

# BEFORE THE REAL ESTATE COMMISSION

AUG 0 6 2018

STATE OF NEVADA

REAL ESTATE COMMISSION

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

Case Nos. 2017-1190 and 2017-1286

Petitioner,

VS.

KAREN C. XIAO,

Respondent.

## COMPLAINT AND NOTICE OF HEARING

The REAL ESTATE DIVISION OF THE DEPARTMENT OF BUSINESS AND INDUSTRY OF THE STATE OF NEVADA ("Division") hereby notifies RESPONDENT KAREN C. XIAO ("RESPONDENT") of an administrative hearing before the STATE OF NEVADA REAL ESTATE COMMISSION ("Commission"). The hearing will be held pursuant to Chapters 233B and Chapter 645 of the Nevada Revised Statutes ("NRS") and Chapter 645 of the Nevada Administrative Code ("NAC"). The purpose of the hearing is to consider the allegations stated below and to determine if the RESPONDENT should be subject to an administrative penalty as set forth in NRS 645.633 and/or NRS 645.630 and/or NRS 622.400, and the discipline to be imposed, if violations of law are proven.

#### **JURISDICTION**

RESPONDENT was at all relevant times mentioned in this Complaint licensed as a Broker under license numbers B.1000842.LLC and B.1001006.INDV, and permitted as a Property Manager under permit numbers PM.0163911.BKR and PM.0165379.BKR, and is therefore subject to the jurisdiction of the Division and the Commission, and the provisions of NRS chapter 645 and NAC chapter 645.

## **FACTUAL ALLEGATIONS**

 RESPONDENT has been licensed as a Broker under license number B.1000842.LLC, since June 30, 2011, which is currently in active status.

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- RESPONDENT has been licensed as a Broker under license number B.1001006.INDV,
   since May 30, 2012, which is currently in active status.
- 3. RESPONDENT has been permitted as a Property Manager under permit number PM.0163911.BKR, since October 7, 2008, which is currently in active status.
- RESPONDENT has been permitted as a Property Manager under permit number
   PM.0165379.BKR, since May 30, 2012, which is currently in active status.
- In or about 2012 and 2103, RESPONDENT entered into residential property management agreements with Shou Chen Lin for three rental properties Lin owned in Las Vegas, Nevada.
  - 6. None of those three property management agreements contained a termination date.
- 7. In or about 2012 and 2103, RESPONDENT entered into residential property management agreements with Megagator LLC for twelve rental properties Megagator LLC owned in Las Vegas, Nevada, and one rental property Megagator LLC owned in Henderson, Nevada.
  - 8. None of those thirteen property management agreements contained a termination date.
- 9. Despite the lack of termination dates, RESPONDENT charged property owners an "early" termination fee of between \$60.00 and \$240.00 per property.
- 10. On or about May 23, 2017, Monte Lai of Megagator LLC filed a Statement of Facts with the Division, complaining about RESPONDENT's conduct.
- 11. On or about June 6, 2017, Lin filed a Statement of Facts with the Division, complaining about RESPONDENT's conduct.

## **VIOLATIONS**

RESPONDENT has committed the following violations of law:

12. RESPONDENT violated NRS 645.6056(2)(a) on sixteen occasions, by not including the term of the agreement in the property management agreements.

#### **DISCIPLINE AUTHORIZED**

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

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- 14. 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.
- 15. Therefore, the Division requests that the Commission take such disciplinary action as it deems appropriate under the circumstances.

# NOTICE OF HEARING

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

THE HEARING WILL TAKE PLACE on September 10, 2018, commencing at 9:00 a.m., or as soon thereafter as the Commission is able to hear the matter, and each day thereafter commencing at 9:00 a.m. through September 12, 2018, or earlier if the business of the Commission is concluded. The Commission meeting will be held on September 10, 2018, at the Nevada State Business Center, 3300 West Sahara Avenue, 4th Floor – Nevada Room, Las Vegas, Nevada 89102. The meeting will continue on September 11, 2018 at the Nevada State Business Center, 3300 West Sahara Avenue, 4th Floor – Nevada Room, Las Vegas, Nevada 89102, commencing at 9:00 a.m., and on September 12, 2018, should business not be concluded, starting at 9:00 a.m. at the Nevada State Business Center, 3300 West Sahara Avenue, 4th Floor – Nevada Room, Las Vegas, Nevada 89102.

STACKED CALENDAR: Your hearing is one of several hearings scheduled at the same time as part of a regular meeting of the Commission that is expected to last from September 10 through September 12, 2018, or earlier if the business of the Commission is concluded. Thus, your hearing may be continued until later in the day or from day to day. It is your responsibility to be present when your case is called. If you are not present when your hearing is called, a default may be entered against you and the Commission may decide the case as if all allegations in the complaint were true. If you have any questions please call Rebecca Hardin, Commission Coordinator (702) 486-4074.

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

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

You have the right to request that the Commission issue subpoenas to compel witnesses to testify and/or evidence to be offered on your behalf. In making the request, you may be required to demonstrate the relevance of the witness' testimony and/or evidence. Other important rights you have are listed in NRS 645.680 through 645.990, NRS Chapter 233B, and NAC 645.810 through 645.875.

The purpose of the hearing is to determine if the Respondent has violated NRS 645 and/or NAC 645 and if the allegations contained herein are substantially proven by the evidence

1	presented and to further determine what administrative penalty is to be assessed against the
2	RESPONDENT, if any, pursuant to NRS 645.235, 645.633 and or 645.630.
3	DATED this <u>3</u> <sup>Ro</sup> day of August, 2018.
4	State of Nevada
5	Department of Business and Industry Real Estate Division
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7	By: SHARATH CHANDRA, Administrator
8	3300 West Sahara Avenue, Suite 350 Las Vegas, Nevada 89102
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10	ADAM PAUL LAXALT
11	Attorney General
12	By: Cent. Lyn
13	KEITH E. KIZER (Bar No. 4305) Senior Deputy Attorney General
14	DENNIS L. BELCOURT (Bar. No. 2658) Deputy Attorney General
15	100 N. Carson Street Carson City Nevada 89701
16	(775) 684-1206 Attorneys for Real Estate Division
17	Attorneys for Real Estate Division
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