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FILED

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REAL ESTATE COMMISSION  
BY *Suley Taha*

BEFORE THE REAL ESTATE COMMISSION

STATE OF NEVADA

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

Case No.: 2016-3716

Petitioner

vs.

PATRICK SAUTER,

Respondent.

ANSWER TO COMPLAINT

COMES NOW Respondent PATRICK SAUTER, by and through his counsel of record,  
Scott Marquis and Patrick C. McDonnell of Marquis Aurbach Coffing, and hereby submits this  
Answer to the Complaint, and shows as follows:

JURISDICTION

FACTUAL ALLEGATIONS

1. In answer to Paragraph 1 of the Complaint, Respondent admits that he has had a  
license as a broker, license number B.0045077.LLC.

2. In answer to Paragraph 2 of the Complaint, Respondent admits that at all times  
relevant to the complaint, Respondent was a supervising broker of Arthur Carl Tangora  
("Tangora"), a salesperson with license number S.0167677.

1           3.       In answer to Paragraph 3 of the Complaint, Respondent admits that on February  
2 29, 2016, Tangora's license lapsed because he failed to renew it, and it remained in lapsed status  
3 until it was reinstated on November 1, 2016.

4           4.       In answer to Paragraph 4 of the Complaint, Respondent admits that during the  
5 lapse period, Tangora was include in NAI Sauter advertising as a real estate salesperson without  
6 an active license from the Division.

7           5.       In answer to Paragraph 5 of the Complaint, Respondent admits that Tangora  
8 appeared on NAI Sauter's website pages or advertisements for the sale of properties commonly  
9 known as 4550 Karen Avenue, 525 E. Saint Louis Avenue, 5101 O'Bannon Drive, and 18278 W.  
10 Gowan Road, which contained detailed information about the properties and businesses in some  
11 cases, but clarify that all four of these listings were the property of Respondent, and Mr. Tangora  
12 was included as part of the Respondent's team.

13           6.       In answer to Paragraph 6 of the Complaint, Respondent denies the allegations of  
14 Paragraph 6 because Mr. Tangora had obtained the appropriate license and permit from the  
15 Nevada Department of Real Estate before performing the services described therein as required  
16 by NRS 645.230, and because nothing within NRS 645.230 indicates that the license or permit  
17 must be "active."

18           7.       In answer to Paragraph 7 of the Complaint, Respondent admits that he paid  
19 Tangora commissions in the amount of \$434,545.25 for performing the services of a salesperson  
20 during the lapse period.

21           8.       In answer to Paragraph 8 of the Complaint, Respondent denies the allegations of  
22 Paragraph 8 because NRS 645.280 and 645.633(c) only forbid payments of commissions to  
23 unlicensed people. Neither statute says anything about paying a licensed person during the one-  
24 year period in which their license may have lapsed but can still be renewed. For similar reasons,  
25 Respondent denies that he violated NRS 645.633(i) and/or NAC 605.605(1) because at no time  
26 was respondent ever engaged in conduct that was deceitful, fraudulent or dishonest, and  
27 Respondent has always done his utmost to protect the public from such fraud, misrepresentations  
28 and unethical practices.

1 9. In answer to Paragraph 9 of the Complaint, Respondent denies the allegations of  
2 Paragraph 9 because he did supervise Mr. Tangora, because NRS 645.230 was not violated as  
3 mentioned above, and because the misunderstanding that both Mr. Tangora and Respondent had  
4 with respect to the law and the status of Tangora’s license do not indicate that there was a lack of  
5 supervision, but instead a general confusion regarding when a licensee would become inactive  
6 following several changes to the real estate license renewal process and continuing education  
7 laws.

8 10. In answer to Paragraph 10 of the Complaint, Respondent denies the allegations of  
9 Paragraph 10 because at all times Mr. Tangora’s license was in the Respondent’s possession.

10 **DISCIPLINE AUTHORIZED**

11 11. In answer to Paragraph 11 of the Complaint, Respondent admits that Pursuant to  
12 NRS 645.630 and NRS 645.633, the Commission is empowered to impose an administrative fine  
13 in the amount not to exceed \$10,000 for each violation of NRS 645.280, NS 645.530, or NRS  
14 645.633.

15 12. In answer to Paragraph 12 of the Complaint, Respondent admits that pursuant to  
16 NRS 645.660(3), the Commission is empowered to impose an administrative fine in an amount  
17 not to exceed \$5,000 for failure of a broker to maintain adequate supervision of a salesperson  
18 and that person commits any unlawful act or violates any of the provisions of Chapter 645.

19 13. In answer to Paragraph 13 of the Complaint, Respondent admits that under NRS  
20 Chapter 622, the Commission is authorized to impose costs of the proceeding upon Respondent,  
21 including investigative costs and attorney’s fees, if the Commission otherwise imposes discipline  
22 on Respondent.

23 **DEFENSES & AFFIRMATIVE DEFENSES**

24 14. In answer to Paragraph 14 of the Complaint, Respondent is without sufficient  
25 information to admit or deny, and therefore denies the same.

26 15. In 2016, as admitted by Chief Inspector, Jan Holle, many licensees misunderstood  
27 the continuing education and license renewal laws and regulations, leading to many licensees not  
28 realizing that their license had expired or that an expired license that was allowed to be renewed

1 within one year did not technically allow them to practice real estate. Indeed, none of the  
2 statutes or regulations cited by NRED in the complaint indicates that a licensee loses his or her  
3 right to practice real estate during the time between the licenses expires and the time it is  
4 renewed within the one year grace period.

5 16. NRED never sent Respondent, nor to Respondent's knowledge, Mr. Tangora,  
6 notification that Mr. Tangora's license was inactivated by NRED, despite prior publications (that  
7 were never retracted) indicating NRED would provide the licensee and the broker notice. See  
8 Informational Bulletin #25, p. 2 ("Scenario: The late renewal.").

9 17. Respondent's misunderstanding was not unreasonable (and was certainly not  
10 deceitful, fraudulent or dishonest) given that the changes to the state statutes and regulations in  
11 2015 were not adequately communicated to licensees and broker. This lack of appropriate  
12 direction from NRED created an environment whereby it was easy for brokers and licensees to  
13 become confused regarding the renewal and continuing education standards.

14 18. Respondent had procedures in place to monitor the expiration dates of its agents'  
15 licenses, but due to an abrupt departure by the NAI Sauter office manager (who took a job with  
16 the Vegas Golden Knights) and the inability to fill that position until March 1, 2016, the  
17 procedure did not result in the intended notification of Respondent.

18 19. At all times herein Mr. Tangora was a Nevada Real Estate Licensee.

19 20. Respondent never paid any commission to any unlicensed person.

20 21. The commissions paid to Mr. Tangora following the expiration of his license (and  
21 before it was renewed on Nov.1, 2016), were all based upon Respondent's transactions, and Mr.  
22 Tangora's portion was only due to his position on Respondent's team. As such, Mr. Tangora did  
23 not cause the publication of any of the advertisements in question, as they were all Respondent's  
24 transactions.

25 22. Following receipt of the email from Jan Holle on October 13, 2016, indicating  
26 Mr. Tangora was not allowed to act as a real estate licensee on an expired license; Mr. Tangora  
27 took no part in any real estate transactions until Mr. Tangora's license was renewed.  
28

1 23. Because NAI is a national real estate company, which has substantial procedures  
2 in place for the production of advertisements that typically take 10 to 14 days to initiate or  
3 change, once Respondent returned to work on October 18, 2016, following his marriage outside  
4 the country, it was not possible to put a stop to advertisements bearing Mr. Tangora's name that  
5 had been previously submitted for distribution because any attempt to do so would have only  
6 prevented advertisements from appearing AFTER Mr. Tangora's license was renewed.

7 24. Respondent had procedures set up within his brokerage whereby the office  
8 manager would track all licenses for NAI Sauter Agents. Unfortunately, Mr. Tangora's license  
9 expired soon after the NAI Sauter office manager quit abruptly (to pursue a position with the  
10 Vegas Golden Knights). As such, this event was not brought to Respondent's attention as it  
11 normally would have been.

12 25. At all times herein Mr. Tangora's Nevada Real Estate License was in the  
13 Respondent's possession.

14 26. At all times herein, Mr. Tangora was under a contractual and statutory duty to  
15 maintain a current license, and Respondent had no reason to believe that Mr. Tangora would  
16 suddenly fail to maintain the license he had kept current for the seven previous years.

17 27. At no time herein did Respondent make any misrepresentations, or engage in any  
18 other fraudulent or deceptive conduct.

19 28. Neither Mr. Tangora nor Respondent has ever been charged with a violation by  
20 NRED previously. To Respondent's knowledge, this is the first time that anyone within the NAI  
21 Sauter brokerage has ever been brought before the Commission for possible discipline.

22 29. The individual who apparently lodged the complaint against Mr. Tangora, was  
23 former commissioner Norma Jean Optick, but only after she was urged to do so by a disgruntled,  
24 former NAI Global agent, Hayim Mirachi. Mr. Mirachi worked for NAI Global with Mr.  
25 Tangora, when it was put up for sale in 2011. Both Mr. Mirachi and Respondent submitted bids,  
26 but Respondent successfully completed the purchase and he disbanded the brokerage's agents  
27 (including Mr. Mirachi). However, Respondent decided to allow Mr. Tangora to join his team, a  
28 move that apparently perturbs Mr. Mirachi to this day (because it is unclear why he would be

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monitoring Mr. Tangora's license otherwise). This is important because the Commission should recognize that no member of the public was ever hurt or has ever even complained about Respondent (or to Respondent's knowledge Mr. Tangora, or any other agent at NAI Sauter) as a mitigating factor if the Commission finds that Respondent violated any provision of the NRS or NAC.

**AFFIRMATION**

30. 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 9th day of April, 2019.

MARQUIS AURBACH COFFING

By  /s/ Scott A. Marquis, Esq.  
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Nevada Bar No. 6407  
Patrick C. McDonnell, Esq.  
Nevada Bar No. 13188  
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Las Vegas, Nevada 89145  
Attorney(s) for Patrick Sauter, Respondent

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 Email*

REAL ESTATE DIVISION  
STATE OF NEVADA  
3300 W. Sahara Avenue, Suite 350  
Las Vegas, Nevada 89102  
Attn: Evelyn, Pattee, Commission Coordinator  
Telephone: (702) 486-4074  
Facsimile: (702) 486-4067  
epattee@red.nv.gov

*Via Email*

Dennis L. Belcourt  
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555 E. Washington Ave., Ste. 3900  
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dbelcourt@ag.nv.gov  
Attorney for Real Estate Division

DATED this 9th day of April, 2019.

/s/ Michelle Monkarsh  
an employee of Marquis Aurbach Coffing