

Administrative Sanction Report/Compliance Caseload Report Real Estate Commission North Meeting March 14-16, 2017

Administrative Sanction Report

The Administrative Sanction Report includes all of administrative sanctions imposed since my last report to you at our last meeting in December 2016. Since our last meeting we have issued a total of 388 administrative fines for a total \$118,800.00.

FY2017 Compliance Report

We have received 80 complaints in the North and 1318 in the South for a total of 1398 complaints received by the Division so far for FY 2017. The number of cases we are actively investigating has increased in the South since my last report to you in December 2016. This increase in investigations is due to the increased number of complaints we have received over the same period of time. Total dollars returned to the public through January 2017 as a result of complaint resolution is \$133,803.00.

As I reported to you at our December 2016 meeting, we have continued active enforcement of the broker requirement to submit the Form 546A affidavit to the Division. The requirement was made effective in regulation in April 2016 with a Division email blast shortly thereafter of this and other regulatory changes. This requirement was also announced along with other regulatory changes in the Division's Open House Newsletter July/August/September edition.

The purpose of the affidavit is for the brokers to inform the Division that they have not received monies belonging to others during the past year in lieu of submitting trust account reconciliations. The regulation change was approved by the Commission in part as a preventive measure in response to the number of cases involving licensees and the embezzlement of monies belonging to the public.

Just like the requirement for submitting reconciliations to the Division, the affidavit is due by the last day of the expiration month for the broker's real estate license. Failure to submit the affidavit to the Division by the due date will result in an administrative fine of \$250.00 as stated under administrative fines in NAC 645.695. So in summary, every broker every year must submit to the Division either their form 546 (trust account reconciliations) or a form 546A affidavit.

Current Issues Under Investigation

- Licensees not submitting their midterm education or submitting midpoint education late.
- Broker's failing to submit their annual Trust Account Reconciliations to the Division.
- Broker's failing to submit their affidavit informing the Division they have not over the handled monies belonging to others during the previous year (form 546A)
- Agents not including the name of their brokerage in their advertising or misleading agent advertising.
- Trust account reconciliations submitted by brokers indicating suspicious, questionable or non-compliant handling of monies belonging to others.

Administrative Sanction Report/Compliance Caseload Report Real Estate Commission North Meeting March 14-16, 2017

Page 2

- Property Managers failing to account for or remit funds (to include failure to promptly remit and account for rents to property owners or security deposit refunds to tenants)
- Trust account embezzlement or mismanagement of trust accounts (to include brokers, property managers, and their employees stealing monies held in trust accounts that belong to others, i.e., owners/tenants).
- Property managers mismanaging property and/or monies received from owners/tenants.
- Unlicensed property management activity (to include real estate licensees and non-licensees)
- Unlicensed real estate activity (to include those without the appropriate Nevada licensure and out-of-state licensees)
- Failure to disclose, i.e., status as a real estate licensee, interest in the property or in a party involved in transaction or material fact related to the property/transaction.