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BEFORE THE REAL ESTATE COMMISSION STATE OF NEVADA

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

Petitioner,

VS.

DAVID E. HOWARD,

Respondent.

Case No. 2016-2527

FILED

DEC 07 2018

REAL ESTATE COMMISSION
BY

STIPULATION FOR SETTLEMENT OF DISCIPLINARY ACTION

This Stipulation for Settlement of Disciplinary Action ("Stipulation") is entered into by and between the State of Nevada, Department of Business and Industry, Real Estate Division ("Division"), through its Administrator Sharath Chandra ("Petitioner"); and David E. Howard ("RESPONDENT").

JURISDICTION

RESPONDENT engaged in activities which require a license as a real estate broker, real estate broker-salesperson, or real estate salesperson and is, therefore, subject to the jurisdiction of the Division and the Commission, and the provisions of NRS and NAC 645.

FACTUAL ALLEGATIONS IN COMPLAINT

- At all times relevant to this Complaint, RESPONDENT was not licensed by the Division
 in any capacity.
- At all times relevant to this Complaint, RESPONDENT was a principal with Lee &
 Associates Commercial Real Estate Services, NDSC, Inc. ("Lee North San Diego County"), holding a
 California Broker License No. 01189400.
- 3. RESPONDENT entered into, as broker, an exclusive listing agreement whereby Lee North San Diego County salespersons Ryan Barr ("BARR") and Ryan Bennett ("BENNETT") represented the owner (Gabriel Hagemann, Successor Trustee to the Francis Realty Inc. Profit Sharing Plan) under an exclusive listing agreement resulting in a February 29, 2016 sale of an O'Reilly's Auto Parts Store in Reno, Nevada.

4. RESPONDENT entered into a "Co-broker Engagement and Compensation Agreement" ("the Co-Broker Agreement") involving BARR and BENNETT and a Nevada licensee ("Co-Broker"), under which the Nevada licensee would be entitled to a flat fee commission of \$1,000 on a sale, except wherein the Nevada licensee introduced the buyer to RESPONDENT, under which circumstances RESPONDENT would split its commissions evenly with the NEVADA licensee.

- 5. The Co-Broker Agreement stated that "Co-Broker is only being engaged for state licensing purposes. No marketing assistance is required or is necessary."
 - 6. The store sold for \$1,710,000.
- 7. On May 24, 2016, the DIVISION issued an order to RESPONDENT to cease and desist from conducting "all broker activity as defined by NRS 645.030."
- 8. Lee North San Diego County received \$34,200 in commissions from the sale of the real property.

VIOLATIONS ASSERTED IN THE COMPLAINT

9. RESPONDENT violated NRS 645.230(1)(a) and/or NRS 645.235(1)(a) by engaging in the business of, acting in the capacity of, or advertising or assuming to act as a real estate broker, real estate broker-salesperson, or real estate salesperson within the State of Nevada without first obtaining a real estate license from the Division.

DISCIPLINE AUTHORIZED

- 10. Pursuant to NRS 645.235, the Commission is empowered to impose an administrative fine in an amount not to exceed the amount of gain or economic benefit that the person derived from the violation or \$5,000, whichever amount is greater, against RESPONDENT for each violation of NRS 645.235.
- 11. Additionally, under NRS Chapter 622, the Commission is authorized to impose costs of the proceeding upon RESPONDENT, including investigative costs and attorney's fees, if the Commission otherwise imposes discipline on RESPONDENT.

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PROPOSED STIPULATION AGREEMENT

- In an effort to avoid the time and expense of litigating these issues before the Commission, the parties desire to compromise and settle the instant controversy upon the following terms and conditions:
 - a. RESPONDENT agrees to pay \$10,233.00 to the Division within sixty days of the date of the Commission's order approving this stipulation. The amount includes \$500.00 to cover the Division's investigatory costs and attorney fees.
 - b. RESPONDENT agrees that he will not conduct any activity requiring a real estate license in Nevada until such time as he obtains a real estate license.
- 2. RESPONDENT and the Division agree that by entering into this Stipulation, the Division does not concede any defense or mitigation RESPONDENT may assert and that once this Stipulation is approved and fully performed, the Division will close its file in this matter. Nothing herein prevents proof and giving consideration to acts complained of in this matter in determining or penalizing a future violation by RESPONDENT of any provision of NRS Chapter 645 or NAC Chapter 645.
- 3. RESPONDENT agrees and understands that by entering into this Stipulation, RESPONDENT is waiving his right to a hearing at which RESPONDENT may present evidence in his defense, his right to a written decision on the merits of the complaint, his rights to reconsideration and/or rehearing, appeal and/or judicial review, and all other rights which may be accorded by the Nevada Administrative Procedure Act, the Nevada Real Estate Brokers and Salespersons statutes and accompanying regulations, and the federal and state Constitutions. RESPONDENT understands that this Agreement and other documentation may be subject to public records laws. The Commission members who review this matter for approval of this Stipulation may be the same members who ultimately hear, consider, and decide the Complaint if this Stipulation is either not approved by the Commission or is not timely performed by RESPONDENT.
 - 4. Each party shall bear its or his own attorney's fees and costs.
- 5. <u>Approval of Stipulation</u>. Once executed, this Stipulation will be filed with the Commission and will be placed on the agenda for approval at its December 4-6, 2018, public meeting. The Division will recommend to the Commission approval of the Stipulation. RESPONDENT agrees

that the Commission may approve, reject, or suggest amendments to this Stipulation that must be accepted or rejected by RESPONDENT before any amendment is effective.

- 6. <u>Withdrawal of Stipulation</u>. If the Commission rejects this Stipulation or suggests amendments unacceptable to RESPONDENT, RESPONDENT may withdraw from this Stipulation, and the Division may pursue its Complaint before the Commission. This Stipulation then shall become null and void and unenforceable in any manner against either party.
- Release. In consideration of the execution of this Stipulation, RESPONDENT for himself, his heirs, executors, administrators, successors, and assigns, hereby releases, remises, and forever discharges the State of Nevada, the Department of Business and Industry, and the Division, and each of their respective members, agents, employees, and counsel in their individual and representative capacities, from any and all manner of actions, causes of action, suits, debts, judgments, executions, claims, and demands whatsoever, known and unknown, in law or equity, that RESPONDENT ever had, now has, may have, or claim to have against any or all of the persons or entities named in this section, arising out of or by reason of the Division's investigation, this disciplinary action, and all other matters relating thereto.
- 8. <u>Indemnification</u>. RESPONDENT hereby agrees to indemnify and hold harmless the State of Nevada, the Department of Business and Industry, the Division, and each of their respective members, agents, employees, and counsel, in their individual and representative capacities, against any and all claims, suits, and actions brought against said persons and/or entities by reason of the Division's investigation, this disciplinary action, and all other matters relating thereto, and against any and all expenses, damages, and costs, including court costs and attorney fees, which may be sustained by the persons and/or entities named in this section as a result of said claims, suits, and actions.

Page 4 of 6

1	9. RESPONDENT has signed and	dated this Stipulation only after reading and
2	understanding all terms herein.	
3	10.	DECEMBER
4	DATED this 22 day of November, 2018	DATED this 3 day of November, 2018.
5	0.11	NEVADA DEPARTMENT OF BUSINESS
6	(1) 12/1. //	& INDUSTRY, REAL ESTATE DIVISION
7	B) DAVID & HOYARD	By: SHARATH CHANDRA
8	DAVID B. HOWARD	Administrator
9		
10	Approved as to form:	Approved as to form:
11	ADAM PAUL LAXALT	NEWMEYER & DILLION LLP
12	Attorney General	A NOO!
13	By:	By: Carry
14	DENNIS L. BELCOURT Deputy Attorney General	CASEY J. QUINN 3800 Howard Hughes Parkway, Suite 700
15	555 E. Washington Avenue, Suite 3900	Las Vegas, NV 89169
16	Las Vegas, NV 89101 Attorney for the Real Estate Division	Attorney for Respondent
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SHARATH CHANDRA, Administrator, REAL ESTATE DIVISION, DEPARTMENT OF BUSINESS & INDUSTRY, STATE OF NEVADA,

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DAVID E. HOWARD,

Respondent.

ORDER APPROVING STIPULATION

The Stipulation for Settlement of Disciplinary Action having come before the Real Estate Commission, Department of Business and Industry, State of Nevada, during its regular agenda on December _________, 2018, and the Commission being fully apprised of terms and good cause appearing,

IT IS ORDERED that the Stipulation for Settlement of Disciplinary Action in this matter is approved in full.

This Order shall become effective on the 9th day of January, 2018.

Dated this 10 th day of December, 2018.

NEVADA REAL ESTATE COMMISSION

[Print Name]

Commission President

Page 6 of 6