

Nevada Real Estate Division Open House

A quarterly newsletter for Nevada Real Estate Licensees

Department of Business & Industry

March 2011

Commission Welcomes New Member

by Safia Anwari, Education & Information Officer

The Mission of the Real Estate Division Education Fund:

To ensure awareness of relevant laws and practices by all licensees through proactive education and information efforts.

For the Real Estate Commission, 2010 ended with the installation, in November, of Commissioner Paul Murad, to serve alongside Commissioners Sykes, Boyer, Johnson and Gurr.

Murad comes from a successful career in international business development and marketing and an established real estate business in Nevada. A licensed Broker, he has been recognized by the National Association of Realtors' *Realtor Magazine* as one of the top 30 young professionals in the industry. He has authored a book entitled *Manhattanizing Las Vegas* and speaks at real estate conferences nationally.

In the course of his business and studies, Murad has traveled and worked in over 40 countries. He studied in the US, Spain, Russia, and Hong Kong; speaks English, Russian and Spanish; and has educational qualifications in Finance and International Business.

Commissioner Murad has added the Real Estate Commission to an already extensive list of community efforts in which he participates. He is currently a Founder and Vice Chair of Young



Murad is sworn in by Commission President Sykes during the November 2010 Real Estate Commission meeting.

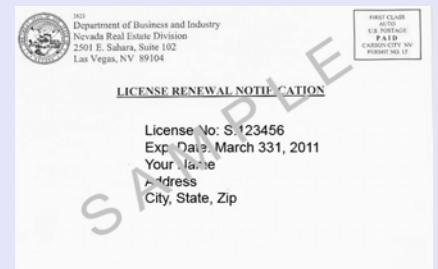
Philanthropists Society of the United Way, one of the fastest growing charitable efforts in Southern Nevada that aims to involve young professionals in volunteering and giving. Murad also serves on the Nevada Advisory Committee of the US Global Leadership Initiative and is a Founder and President of the Nevada Global Alliance, a volunteer organization for developing global trade and business in Nevada. ◀

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Renewal Notice News Flash:

Renewal notices are now sent via postcards that are canary in color. Renewal forms are available on our web site at www.red.state.nv.us/renewals.htm. The postcards are the only courtesy notification you will receive.



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Articles by outside experts express the authors' viewpoints and should not be mistaken for official policy of the Real Estate Division. They are included because they address relevant issues that may be of interest to Nevada licensees.

NEVADA REAL ESTATE COMMISSION

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Commissioner
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Renewing Your License Has Now Become Easier!

By Susan Clark, Licensing Manager

Online renewals have been launched by the Real Estate Division for active and inactive brokers, broker-salespersons and salespersons. The responses from licensees renewing online have been overwhelmingly positive. One licensee who has been licensed since 1976 stated, "this is a great improvement to the system."

Current active and inactive licensees are encouraged to renew online as an easy and time-saving option to the traditional walk-in and mailing methods of renewing their licenses. If choosing to renew online, licensees must provide their license number, date of birth and social security number for obtaining a new user ID and password. Licensees may obtain their license number by looking themselves up on



the License Lookup system on the Division's web site.

When ready to perform the renewal, licensees should have their credit card or e-check information ready. Active licensees should remember to have all post-licensing or continuing education certificates ready to enter the course number, course designation, and number of hours in the comments section on the "Courses" screen. Use care to enter the numbers correctly. Audits are being conducted by the Division to ensure compliance with completion of required courses. Failure to respond to the Division's request for education certificates may result in the involuntary inactivation of their license.

For more information visit www.red.state.nv.us and click on the Online Renewals button. ◀

Did You Forget to Renew Your License?

By the end of January 2011, the following number of real estate licenses had expired:



- ⇒ Brokers: 245
- ⇒ Broker-Salespersons: 490
- ⇒ Salespersons: 2777

A real estate license must be renewed within one year of its expiration date or it will be permanently closed. To check the status of a license, visit

www.red.state.nv.us and click on License Lookup. ◀

Division Staff Update

INGRID TRILLO has replaced Linda Hunt, who retired in September 2010, as the Program Officer of the Education Section.



Did you know...?

RESIDENTIAL DISCLOSURE GUIDE:

Up to 10 printed copies of the disclosure booklet are available on request in person at the Las Vegas and Carson City offices of the Division.

* * *

NEVADA LAW AND REFERENCE GUIDE, SECOND EDITION:

The Division is giving away FREE printed copies of the Nevada Law and Reference Guide, 2nd edition. Only a limited supply is available so distribution is restricted to one copy per licensee on request in person at the Las Vegas or Carson City offices. ◀

Unlawful Commission Agreements

Most agreements with short-sale negotiators violate NRS codes

By Jan Holle, Chief Investigator Compliance/Audit

The Division has been made aware of proposed commission agreements between real estate licensees and providers of short sale negotiation services. The agreements generally include a provision for the real estate licensee to share a percentage of his or her commission with the short sale negotiation company. In most cases, the Division found that the short sale negotiator was not a real estate licensee acting as part of a transaction and was not licensed by the Division of Mortgage Lending to provide such short sale negotiation services. A real

“Real estate licensees should use caution when engaging or dealing with a provider for short sale negotiation services...”

estate licensee participating in this type of commission agreement where his or her commission is to be shared with someone that does not hold a Nevada real estate license would be in violation of NRS 645.280.

NRS 645.280 (1) states, “It is unlawful for any licensed real estate broker, or broker-salesperson or salesperson to offer, promise, allow, give or pay, directly or indirectly, any part or share of his or her commission, compensation, or finder’s fee arising or accruing from any real estate transaction to any person who is not a licensed real estate broker, broker-salesperson or salesperson in consideration of services performed or to be performed by the unlicensed person.”

Additionally, many of these commission agreements do not include the signature of the property owner. Therefore, the payment would be



considered undisclosed to the property owner, resulting in a violation of NRS 645.633 (1) (g), which states that it is unlawful for a real estate licensee to accept, give or charge “any undisclosed commission, rebate, or direct profit on expenditures made for a client.”

Lastly, as with any service provider, real estate licensees should use caution when engaging or dealing with a provider for short sale negotiation services to ensure the individual is appropriately licensed to perform the service. ◀



Did you know...?

EDUCATION CALENDARS:

Separate calendars of scheduled classroom offerings of post-licensing education, continuing education

and “What Every Licensee Should Know 2011” are available on the website of the Real Estate Division. A click on the “Education” tab at the homepage displays links to a catalog of education calendars and providers, including sponsors of pre-licensing education and distance education.

Calendar Title	Provider	Start Date	End Date	Hours	Category
Continuing Education Calendar	Various	2011	2011	12	CE
Pre-licensing Education Calendar	Various	2011	2011	12	PE
What Every Licensee Should Know 2011	Various	2011	2011	12	CE

Since the information contained in the calendars is provided by the sponsors, the Division does not guarantee its accuracy and advises licensees and students of pre-licensing education to contact the sponsors for confirmation of class schedules. Sponsors’ web addresses and phone numbers are provided for this purpose.

Looking for some real estate education? Start your search at www.red.state.nv.us!



Did you know...?

COMMISSION MEETING:

The next Commission meeting is scheduled to be held on March 29-31, 2011 in Las Vegas. Up to 6 hours per license renewal period of the mandatory credits in ethics and broker management (for brokers and broker-salesmen) may be obtained by attending commission meetings. At least 3 hours’ attendance is required in order to receive 3 credits. ◀



Disciplinary Actions/Stipulations



ACTIONS/DECISIONS

Real Estate Commission actions are not published in this newsletter until the 30-day period allowed for filing for Judicial Review has passed. If a stay on discipline is issued by the Court, the matter is not published until final outcome of the Review. A Respondent's license is automatically suspended for failure to comply with a Commission Order, and the Division may institute debt collection proceedings to recover fines and costs. We do not publish names of persons whose license applications are denied.

ALLEGATIONS/STIPULATIONS

Stipulations occur when both the Respondent and Division have agreed to conditions reviewed and accepted by both sides. A stipulation may or may not be an admission of guilt. Stipulations are presented to the Commission for review and acceptance.

Name	HEARING DATE/ TYPE	Conduct Resulting in Violation	Fines/ Education/ Other Action
MA LOURDES M CRUZ AKA LOURDES CRUZ AKA MA M CRUZ S.0050225	June 2010 Action	Offered advice outside her level of expertise by representing that she provided loan modification services; advertised said services outside the direct supervision of her broker violating the condition and limitation on advertising; accepted advance money for said services directly from client and failed to account for those funds to client; made false promises of a character likely to influence, persuade or induce when she led client to believe that she could assist client with loan modification.	\$15,607.27 Ethics (6 hours); Contracts (6 hours) License suspended for 1 year; must appear before Commission for re-licensure.
BARBARA FALSTAD Unlicensed	June 2010 Action	Engaged in property management activities without the required license and permit.	Order to cease and desist from engaging in any form of property management.
KEVIN D LITTLES S.0078045	June 2010 Action	Cashed earnest money check payable to him, converting the money to his own use; failed to provide: - the escrow payment to his broker; - paperwork concerning client's offer to purchase to the broker.	\$15,780.30 Ethics (6 hours); Contracts (6 hours) License suspended for 6 months; to be reinstated only upon full payment of fines and costs, and completion of education.
MAHSHID BARGHISAVAR S.0073550	Sep 2010 Stipulated Settlement	Misrepresented the sales price in several purchase agreements by adding the brokerage commission to the actual property sales price. Signed purchase agreement addendums regarding commissions to be paid to her even though she was not the buyer or seller in the transactions.	\$12,000.00 What Every Licensee Should Know 2011 (6 hours); Ethics (6 hours); Contracts (3 hours)
AUDREY CHENG S.0040797	Sep 2010 Stipulated Settlement	Engaged in unlicensed property management activity.	\$750.00 Contracts (3 hours); Law and Legislative Update (3 hours)



Disciplinary Actions/Stipulations



Name	Hearing Date/ Type	Conduct Resulting in Violation	Fines/ Education/ Other Action
TAMMY COOK S.0051705	Sep 2010 Stipulated Settlement	Misrepresented and inflated the sales price in a residential purchase by adding the seller's credit for interior and exterior upgrades to the actual sales price.	\$3,000.00 Ethics (6 hours)
BRETT DEPUE Expired	Sep 2010 Action	Misrepresented the sales price in more than a dozen residential transactions by including the seller's credit for improvements and upgrades to the sales price; acted as buyer's agent under his own company name and failed to disclose to the principals his association with his broker or that he would be paid compensation through his broker (Liberty); failed to provide contract addendums and complete settlement statements to the broker; acted with gross negligence/incompetence and failed to do his utmost to protect the public against fraud.	\$390,546.09 Must appear before Commission for re-licensure.
ROSE ELLIOTT B.0018771 PM.0163077	Sep 2010 Voluntary Surrender of License	As property manager of residential properties, licensee acted with gross negligence & incompetence, and engaged in deceitful, fraudulent or dishonest conduct when she: - withheld several months' rent monies from the owners; - failed to have roof repairs done or inform tenants to replace window coverings at the property as instructed to by one owner; - issued checks from trust account that had incurred overdraft and insufficient funds fees; - failed to submit annual trust account reconciliations to the Division.	None
KAREN FERRILL-REDEKOP BS.0015079	Sep 2010 Stipulated Settlement	Misrepresented the sales price in several purchase agreements by adding the brokerage commission to the actual property sales price. Obtained signatures on purchase agreement addendums regarding commissions to be paid to her by a licensee who was not the buyer or seller in the transactions.	\$24,000.00 Contracts (3 hours); Ethics (6 hours); What Every Licensee Should Know (6 hours)
DENNIS GWAK Expired	Sep 2010 Stipulated Settlement	Collected advance fees from client without the knowledge of his broker; failed to provide complete files to broker.	\$3,000.00
REY LANDERO	Sep 2010 Voluntary Surrender of License	Misrepresented the sales price of a residential property by including a seller credit to buyer; adjusted the MLS list price to match the inflated sales price.	None
DAVE MADAM BS.0040279	Sep 2010 Stipulated Settlement	Misrepresented the sales price of a residential property by including a seller credit to buyer; adjusted the MLS list price to match the inflated sales price.	\$5,000.00 Broker Management (6 hours); What Every Licensee Should Know (6 hours); Ethics (3 hours)

Name	Hearing Date/ Type	Conduct Resulting in Violation	Fines/ Education/ Other Action
NICK MALDONADO B.0054615	Sep 2010 Stipulated Settlement	As buyer's agent in a residential transaction, submitted to seller a written Commission Bonus instruction that had not been executed by buyer with buyer's signed purchase agreement.	\$1,000.00 Contracts (3 hours)
KEVIN CLUED PINO Expired	Sep 2010 Action (in default)	Acted for seller and buyer in a residential transaction but failed to: - obtain written consent from the buyer; - provide written disclosure to seller of his spousal relationship to buyer; - provide the buyer with the duties owed disclosure and the Residential Disclosure Guide; falsely informed the Division that the spousal relationship had been disclosed in writing to all parties.	\$6,187.59 Must appear before Commission for re-licensure.
MICHELLE SULLIVAN B.0022408	Sep 2010 Stipulated Settlement	As broker of licensee who was the subject of a complaint to the Division, broker failed to: - timely or adequately respond to complainant's request for assistance; - adequately supervise the licensee; - timely respond to Division's requests for documents during its investigation.	\$7,000.00 Broker Management (6 hours); Law & Legislation (3 hours)
JANSEN TAYLOR S.0055674	Sep 2010 Stipulated Settlement	Misrepresented the agreed-upon sale price; inflated the sales price to include seller credit for repairs and improvements, thereby affecting the public records; intentionally increased the MLS price of the property by including the seller's credit for improvements/repairs; conducted transaction in deceitful and dishonest manner by failing to do his utmost to protect the public against fraud and/or misrepresentation.	\$5,000.00 Broker Management (6 hours); WELSK (6 hours); Ethics (3 hours)
DAVID THOMSON Expired	Sep 2010 Action (in default)	Violated duty of absolute fidelity by re-listing the property while it was in escrow and presenting another offer to the seller—conducted gross negligence or incompetence; failed to: - do his utmost to protect the public against fraud, misrepresentation or unethical practices by letting another buyer believe that his offer was validly submitted and accepted; - obtain permission from seller to re-list and to disclose to the second buyer that an offer was already in escrow; failed to inform and provide	\$7,663.00
JOHN J WILLIAMS Expired	Sep 2010 Action (in default)	Engaged in real estate activities and accepted compensation without an active license.	\$514,130.42



Did you know...?

NRS/NAC HANDBOOKS: The most current revision of the NRS and NAC handbooks for Chapter 645, (and Chapters 645C, 645D and 119) containing the 2009 legislative amendments and regulations adopted and encoded in and around that period of time are available to purchase from the Education section. Prices are

set at the cost to have the handbooks printed, plus an additional \$5 per handbook if mailed delivery is requested. Additional information may be obtained by visiting the Education section at the Las Vegas office or calling on (702) 486-4033. ◀

REALEST JEOPARDY!

Don't forget to answer in the form of a question! Lookup answers at www.red.state.nv.us - Safia Anwari

<i>DUE-TIES</i>	<i>ODE TO ...</i>	<i>PARTICIPANTS AND THE PROCESS!</i>
This is breached when seller's agent holds back a higher offer from seller, purchases the property at a lower price then immediately sells it for the higher price without the knowledge of either party.	Agent flits, agent flies; A ready, willing and able buyer she spies; Buyer adores home, seller endures terms offered; At close agent as this is compensation proffered.	Statement by declarant to this entity that ownership rights may be restricted by rules and procedures governing in the subdivision.
Though it is not prepared by a third party hired to examine the property, this report regarding the condition of the property may affect its use or value.	A meeting of the minds, the mutual intent; This promise material to the agreement.	This action by broker reduces conflict of interest when representing both principals.
An advertisement for sale of real estate must include this statement if a licensed associate of selling agent's brokerage has proprietary interest in the property.	It first identifies licensee and party represented; Next it restates liability to client and others connected; Conflicts of interest are noted as is confidentiality; An acceptance of information and delivery completes this formality.	Listing agent writes a bona fide offer for this type of consumer without becoming buyer's agent or needing to use the Consent to Act disclosure.
This law requires broker to provide specific information when credit terms such as amount of monthly payment, interest rates, or finance charges are used in advertising.	Broker engages in representation; Legal duties explained and signed; Patron rejects this service expectation; That exclusively may be declined.	In this type of situation inform client that delaying a decision for one or more anticipated offers could result in retraction of submitted offers.
This informs about the types of property details required to be shared with consumers of dwellings.	When proposals are examined and deliberated; This function requiring a license is executed.	Broker's rights when expressed in this arrangement may not be legally enforceable.



Did you know...?

WELSK 2011: CE credits in Law and Legislation and Ethics can be obtained by attending the “What Every Licensee Should Know 2011” class. The schedule of offerings is available on the Division’s online WELSK 2011 calendar by clicking on “Education” from the home page at www.red.state.nv.us, then selecting “Education calendars.” The 6-hour course provides 3 credit hours in each designation. All 6 hours must be completed in order to get the CE credits. Sponsors of the course include the Reno/Sparks Association of Realtors, Pioneer Real Estate School, and the Greater Las Vegas Association of Realtors. ◀

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 Department of Business & Industry
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Real Estate Statistics as of February 2011

	BROKER		BROKER SALESPERSON		SALESPERSON		Total	
	Active	Inactive	Active	Inactive	Active	Inactive	Active	Inactive
Unknown	53	48	55	65	410	175	518	288
Carson City	42	31	39	21	148	43	229	95
Churchill	12	12	7	1	40	16	59	29
Clark	1710	474	2135	506	11656	2572	15501	3552
Douglas	82	15	82	23	286	52	450	90
Elko	25	6	22	7	57	10	104	23
Esmeralda	0	0	1	0	1	0	2	0
Eureka	1	1	0	0	0	0	1	1
Humboldt	4	4	5	3	18	1	27	8
Lander	2	1	1	0	6	0	9	1
Lincoln	1	0	1	0	4	1	6	1
Lyon	30	11	20	9	102	33	152	53
Mineral	1	0	0	1	3	1	4	2
Nye	41	8	30	11	127	41	198	60
Out Of State	264	41	218	60	398	220	880	321
Pershing	2	0	0	0	2	0	4	0
Storey	1	0	2	0	7	3	10	3
Washoe	391	226	408	134	1779	384	2578	744
White Pine	2	0	2	2	8	3	12	5
Total	2664	878	3028	843	15052	3555	20744	5276