the location of the property, and Buyer's legal liability to make alternate use of the property.

By accepting this Marketing Brochure you agree to release Marcus & Millichap Real Estate Investment Services and hold it harmless from any kind of claim, cost, expense, or liability arising out of your investigation and/or purchase of this net leased property.



**EXHIBIT D -  
MANSOUR, A  
ORDER**

BEFORE THE ADMINISTRATOR OF THE REAL ESTATE DIVISION

STATE OF NEVADA

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

Petitioner,

ALVIN NAJIB MANSOUR,

Respondent,

Case No. 2016-2402

CEASE AND DESIST ORDER

THE ADMINISTRATOR OF THE REAL ESTATE DIVISION, DEPARTMENT OF  
BUSINESS & INDUSTRY, STATE OF NEVADA FINDS THE FOLLOWING:

1. ALVIN NAJIB MANSOUR does not hold an active real estate broker, broker-salesperson or salesperson license issued by the Real Estate Division pursuant to NRS 645.

THEREFORE, THE ADMINISTRATOR HEREBY ORDERS ALVIN NAJIB MANSOUR TO CEASE AND DESIST from engaging in the business of; acting in the capacity of; any form of advertisement and/or sale of property; assuming to act as a real estate broker, broker-salesperson, salesperson or any other position that requires a license pursuant to NRS 645 in the State of Nevada from the State of Nevada Real Estate Division.

Your failure to comply with this order immediately will necessitate filing a formal complaint with the Clark County District Attorney or the Office of the Attorney General for prosecution of unlicensed activity pursuant to NRS 645.230. Your failure to comply with this order immediately will result in the Administrator for the Real Estate Division bringing further legal action against you.

This order shall be EFFECTIVE IMMEDIATELY and shall continue in full force and effect UNTIL FURTHER ORDER OF THE ADMINISTRATOR.

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DATED this 31<sup>st</sup> day of MAY, 2016, to be effective immediately.

STATE OF NEVADA  
DEPARTMENT OF BUSINESS & INDUSTRY  
REAL ESTATE DIVISION

By:   
\_\_\_\_\_  
Joseph Decker, Administrator

**Certificate of Service**

I certify that on the 1st day of June, 2016, I deposited a copy of the foregoing:

**CEASE AND DESIST FOR CASE NO. 2016-2402 ALVIN NAJIB MANSOUR**

in the United States Mail, postage pre-paid, in Las Vegas, Nevada, through the State of Nevada mailroom, by first class mail addressed to the following respondents at their last known address as follows:

**Certified No. 7008 0150 0003 7637 9491**

**Alvin Najib Mansour  
Marcus & Millichap Real Estate Investment Service  
4660 La Jolla Village Drive, Suite 900  
San Diego, CA. 92112**



**Teralyn Thompson  
Administration Section Manager**

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**EXHIBIT E -  
MANSOUR, K  
LETTER**

BRIAN SANDOVAL  
Governor

STATE OF NEVADA



BRUCE H. BRESLOW  
Director

JOSEPH (JD) DECKER  
Administrator

DEPARTMENT OF BUSINESS AND INDUSTRY  
REAL ESTATE DIVISION  
www.red.nv.gov

May 31, 2016

Seth M. Mott  
Marcus & Millichap  
36 South State Street  
Salt Lake City, UT 84111

Certified Mail No. 7015 0640 0007 2047 4160

RE: NRED vs. MANSOUR, K  
CASE NO. 2016-2403

Dear Mr. Mott;

The Nevada Real Estate Division has received information against Kevin Najib Mansour and the Division has opened a case for investigation on the listing and / or sale of the property Dollar General at 3059 Highway 50 East Carson City, NV 89701. Please provide the following transactions file for the property listed above. Also explain why you are soliciting the sale of a property located in the State of Nevada without you having a Nevada Real Estate License. Complete the enclosed Sworn Declaration or you may use the interactive version of the Sworn Declaration from the Division's website (Form 770) for the document(s) you are providing

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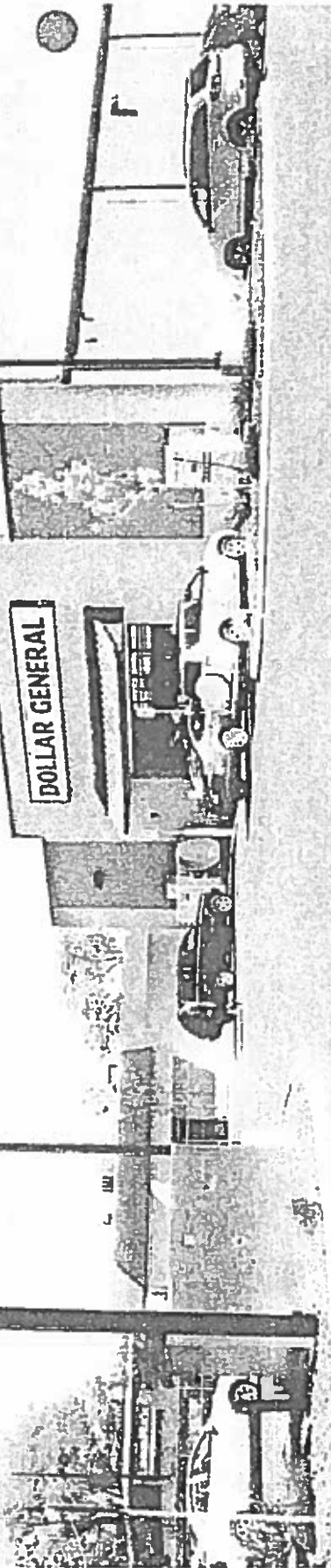
Sincerely,

  
Mr. Daryl J. McCloskey  
Compliance/Audit Investigator

Cc; Kevin Najib Mansour, Respondent

2501 E. Sahara Avenue, Suite 102, Las Vegas, Nevada 89104-4137 Telephone: (702) 486-4033 Fax: (702) 486-4275  
1179 Fairview Drive, Suite E, Carson City, Nevada 89701-5453 Telephone: (775) 687-4280 Fax: (775) 687-4868

**DOLLAR  
GENERAL**



Actual Site



**THE  
MANSOUR  
GROUP**  
at Marcus & Millichap

OFFERING MEMORANDUM

**Dollar General**

3059 Highway 50 East, Carson City, NV 89701

**Alvin Mansour**  
President

Tel: (858) 373-3184  
alvin@themansourgroup.com

Licenses: CA 01891853  
TX 0606255

**Kevin Mansour**  
Managing Partner

Tel: (858) 373-3187  
kevin@themansourgroup.com

Licenses: CA 01878011

**Ned Zivkovic**  
Associate

Tel: (858) 373-3124  
ned@themansourgroup.com

Licenses: NV 720291

# DOLLAR GENERAL

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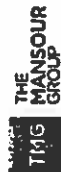
## Lease Summary

Tenant Trade Name	Dollar General
Initial Lease Term	15 Years
Lease Type	Absolute Net
Roof & Structure Responsibility	Tenant Responsible
Rent Commencement Date	March 31, 2014
Expiration Date	March 31, 2029
Remaining Lease Term	12.5+ Years
Increases	10% at Each Option
Renewal Options	Three 5-Year

## Tenant Summary

Tenant	Dollar General
Ownership	Public
Lease Guarantor	Corporate
Sales Volume	\$20.4 Billion
Net Worth	\$5.4 Billion
Stock Symbol (NYSE)	DG
Credit Rating (S&P)	BBB
Number of Locations	12,483+
Headquarters	Goodlettsville, TN
Website	www.dollargeneral.com

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# DOLLAR GENERAL

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## Location Overview

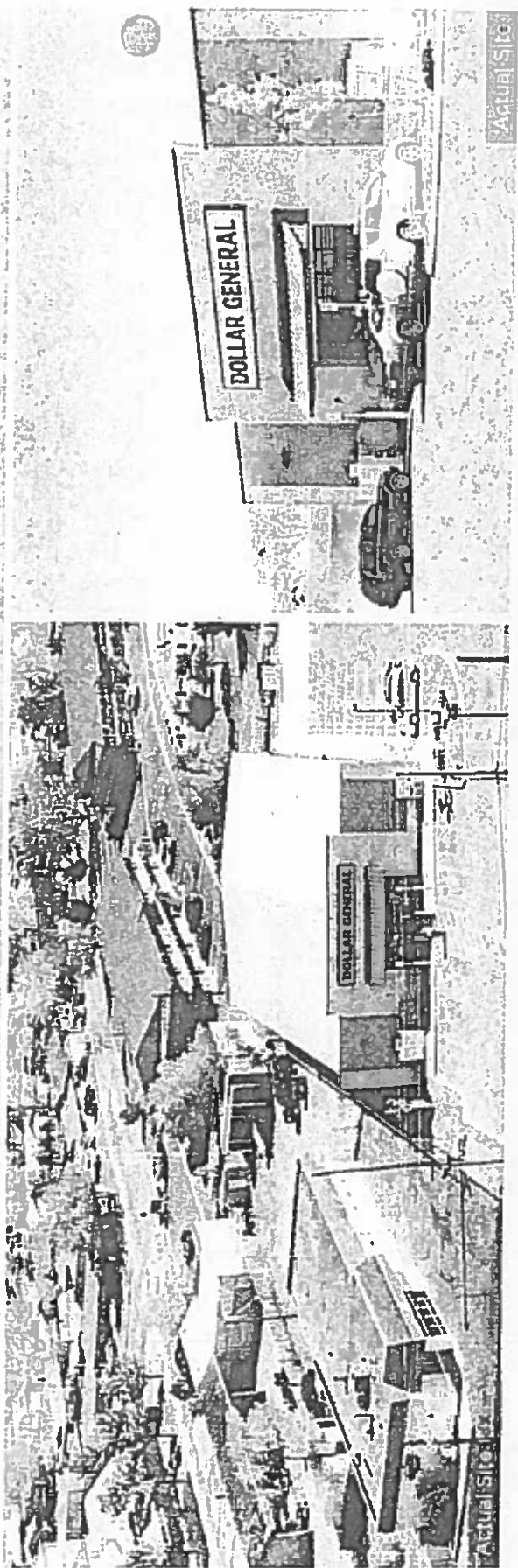
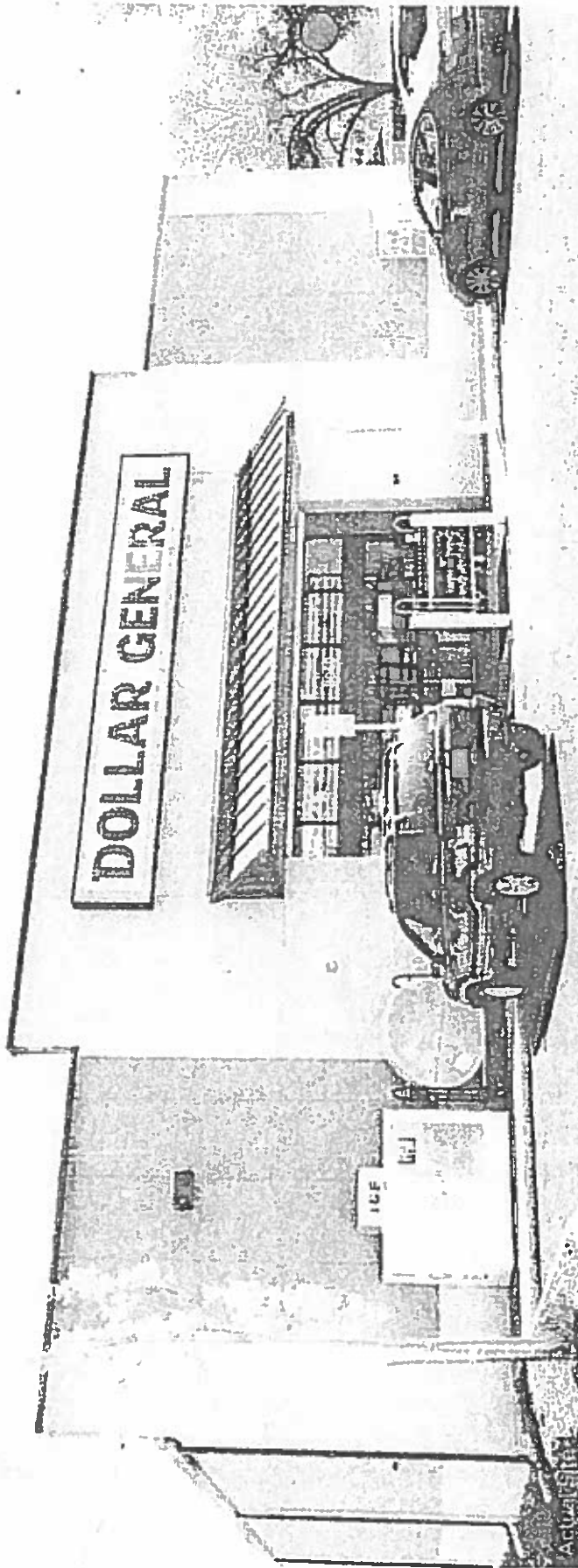
Located along Highway 50 (Lincoln Highway), the subject property features easy access and excellent visibility with exposure to over 26,200 vehicles per day and is located minutes away from Lake Tahoe, a destination to over three million visitors each year. The site is surrounded by major retailers including Dunkin Donuts, AT&T, Wells Fargo, AutoZone, CVS Pharmacy, 7-Eleven, NAPA Auto Parts, US Bank, Subway, Dairy Queen, Taco Bell, Domino's, 99 Cents Only, Tractor Supply, and many more. This site is situated less than two miles from Carson City Airport, an FAA classified "relief airport" to Reno-Tahoe International Airport. Located less than four miles from the site is the Nevada State Railroad Museum, a cultural resource dedicated to educating visitors and the community about Nevada railroad history. The property is located less than five miles from Casino Fandango, featuring over 40,800-square feet of gaming space and 88 rooms for guests to stay. The property is near numerous schools with strong student populations including Western Nevada College (4,300+ students), Carson High School (2,200+ students), Carson Middle School (1,100+ students), Grace Bordewich Mildred Bray Elementary School (600+ students), and more. The site features strong demographics with over 53,000 people residing within a five-mile radius.

Carson City is an independent city and the capital of the state of Nevada. The population was 55,274 at the 2010 U.S. Census. The majority of the population of the town lives in Eagle Valley, on the eastern edge of the Carson Range, a branch of the Sierra Nevada. Carson City is about 30 miles south of Reno and originated as a stopover for California-bound emigrants, but developed into a city with the Comstock Lode, a silver strike in the mountains to the northeast. The city has served as the capital of Nevada since statehood in 1864 and for much of its history was a hub for the Virginia and Truckee Railroad, although the tracks were removed in the 1950s. The city limits today extend west across the Sierra Nevada to the California state line in the middle of Lake Tahoe.



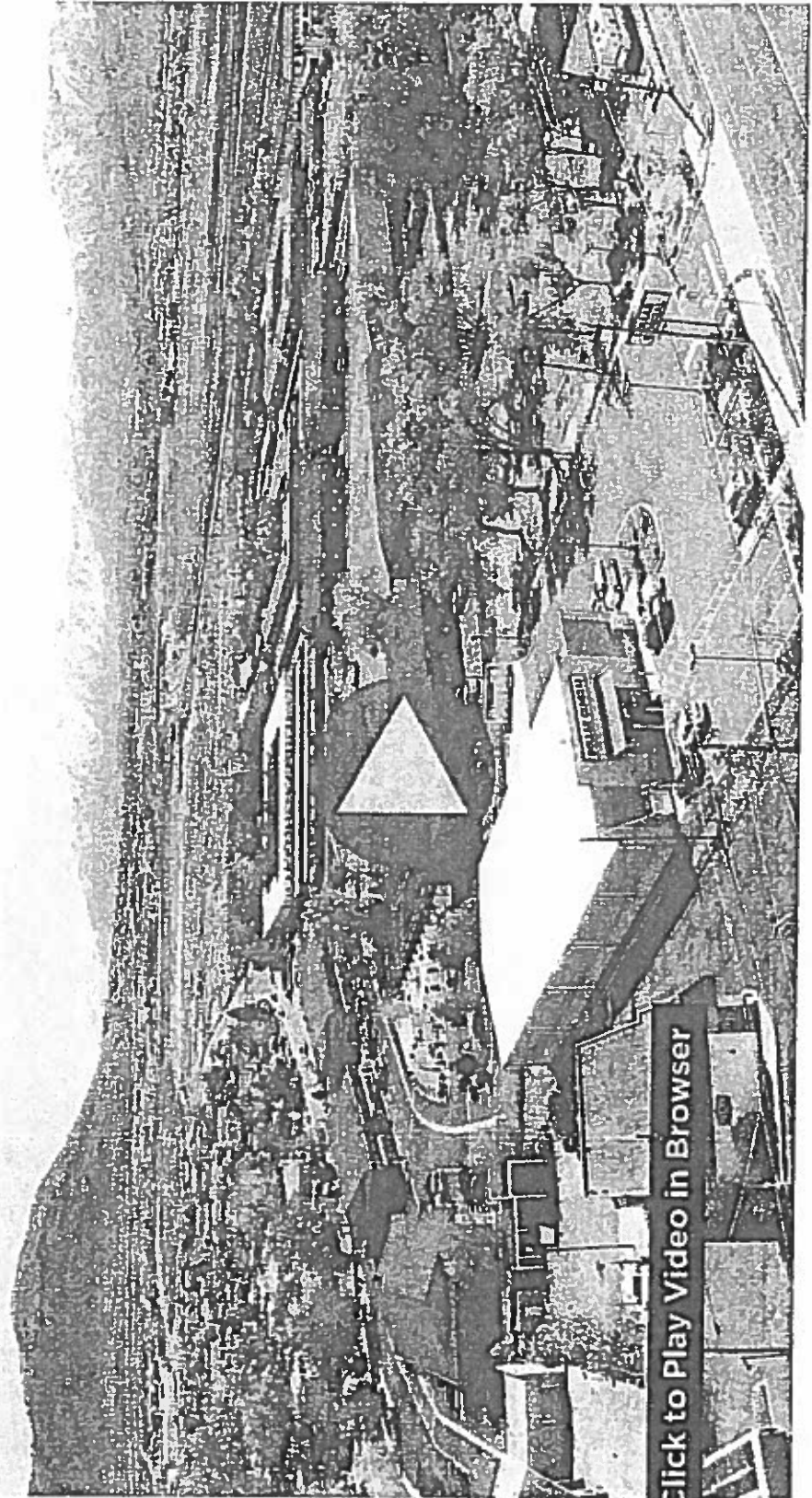
THE MAINSOUR GROUP

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**DOLLAR GENERAL**

**Aerial Video**



# DOLLAR GENERAL

## Aerial



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## Demographic Summary

Population	1-Mile	3-Miles	5-Miles
2014 Population	12,813	45,185	53,619
2019 Population	13,199	46,231	54,958

Households	1-Mile	3-Miles	5-Miles
2014 Households	4,819	18,263	21,739
2019 Households	5,001	18,894	22,536
2014 Average Household Size	2.65	2.41	2.41
2014 Daytime Population	2,101	25,988	31,838

Income	1-Mile	3-Miles	5-Miles
2014 Median Household Income	\$41,726	\$45,608	\$48,027
2014 Per Capita Income	\$20,824	\$25,386	\$27,210
2014 Average Household Income	\$55,179	\$61,145	\$64,396

## DOLLAR GENERAL

### Population

In 2014, the population in your selected geography is 53,619. The population has changed by 1.72% since 2000. It is estimated that the population in your area will be 54,958 five years from now, which represents a change of 2.49% from the current year. The current population is 50.49% male and 49.50% female. The median age of the population in your area is 42.0, compare this to the Entire US average which is 37.3. The population density in your area is 681.81 people per square mile.

### Households

There are currently 21,739 households in your selected geography. The number of households has changed by 5.17% since 2000. It is estimated that the number of households in your area will be 22,535 five years from now, which represents a change of 3.66% from the current year. The average household size in your area is 2.41 persons.

### Income

In 2014, the median household income for your selected geography is \$48,027, compare this to the Entire US average which is currently \$51,972. The median household income for your area has changed by 14.41% since 2000. It is estimated that the median household income in your area will be \$55,992 five years from now, which represents a change of 16.58% from the current year. The current year per capita income in your area is \$27,209, compare this to the Entire US average, which is \$28,599. The current year average household income in your area is \$64,395, compare this to the Entire US average which is \$74,533.

### Race and Ethnicity

The current year racial makeup of your selected area is as follows: 79.94% White, 1.73% Black, 0.18% Native American and 2.20% Asian/Pacific Islander. Compare these to Entire US averages which are: 71.60% White, 12.70% Black, 0.18% Native American and 5.02% Asian/Pacific Islander. People of Hispanic origin are counted independently of race. People of Hispanic origin make up 23.54% of the current year population in your selected area. Compare this to the Entire US average of 17.13%.

### Housing

In 2000, there were 13,140 owner occupied housing units in your area and there were 7,529 renter occupied housing units in your area. The median rent at the time was \$581.

### Employment

In 2014, there are 31,837 employees in your selected area, this is also known as the daytime population. The 2000 Census revealed that 57.75% of employees are employed in white-collar occupations in this geography, and 42.22% are employed in blue-collar occupations. In 2014, unemployment in this area is 10.30%. In 2000, the average time traveled to work was 18.4 minutes.

The screenshot shows a web interface for Dollar General. At the top, there is a navigation bar with the Dollar General logo. Below the navigation bar, there is a large map of the United States with a red dot indicating the selected location. To the right of the map, there is a sidebar with various demographic and economic data points, including population, households, and income. A prominent button labeled 'Click to View in Browser' is overlaid on the bottom left of the screenshot. The Dollar General logo is also visible in the bottom right corner of the screenshot.



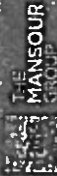
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## Confidentiality Agreement

The information contained in the following offering memorandum is proprietary and strictly confidential. It is intended to be reviewed only by the party receiving it from Marcus & Millichap and it should not be made available to any other person or entity without the written consent of Marcus & Millichap. By taking possession of and reviewing the information contained herein the recipient agrees to hold and treat all such information in the strictest confidence. The recipient further agrees that recipient will not photocopy or duplicate any part of the offering memorandum. If you have no interest in the subject property at this time, please return this offering memorandum to Marcus & Millichap.

This offering memorandum has been prepared to provide summary, unverified financial and physical information to prospective purchasers, and to establish only a preliminary level of interest in the subject property. The information contained herein is not a substitute for a thorough due diligence investigation. Marcus & Millichap has not made any investigation, and makes no warranty or representation with respect to the income or expenses for the subject property, the future projected financial performance of the property, the size and square footage of the property and improvements, the presence or absence of contaminating substances, PCBs or asbestos, the compliance with local, state and federal regulations, the physical condition of the improvements thereon, or the financial condition or business prospects of any tenant, or any tenant's plans or intentions to continue its occupancy of the subject property. The information contained in this offering memorandum has been obtained from sources we believe to be reliable; however, Marcus & Millichap has not verified, and will not verify, any of the information contained herein. Marcus & Millichap conducted any investigation regarding these matters and makes no warranty or representation whatsoever regarding the accuracy or completeness of the information provided. All potential buyers must take appropriate measures to verify all of the information set forth herein. Prospective buyers shall be responsible for their costs and expenses of investigating the subject property.

ALL PROPERTY SHOWINGS ARE BY APPOINTMENT ONLY. PLEASE CONTACT THE MARCUS & MILLICHAP AGENT FOR MORE DETAILS.



This information has been acquired from sources we believe to be reliable, but we make no representation or warranty as to the accuracy of the information. References to terms, conditions or agreements should be made only to the information you have in this offering memorandum. Marcus & Millichap, a division of The Mansour Group, 2005 North Central Expressway, Suite 1000, Dallas, Texas 75201. All rights reserved.

## Net Leased Disclaimer

Marcus & Millichap hereby advises all prospective purchasers of Net Leased property as follows:

The information contained in this Marketing Brochure has been obtained from sources we believe to be reliable. However, Marcus & Millichap has not and will not verify any of this information, nor has Marcus & Millichap conducted any investigation regarding these matters. Marcus & Millichap makes no guarantee, warranty or representation whatsoever about the accuracy or completeness of any information provided. As the Buyer of a net leased property, it is the Buyer's responsibility to independently confirm the accuracy and completeness of all material information before completing any purchase. This Marketing Brochure is not a substitute for your thorough due diligence investigation of this investment opportunity. Marcus & Millichap expressly denies any obligation to conduct a due diligence examination of this property for Buyer. Any projections, opinions, assumptions or estimates used in this Marketing Brochure are for example only and do not represent the current or future performance of the property. The value of a net leased property to you depends on factors that should be evaluated by you and your tax, financial and legal advisors.

Buyer and Buyer's tax, financial, legal, and construction advisors should conduct a careful, independent investigation of any net leased property to determine to your satisfaction with the suitability of the property for your needs. Like all real estate investments, this investment carries significant risks. Buyer and Buyer's legal and financial advisors must request and carefully review all legal and financial documents related to the property and tenant. While the tenant's past performance at this or other locations is an important consideration, it is not a guarantee of future success. Similarly, the lease rate for some properties, including newly-constructed facilities or newly-activated locations, may be set based on a tenant's projected sales with little or no record of actual performance or comparable rents for the area. Returns are not guaranteed; the tenant and any guarantors may fail to pay the lease rent or property taxes, or may fail to comply with other material terms of the lease. Cash flow may be interrupted in part or in whole due to market, economic, environmental or other conditions. Regardless of tenant history and lease guarantees, Buyer is responsible for conducting his/her own investigation of all matters affecting the intrinsic value of the property and the value of any long-term lease including the likelihood of locating a replacement tenant. If the current tenant should default or abandon the property and the lease terms that Buyer may be able to negotiate with a potential replacement tenant considering the location of the property, and Buyer's legal ability to make alternate use of the property.

By accepting this Marketing Brochure you agree to release Marcus & Millichap Real Estate Investment Services and hold it harmless from any kind of claim, cost, expense, or liability arising out of your investigation and/or purchase of this net leased property.







**EXHIBIT F -  
MANSOUR, K  
ORDER**

BEFORE THE ADMINISTRATOR OF THE REAL ESTATE DIVISION

STATE OF NEVADA

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

Petitioner,

KEVIN NAJIB MANSOUR,

Respondent,

Case No. 2016-2403

CEASE AND DESIST ORDER

THE ADMINISTRATOR OF THE REAL ESTATE DIVISION, DEPARTMENT OF  
BUSINESS & INDUSTRY, STATE OF NEVADA FINDS THE FOLLOWING:

1. KEVIN NAJIB MANSOUR does not hold an active real estate broker, broker-salesperson or salesperson license issued by the Real Estate Division pursuant to NRS 645.

THEREFORE, THE ADMINISTRATOR HEREBY ORDERS KEVIN NAJIB MANSOUR TO CEASE AND DESIST from engaging in the business of; acting in the capacity of; any form of advertisement and/or sale of property; assuming to act as a real estate broker, broker-salesperson, salesperson or any other position that requires a license pursuant to NRS 645 in the State of Nevada from the State of Nevada Real Estate Division.

Your failure to comply with this order immediately will necessitate filing a formal complaint with the Clark County District Attorney or the Office of the Attorney General for prosecution of unlicensed activity pursuant to NRS 645.230. Your failure to comply with this order immediately will result in the Administrator for the Real Estate Division bringing further legal action against you.

This order shall be EFFECTIVE IMMEDIATELY and shall continue in full force and effect UNTIL FURTHER ORDER OF THE ADMINISTRATOR.

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DATED this 31<sup>st</sup> day of May, 2016, to be effective immediately.

STATE OF NEVADA  
DEPARTMENT OF BUSINESS & INDUSTRY  
REAL ESTATE DIVISION

By:   
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Joseph Decker, Administrator

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**Certificate of Service**

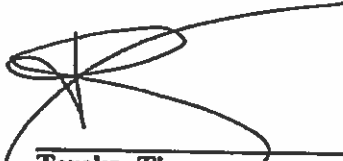
I certify that on the 1st day of June, 2016, I deposited a copy of the foregoing:

**CEASE AND DESIST FOR CASE NO. 2016-2403 KEVIN NAJIB MANSOUR**

in the United States Mail, postage pre-paid, in Las Vegas, Nevada, through the State of Nevada mailroom, by first class mail addressed to the following respondents at their last known address as follows:

**Certified No. 7008 0150 0003 7637 9484**

**Kevin Najib Mansour  
Marcus & Millichap Real Estate Investment Service  
4660 La Jolla Village Drive, Suite 900  
San Diego, CA. 92112**



**Teralyn Thompson**  
**Administration Section Manager**

# **EXHIBIT G - WHITE LETTER**

BRIAN SANDOVAL  
Governor

STATE OF NEVADA



BRUCE H. BRESLOW  
Director

JOSEPH (JD) DECKER  
Administrator

DEPARTMENT OF BUSINESS AND INDUSTRY  
REAL ESTATE DIVISION  
www.red.nv.gov

April 28, 2016

Seth M. Mott  
Marcus & Millichap  
36 South State Street, Suite 2650  
Salt Lake City, UT 84111

RE: NRED vs. WHITE  
CASE NO. 2016-2032

Dear Mr. Mott;

The Nevada Real Estate Division has added Mr. Perry A White to the investigation involving the following properties. 1) Battle Mountain Inn, 650 West Front St, Battle Mountain, NV 89820-1811, 2) 4300 West Tropicana Ave, Las Vegas, NV 89103 and 3) Best Western, 1101 South Highway 160, Pahrump, NV. 89048. Please provide a completed affidavit on Mr. Perry A. White involvement in the listing and / or sale of the above listed properties. Complete the enclosed Sworn Declaration or you may use the interactive version of the Sworn Declaration from the Division's website (Form 770) for any document(s) you are providing.

The investigation of this information has been assigned to me Daryl J. McCloskey. Please direct all correspondence related to this case to my attention. Ensure you label all correspondence with the case name and number.

Enclosed is an affidavit for you to document his knowledge of the matter referenced in the complaint or you may use the interactive version of the affidavit from the Division's website (Form 652). Once you have completed your affidavit, have your signature on the affidavit notarized.

Please provide this information to the Division by May 17, 2016. Should you be in possession of other items you feel are relevant to this investigation, please provide those as well.

Should you have any questions, you may contact me at (702) 486-2423.

Sincerely,

A handwritten signature in black ink, appearing to read "Daryl J. McCloskey", written over a large, light-colored scribble or watermark.

Mr. Daryl J McCloskey  
Compliance/Audit Investigator

Cc; Perry A. White

**BRIAN SANDOVAL**  
*Governor*

**STATE OF NEVADA**



**BRUCE H. BRESLOW**  
*Director*

**JOSEPH (JD) DECKER**  
*Administrator*

**DEPARTMENT OF BUSINESS AND INDUSTRY  
REAL ESTATE DIVISION**  
[www.red.state.nv.us](http://www.red.state.nv.us)

**SWORN DECLARATION**

I, \_\_\_\_\_, declare under penalty of  
(Print Name)

perjury under the law of the State of Nevada, that the documents submitted  
herewith consisting of \_\_\_\_\_ pages are a true, correct, and complete copy of  
any and all documents for

\_\_\_\_\_  
(Client name)

\_\_\_\_\_  
(Transaction Address, City, State, Zip code)

Executed on \_\_\_\_\_  
(date)

\_\_\_\_\_  
(signature)

2501 E. Sahara Avenue, Suite 102 Las Vegas, Nevada 89104 (702) 486-4033 • Fax (702) 486-4275

**EXHIBIT H -  
ZIVKOVIC  
LETTER**



**BRIAN SANDOVAL**  
Governor

STATE OF NEVADA



**BRUCE H. BRESLOW**  
Director

**JOSEPH (JD) DECKER**  
Administrator

DEPARTMENT OF BUSINESS AND INDUSTRY  
REAL ESTATE DIVISION  
[www.red.nv.gov](http://www.red.nv.gov)

May 31, 2016

Seth M. Mott  
Marcus & Millichap  
36 South State Street  
Salt Lake City, UT 84111

RE: NRED vs. ZIVKOVIC  
CASE NO. 2016-2404

Dear Mr. Mott:

The Nevada Real Estate Division has received information against Nenad Zivkovic and has opened a case for investigation. A copy of the information is enclosed for your review and response.

The investigation of this case has been assigned to me. Please direct all correspondence related to this case to my attention. Ensure you label all correspondence with the case name and number.

Enclosed is an affidavit for you to document your response to the complaint or you may use the interactive version of the affidavit from the Division's website (Form 652). Once you have completed your affidavit, please have your signature on the affidavit notarized. Please submit this information to the Division by June 15, 2016.

Upon review of the requested documents the undersigned may be contacting you for an interview.

Thank you in advance for your cooperation. Should you have any questions, you may contact me at (702) 486-2423.

Sincerely,

A handwritten signature in black ink, appearing to read "Daryl J. McCloskey".

Mr. Daryl J. McCloskey  
Compliance/Audit Investigator

Cc; Nenad Zivkovic, Respondent  
Perry White, Broker

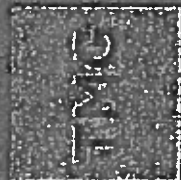


Actual Site

OFFERING MEMORANDUM

**Dollar General**

3059 Highway 50 East, Carson City, NV 89701



**THE MANSOUR GROUP**  
 at Marcus & Millichap

**Alvin Mansour**  
 President

Tel: (659) 373-3184  
 alvin@themansourgroup.com

License: CA 01891653  
 TX 0606255

**Kevin Mansour**  
 Managing Partner

Tel: (659) 373-3187  
 kevin@themansourgroup.com

License: CA 0187801

**Ned Zivkovic**  
 Associate

Tel: (659) 373-3124  
 ned@themansourgroup.com

License: NV 72029

# DOLLAR GENERAL

## The Offering

The subject property is a brand new 9,026-square foot Dollar General location in Carson City, Nevada. Dollar General has signed a fifteen-year corporate guaranteed absolute net lease with zero landlord responsibilities and three 5-year option periods. The lease provides a ten percent (10%) rent increase for each option period. Dollar General (NYSE: DG) is a publicly traded company with a current "BBB" investment grade credit rating by Standard & Poor's that operates over 12,483 stores across 43 states.

## Overview

Price	\$2,407,988
Gross Leasable Area	9,026 SF
Lot Size	0.9 Acres +/-
Year Built	2014
Net Operating Income	\$148,091.28
CAP Rate	6.15%

## Annualized Operating Data

Lease Term	Annual Rent
Current - March 31, 2029	\$148,091.28
Options 1 - 3 (5 Years Each)	10% Increases at Each Option
Base Rent (\$16.41/SF)	\$148,091.28

## Lease Summary

Tenant Trade Name	Dollar General
Initial Lease Term	15 Years
Lease Type	Absolute Net
Roof & Structure Responsibility	Tenant Responsible
Rent Commencement Date	March 31, 2014
Expiration Date	March 31, 2029
Remaining Lease Term	12.5+ Years
Increases	10% at Each Option
Renewal Options	Three 5-Year

## Tenant Summary

Tenant	Dollar General
Ownership	Public
Lease Guarantor	Corporate
Sales Volume	\$20.4 Billion
Net Worth	\$5.4 Billion
Stock Symbol (NYSE)	DG
Credit Rating (S&P)	BBB
Number of Locations	12,483+
Headquarters	Goodlettsville, TN
Website	www.dollargeneral.com

Dollar General operates a chain of over 12,483 discount stores in about 43 states as of March 23, 2016, primarily in the Southern and Eastern US, the Midwest, and the Southwest. The company offers basic household supplies including cleaning supplies, health and beauty aids, food and apparel. Most of the merchandise which is carried in the Dollar General stores is priced between \$1 and \$35.



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# DOLLAR GENERAL

## Investment Highlights

- **New 2014 Construction - 15-Year Corporate Guaranteed Absolute Net Lease (Zero Landlord Responsibilities) and a Strong National Tenant - Dollar General (NYSE: DG) with Investment Grade Credit Rating "BBB" by S&P and Annual Revenue Exceeding \$20.4 Billion**
- **Features Easy Access and Excellent Visibility Along Highway 50 (Lincoln Highway) with Exposure to Over 26,600 VPD with Direct Access to I-580 - Few Minutes Away From Lake Tahoe - Destination to Over 3 Million Visitors Each Year**
- **Surrounded by Several Major Retailers Including Dunkin Donuts, AT&T, Wells Fargo, AutoZone, CVS Pharmacy, 7-Eleven, NAPA Auto Parts, UJ Bank, Subway, Dairy Queen, Taco Bell, Domino's, 99 Cents Only, Tractor Supply, and Many More**
- **Centrally Located with Strong Demographics - Less than 5 Miles from Casino Fandango and Nevada State Railroad Museum - Strong Attractions for Tourists and Visitors to the Area - Over 53,000 People Reside within a 5-Mile Radius**
- **Near Numerous Schools with Strong Student Populations Including Western Nevada College (4,300+ Students), Carson High School (2,200+ Students), Carson Middle School (1,100+ Students), Grace Bordewich Mildred Bray Elementary School (600+ Students), and More**

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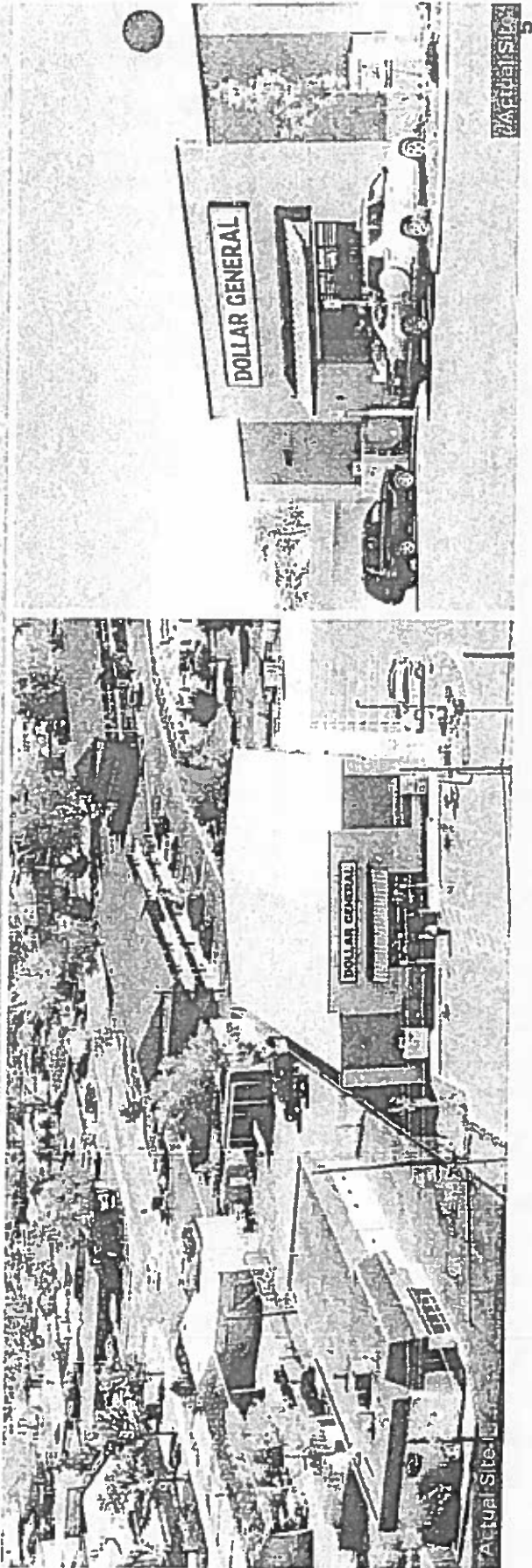
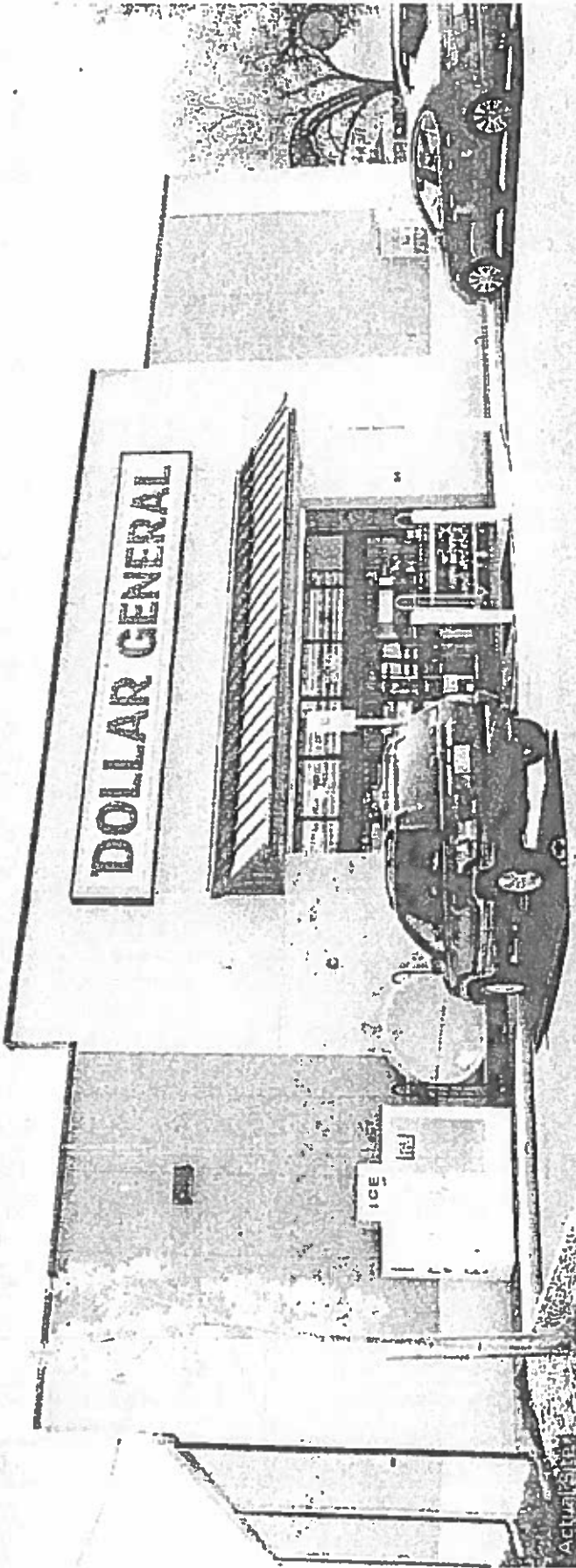
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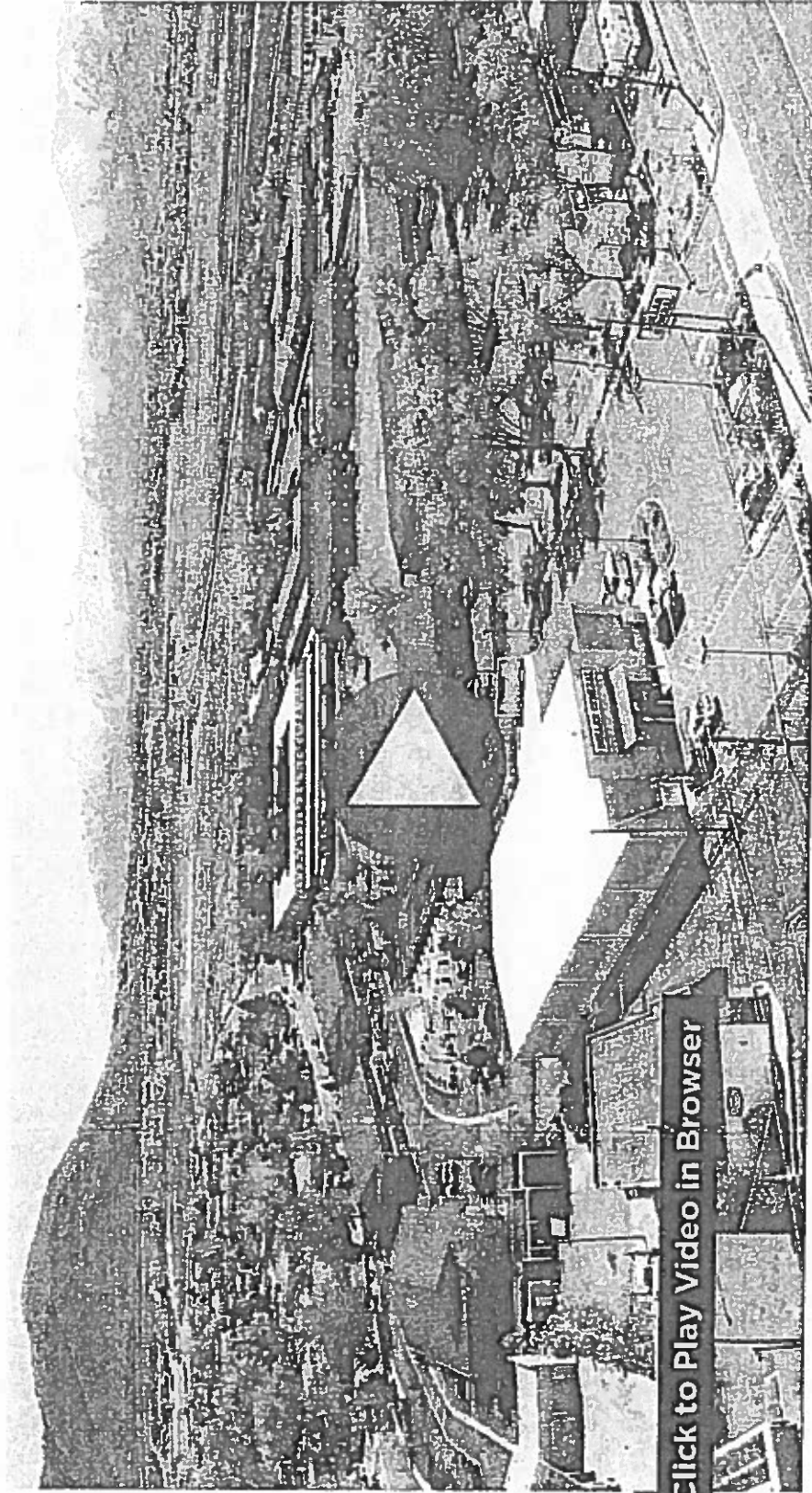
THE MANSOUR GROUP

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**DOLLAR GENERAL**

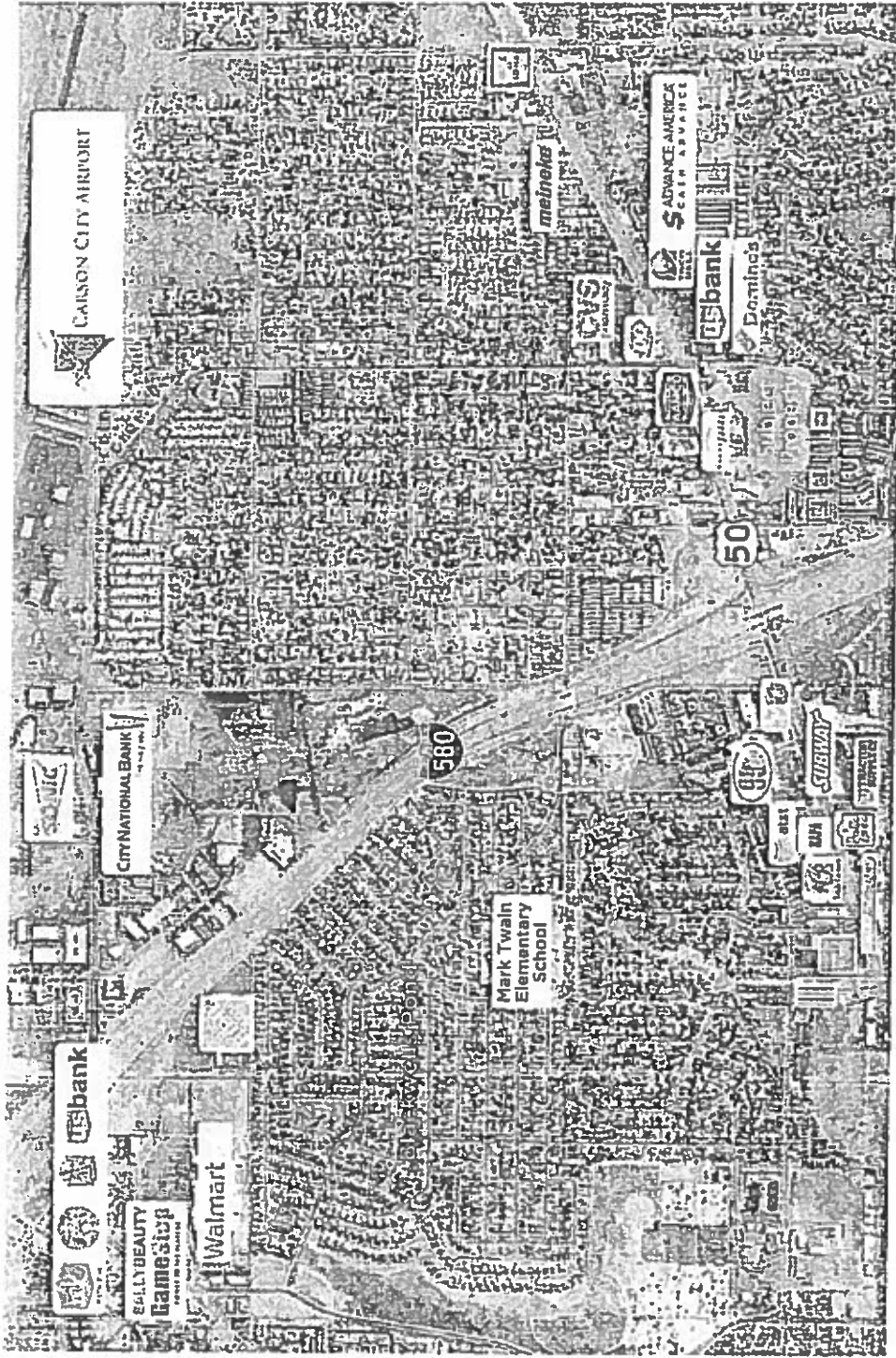
Aerial Video



[Click to Play Video in Browser](#)

# DOLLAR GENERAL

## Aerial



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2014 Average Household Income	\$55,179	\$61,145	\$64,396

**Population**  
 In 2014, the population in your selected geography is 53,619. The population has changed by 1.72% since 2000. It is estimated that the population in your area will be 54,958 five years from now, which represents a change of 2.49% from the current year. The current population is 50.49% male and 49.50% female. The median age of the population in your area is 42.0, compare this to the Entire US average which is 37.3. The population density in your area is 681.81 people per square mile.

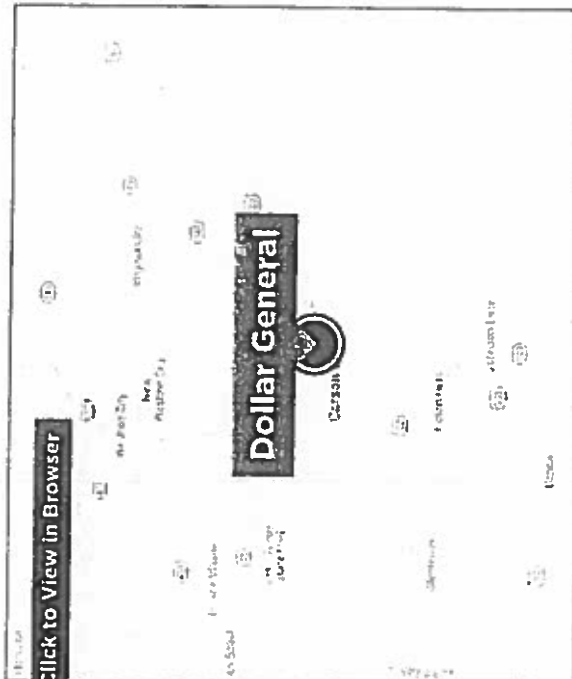
**Households**  
 There are currently 21,739 households in your selected geography. The number of households has changed by 5.17% since 2000. It is estimated that the number of households in your area will be 22,536 five years from now, which represents a change of 3.66% from the current year. The average household size in your area is 2.41 persons.

**Income**  
 In 2014, the median household income for your selected geography is \$48,027, compare this to the Entire US average which is currently \$51,972. The median household income for your area has changed by 14.41% since 2000. It is estimated that the median household income in your area will be \$55,992 five years from now, which represents a change of 16.58% from the current year. The current year per capita income in your area is \$27,209, compare this to the Entire US average, which is \$28,599. The current year average household income in your area is \$64,395, compare this to the Entire US average which is \$74,533.

**Race and Ethnicity**  
 The current year racial makeup of your selected area is as follows: 79.94% White, 1.73% Black, 0.18% Native American and 2.20% Asian/Pacific Islander. Compare these to Entire US averages which are: 71.60% White, 12.70% Black, 0.18% Native American and 5.02% Asian/Pacific Islander. People of Hispanic origin are counted independently of race. People of Hispanic origin make up 23.54% of the current year population in your selected area. Compare this to the Entire US average of 17.13%.

**Housing**  
 In 2000, there were 13,140 owner occupied housing units in your area and there were 7,529 renter occupied housing units in your area. The median rent at the time was \$581.

**Employment**  
 In 2014, there are 31,837 employees in your selected area, this is also known as the daytime population. The 2000 Census revealed that 57.75% of employees are employed in white-collar occupations in this geography, and 42.22% are employed in blue-collar occupations. In 2014, unemployment in this area is 10.30%. In 2000, the average time traveled to work was 18.4 minutes.



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This offering memorandum has been prepared to provide summary, unverified financial and physical information to prospective purchasers, and to establish only a preliminary level of interest in the subject property. The information contained herein is not a substitute for a thorough due diligence investigation. Marcus & Millichap has not made any investigation, and makes no warranty or representation with respect to the income or expenses for the subject property, the future projected financial performance of the property, the size and square footage of the property and improvements, the presence or absence of contaminating substances, PCBs or asbestos, the compliance with local, state and federal regulations, the physical condition of the improvements thereon, or the financial condition or business prospects of any tenant, or any tenant's plans or intentions to continue its occupancy of the subject property. The information contained in this offering memorandum has been obtained from sources we believe to be reliable; however, Marcus & Millichap has not verified, and will not verify, any of the information contained herein, nor has Marcus & Millichap conducted any investigation regarding these matters and makes no warranty or representation whatsoever regarding the accuracy or completeness of the information provided. All potential buyers must take appropriate measures to verify all of the information set forth herein. Prospective buyers shall be responsible for their costs and expenses of investigating the subject property.

ALL PROPERTY SHOWINGS ARE BY APPOINTMENT ONLY. PLEASE CONTACT THE MARCUS & MILLICHAP AGENT FOR MORE DETAILS.



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## Net Leased Disclaimer

Marcus & Millichap hereby advises all prospective purchasers of Net Leased property as follows:

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Buyer and Buyer's tax, financial, legal, and construction advisors should conduct a careful, independent investigation of any net leased property to determine to your satisfaction with the suitability of the property for your needs. Like all real estate investments, this investment carries significant risks. Buyer and Buyer's legal and financial advisors must request and carefully review all legal and financial documents related to the property and tenant. While the tenant's past performance at this or other locations is an important consideration, it is not a guarantee of future success. Similarly, the lease rate for some properties, including newly-constructed facilities or newly-acquired locations, may be set based on a tenant's projected sales with little or no record of actual performance, or comparable rents for the area. Returns are not guaranteed, the tenant and any guarantors may fail to pay the lease rent or property taxes, or may fail to comply with other material terms of the lease; cash flow may be interrupted in part or in whole due to market, economic, environmental or other conditions. Regardless of tenant history and lease guarantees, Buyer is responsible for conducting his/her own investigation of all matters affecting the intrinsic value of the property and the value of any long-term lease, including the likelihood of locating a replacement tenant if the current tenant should default or abandon the property, and the lease terms that Buyer may be able to negotiate with a potential replacement tenant considering the location of the property, and Buyer's legal ability to make alternate use of the property.

By accepting this Marketing Brochure you agree to release Marcus & Millichap Real Estate Investment Services and hold it harmless from any kind of claim, cost, expense, or liability arising out of your investigation and/or purchase of this net leased property.

**EXHIBIT I -  
ZIVKOVIC  
LETTER**

**(CONTINUED)**

DEPARTMENT OF BUSINESS AND INDUSTRY

REAL ESTATE DIVISION

Administrative Office



STATE OF NEVADA

COUNTY OF \_\_\_\_\_

Affidavit of \_\_\_\_\_

Taken at \_\_\_\_\_ O'Clock

Date \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_

Name

Deposes and says:

I freely and voluntarily give this affidavit to **DARYL McCLOSKEY** who

is known to me as **COMPLIANCE/AUDIT INVESTIGATOR** for the Nevada Real Estate Division.

Lined area for additional text or signature.