

BEFORE THE REAL ESTATE COMMISSION

FILED

STATE OF NEVADA

JUL 30 2020

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

REAL ESTATE COMMISSION

BY *Emily Patten*

Case No. 2019-204

Petitioner,

**COMPLAINT AND NOTICE OF
HEARING**

vs.

NORMA JEANNE DRAYTON,

Respondent.

The REAL ESTATE DIVISION OF THE DEPARTMENT OF BUSINESS AND INDUSTRY OF THE STATE OF NEVADA ("Division"), by and through its counsel, Aaron D. Ford, Attorney General of the State of Nevada, and Peter Keegan, Deputy Attorney General, hereby notifies RESPONDENT NORMA JEANNE DRAYTON ("RESPONDENT") of an administrative hearing before the STATE OF NEVADA REAL ESTATE COMMISSION ("Commission"). The hearing will be held pursuant to Chapter 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 or other discipline authorized by NRS 645 and/or NAC 645, if violations of law are proven.

JURISDICTION

At all times relevant, RESPONDENT held a real estate salesperson license, S.0077159. RESPONDENT engaged in activities which require a license as a real estate broker, real estate broker-salesperson, or real estate salesperson, and/or a permit to engage in property management, issued by the Division and is, therefore, subject to the jurisdiction of the Division and the Commission, and the provisions of NRS and NAC 645.

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PROCEDURAL HISTORY

1. On or about February 25, 2019, the Division received a statement of fact (“Complaint”) complaining that RESPONDENT’s actions were fraudulent and deceitful in the real estate transaction involving the sale of real property located at 5792 Sidehill Dr., Sun Valley, NV 89433 (“the Property”) to John Smith and Stephanie Everidge, (“the Complainants”).

2. On or about February 27, 2019, the Division sent RESPONDENT an investigation-opening letter requiring RESPONDENT to provide a sworn affidavit response to the Division regarding the Complaint.

3. On or about March 20, 2019, the Division received RESPONDENT’s sworn affidavit response to the investigation-opening letter.

4. On or about, September 18, 2019, the Division sent RESPONDENT a Notice of Violation with Imposition of Administrative Fine, which imposed a \$2,000.00 fine upon RESPONDENT for alleged violations of (1) NRS 645.633(1)(i) pursuant to NAC 645.605(1) and/or NRS 645.3205; (2) NRS 645.633(1)(i) pursuant to NAC 645.605(10) and/or NRS 645.252(1)(a).

5. On or about October 11, 2019, the Division received a Notice of Appeal from RESPONDENT’s counsel, Robison, Sharp, Sullivan, Burst.

6. On or about November 19, 2019, the Division sent RESPONDENT an NRS 233B letter indicating that the Division’s investigation had obtained sufficient evidence to commence disciplinary action by filing a complaint with the Nevada Real Estate Commission (“Commission”).

FACTUAL ALLEGATIONS

1. At all times relevant, RESPONDENT held a real estate salesperson license, S.0077159, which was first issued by the Division on July 27, 2007.

2. On or about November 16, 2016, the Complainants signed a purchase contract (“the Purchase Contract”) for the Property, which included a personal property titled mobile home.

1 3. The seller of the Property was the RESPONDENT's daughter.

2 4. The RESPONDENT lived in the Property at the time she prepared the
3 purchase contract, involving the complainants, dated November 16, 2015.

4 5. The sales price on the purchase contract was \$60,000.00.

5 6. The purchase contract stated the complainants had paid \$10,000.00 in cash at
6 the time the contract was signed and were granted a credit for \$9,000.00 in sweat equity.

7 7. The purchase contract stated a cash balance of \$18,000.00 was to be paid
8 ASAP.

9 8. The purchase contract stated the complainants would also pay the Evergreen
10 Note Servicing loan balance of \$23,000.00.

11 9. The Purchase Contract was not recorded, nor was a deed of trust created or
12 recorded.

13 10. The beneficiary of the Evergreen Note Servicing loan secured by the property
14 in question was the owner of Nor-Nev Properties, LLC.

15 11. The Purchase Contract stated that the seller would "sign all documents to
16 effect transfer" of the property to the Complainants once the loan was paid in full.

17 12. The Purchase Contract does not include an acceleration clause.

18 13. The Purchase Contract states "[n]o modification of this Contract will be
19 effective unless it is in writing and is signed by both parties."

20 14. The RESPONDENT accepted a cash payment from the Complainants on
21 December 2, 2015, in the amount of \$5,000.00 and provided Complainants a receipt
22 showing a remaining cash balance due of \$13,000.00.

23 15. RESPONDENT accepted \$1,100.00 worth of supplies purchased by
24 Complainants for the RESPONDENT and provided Complainants a receipt for credit
25 towards the Purchase Contract, which showed a balance on case of \$11,900.00.

26 16. The RESPONDENT accepted a cash payment from Complainants on January
27 5, 2016, in the amount of \$5,000.00 and provided Complainants a receipt showing a
28 remaining cash balance of \$6,900.00.

1 17. The RESPONDENT accepted a cash payment from Complainants on
2 February 16, 2016, in the amount of \$1,000.00 and provided Complainants a receipt
3 showing a remaining cash balance of \$5,900.00.

4 18. The RESPONDENT accepted a cash payment from Complainants on
5 February 19, 2016, in the amount of \$4,000.00 and provided Complainants a receipt
6 showing a remaining cash balance of \$1,900.00.

7 19. The RESPONDENT accepted a cash payment from the Complainants on April
8 4, 2016, in the amount of \$1,900.00 and provided Complainants a receipt.

9 20. On August 15, 2018, the Complainants received a Notice of Default and
10 Acceleration of All Amounts Due from attorney William Baker.

11 21. The Notice of Default stated “[o]ur client, the owner of the property located at
12 5792 Sidehill Drive, Sun Valley, Nevada has advised that you have an existing loan with
13 her that is currently delinquent.”

14 22. The Notice of Default stated that “[t]he amount past due and delinquent is
15 \$1,096.92.”

16 23. The Notice of Default also stated that “[t]his notice to you that, as to the above-
17 referenced loan that is currently in default, the lender is hereby calling the loan due in full
18 immediately based upon the default in payments.”

19 24. The Complainants received a Notice of Eviction for Non-Payment of Rent,
20 dated August 16, 2018, from attorney William Baker as agent for the landlord for the
21 Property.

22 25. The Notice of Eviction for Non-Payment of Rent specified a rent arrearage in
23 the amount of \$1,096.92.

24 26. The Complainants did not have a rental agreement for the Property.

25 27. The Complainants responded to attorney William Baker on August 23, 2018,
26 and contested the Notice of Eviction pursuant to NRS 40.050.

27 28. The Complainant’s payment for the balance of the past due amount on the
28 loan for the Property cleared their bank on August 27, 2018.

1 29. The principal of Nor Nev Properties, LLC testified that the RESPONDENT
2 contacted Nor-Nev Properties, LLC and asked if Nor-Nev Properties, LLC wanted to
3 purchase the Property.

4 30. The principal of Nor Nev Properties, LLC testified that the RESPONDENT
5 did not disclose the sale of the Property to the Complainants to Nor-Nev Properties, LLC.

6 31. On or about January 12, 2019, The RESPONDENT prepared a Vacant Land
7 Offer and Acceptance Agreement on behalf of Nor-Nev. Properties, LLC for the Property.

8 32. The seller of the Property was the RESPONDENT's daughter.

9 33. The RESPONDENT represented both the buyer and the seller in the sale of
10 the Property to Nor-Nev Properties, LLC.

11 34. Nor-Nev Properties, LLC purchased the Property in question for \$40,000.00.

12 35. The sale of the Property to Nor-Nev Properties, LLC closed escrow on January
13 24, 2019.

14 36. RESPONDENT was paid a commission of \$1,200.00 by the escrow company.

15 37. In RESPONDENT's sworn affidavit response to the Division, she falsely
16 attested that "[t]his transaction does not involve my real estate license and I was never
17 acting in any formal license capacity of any kind during this transaction. I am not the listed
18 real estate agent for any party to this transaction and have received no compensation for
19 this transaction."

20 38. On or about on January 25, 2019, the Complainants received a letter from
21 Nor-Nev Properties, LLC notifying them that the Property had been purchased by Nor-Nev
22 Properties, LLC and requested that the Complainants sign a lease agreement for the
23 Property.

24 39. On or about January 30, 2019, the Complainants responded to Nor-Nev
25 Properties, LLC and indicated that they were purchasing the Property and would not sell
26 their equity in the Property or execute a lease agreement for the Property.

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1 40. The Complainants filed a civil lawsuit in the Second Judicial District Court
2 for the State of Nevada alleging fraud against the RESPONDENT and her daughter in the
3 sale of Property.

4 41. On February 27, 2019, the attorney for Nor-Nev Properties, LLC sent a letter
5 to the RESPONDENT, her broker, and the seller of the Property stating that the
6 RESPONDENT did not disclose to Nor-Nev Properties, LLC that the Property had been
7 under contract to the Complainants.

8 42. On or about May 22, 2019, Nor-Nev Properties LLC testified in court that it
9 would not have purchased the property in question had the Respondent disclosed the
10 previous sale to the Complainants.

11 **VIOLATIONS ALLEGED**

12 RESPONDENT has committed the following violations of law:

13 1. RESPONDENT violated NRS 645.633(1)(i) pursuant to NAC 645.605(1)
14 and/or NRS 645.3205 for dealing with a party to a real estate transaction in a manner
15 which is deceitful, fraudulent or dishonest by preparing a Vacant Land Offer and
16 Acceptance Agreement for the Property while the Property was under a contract for sale to
17 the Complainants.

18 2. RESPONDENT violated NRS 645.633(1)(i) pursuant to NAC 645.605(10)
19 and/or NRS 645.252(1)(a) for failing to disclose to Nor-Nev Properties, LLC the material
20 and relevant fact that the Property in question was previously sold to the Complainants
21 when she represented Nor-Nev Properties, LLC in the purchase of the property.

22 3. RESPONDENT violated NRS 645.633(1)(i) pursuant to NAC 645.605(11) by
23 attempting to impede the Division's investigation when she supplied false information to
24 the Division's investigator in her sworn affidavit response dated March 11, 2019.

25 **DISCIPLINE AUTHORIZED**

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

1 and the meeting is held in person, then the meeting will be located at the following
2 locations:

3 Nevada State Business Center
4 Real Estate Division
5 3300 West Sahara Avenue, Suite 350
6 Las Vegas, NV 89102

7 If you would like an email containing this information, before the hearing, please
8 contact Evelyn Pattee, Commission Coordinator, at (702) 486-4074 or epattee@red.nv.gov.

9 **STACKED CALENDAR:** Your hearing is one of several hearings scheduled
10 at the same time as part of a regular meeting of the Commission that is expected
11 to last from September 1st through September 3, 2020, but may end earlier if the
12 business of the Commission is concluded. Thus, your hearing may be continued
13 until later in the day or from day to day. It is your responsibility to be present
14 when your case is called. If you are not present when your hearing is called, a
15 default may be entered against you and the Commission may decide the case as
16 if all allegations in the complaint were true. If you have any questions please call
17 Evelyn Pattee Commission Coordinator (702) 486-4074.

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

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

1 You have the right to request that the Commission issue subpoenas to compel
2 witnesses to testify and/or evidence to be offered on your behalf. In making the request,
3 you may be required to demonstrate the relevance of the witness' testimony and/or
4 evidence. Other important rights you have are listed in NRS 645.680 through 645.990, NRS
5 Chapter 233B, and NAC 645.810 through 645.920.

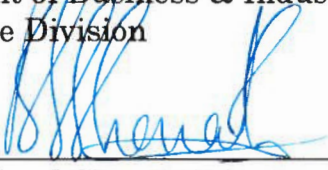
6 The purpose of the hearing is to determine if the RESPONDENT has violated NRS
7 645 and/or NAC 645 and if the allegations contained herein are substantially proven
8 by the evidence presented and to further determine what administrative penalty, if any, is
9 to be assessed against the RESPONDENT.


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11 DATED this 28 day of July, 2020.

DATED this 27th day of July, 2020.

12
13 STATE OF NEVADA,
14 Department of Business & Industry
15 Real Estate Division

AARON D. FORD
Attorney General

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