

# Open House

## Property Manager Survey

by Steve Aldinger, Deputy Administrator

Brokers and Broker-Salespersons who hold a Property Manager Permit were recently sent a survey form by the Real Estate Division. Pursuant to NRS 645.190(1), the Division is collecting information to obtain a more accurate definition of those who are required to file annual Trust Account Reconciliation (TAR) reports, when those reports are due, and whether the requirement to file an updated Form 513 Authorization to Inspect Records is being met.

The completed, signed and dated survey was due to be mailed to the attention of the Dep-

uty Administrator, Carson City Real Estate Division office, by February 17, 2012. For the information of those recipients who have not completed and returned the survey by the due date, the form should only take a few minutes to fill out, with a couple of check marks and entering a date or license number. Recipients are advised to carefully read the categories listed in the first question and select the one that best defines the licensee's current property manager status. The completed survey must be dated, signed and

*(Continued on page 3)*

### 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.

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### Division Staff Update

- Jean McFeaters*  
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- Jen Becker*  
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## New Trust Accounting Course to be Offered by the Division

by Safia Anvari, Education & Information Officer

The Division has developed a new course on the subject of trust accounting management and compliance for continuing education credits in broker management. The course will be offered once every quarter in northern and southern Nevada for the duration of at least 18 months from commencement of offering.

The course will be taught by instructors under contract with the Division. As a project of the Education and Research Fund, the 3-hour course designation will be available at no charge to brokers and broker-salespersons. The course is strongly encouraged for brokers who hold a property management permit or whose brokerage performs property management through a designated broker-salesman who holds a property management permit, regardless of whether or not they currently manage properties. If you are a broker who is even thinking about getting into the property management business – this course is a “must” for you!

The Division’s reference manual for all matters relating to trust accounting, *Trust Fund Accounting and Record Keeping for Nevada Brokers*, has also been revised and updated. The revised 4<sup>th</sup> edition is posted at the Division’s web site under “Publications.” Printed booklets will be distributed to attendees at the trust accounting classes.

At the present time, the Division does not have any anticipated start date for the course, however, as soon as the dates and classroom venues are scheduled they will be announced on the website and scheduled on the education calendar at [www.red.state.nv.us](http://www.red.state.nv.us).

**Open House**  
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**STATE OF NEVADA  
DEPARTMENT OF  
BUSINESS  
AND INDUSTRY**

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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.

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**FROM THE ADMINISTRATOR'S DESK**

***Licensee Responsibilities***

For those of you who have been following the compliance issues and disciplinary actions taken by the Commission over the past two years, you know we have been dealing with very serious issues. You read the newspaper and see the news stories where licensees have been indicted for activities in which they were involved as part of licensed real estate activity. With the privileged license come access, knowledge and trust placed by the public.

Never in the history of the Nevada Real Estate Division have we been as involved as we currently are with state and federal criminal law enforcement investigations. The Division shares information and documentation with law enforcement entities acquired in the course of investigations conducted under our jurisdiction.

Real estate broker – the responsibilities under your license cannot be too strongly expressed. The most disturbing trend in complaints we are receiving concerns broker trust accounts. If property management is done by the brokerage for which you are the broker, all activities of property management fall under your direct supervision. The trust accounts for property management activity are your responsibility. Every licensee who conducts property management activity in the brokerage must hold a property management permit to do so. You control the trust accounts. You are responsible to manage and oversee the management activity. You are responsible to monthly reconcile the accounts. You are responsible to submit to the Division the annual trust



Gail J. Anderson, Administrator

account reconciliation concurrent with the anniversary of your license renewal.

It is a violation of law to place money which is to be held in trust for your client into an account that is not a trust account established for that purpose. That is called co-mingling. It is against the law to use money held in trust for a client for the operation of your business or for your own personal use. That is called embezzlement.

The market for property management activity is growing. Our market is seeing increasing investor owned properties which are being managed by real estate licensees with a property management permit. Know what you are doing. Ensure that you are doing it correctly. And do not consider for one minute that it is an option for you to “borrow” money from that trust account for your own personal or business expenses.

It is not only your real estate license that is on the line. The Division is referring theft and embezzlement documentation for criminal prosecution to the full extent of the law.

Do the right thing – every time, all of the time.

***Nevada Real Estate Division***  
***contact us at:***  
***702-486-4033***  
***[www.red.state.nv.us](http://www.red.state.nv.us)***

## ***Licensee Lookup with the Real Estate Division***

*by Steve Aldinger, Deputy Administrator*

On the right side of the Division's homepage, [www.red.state.nv.us](http://www.red.state.nv.us), there is a "Quick Links" box containing a new "License Lookup" link. Clicking on "License Lookup" will take the user to a search function, enabling a quick search of the Division's license database.

Searches can be performed by licensee name, license number, address, type of license (profession), and license status. Because many of these categories can return an extensive results list, it is often preferable to search using multiple category filters. For example, if a user wanted to know who the licensed Real Estate brokers were within the user's zip code, entering "broker" in the Profession field, "active" in the Status field and the user's zip code in the zip field will yield a listing of broker's names along with their corresponding license number, city, state and zip code.

Also, for each broker on the above results list is a "click for details" field which, when clicked, opens a screen providing more details on that specific licensed individual. The individual's license information will appear with license number, license type, issue date, expiration date and status of every Division credential ever held.

The "Profession" and "Status" fields have drop-down boxes to aid in selection of search terms utilized by the Division's database. Still, the number of choices can be daunting to the first-time user. Careful review of all the possible choices before making a selection, testing several iterations and using multiple category filters as mentioned above will aid the user until familiarity with the search function is achieved.

The search database is live updated as the Division processes licensing transactions and can be a convenient tool for both licensees and the public.

### **HAPPY SEARCHING**

## ***...Property Manager Survey***

*(Continued from page 1)*

mailed to the attention of the Deputy Administrator at the Carson City office of the Division. The Division will follow up with those recipients who do not complete and return the survey form.

This survey is part of an overall Division effort to improve compliance with and the effectiveness of Trust Account Reconciliation submissions and reviews. An updated edition of the "Trust Fund Accounting and Record Keeping for Nevada Brokers" reference manual is posted on the Division's web site as an information resource for all brokers who handle client funds and maintain trust accounts. Furthermore, a new continuing education course on the topic of "Trust Accounting Management and Compliance" has been approved by the Commission for broker management credits and will be offered by the Division to all Brokers and Broker-Salespersons who hold a Property Management permit, active or inactive, at no charge.

### **Remember**

**Annual Trust Accounting Reconciliation submissions are an important part of property management and are required by law!**



## 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. Stipulations may or may not be an admission of guilt; they are presented to the Commission for review and acceptance.*

**At the end of January 2012, the following number of real estate licenses had expired:**

Brokers: **285**

Broker-Salespersons: **571**

Salespersons: **3,093**

***Don't Forget To Renew!***

Name	Hearing Date/Type	Violation or Stipulation	Fines/Education Other Action
<b>GARY ANTER</b> S.0060096	March 2011 Stipulation	Acting as a seller and agent for property: failed to disclose to lenders his interest in the transaction, that the sale was being made to a relation, thus creating an ongoing interest; that he would receive compensation from sale when he specifically stated he would not; made false statements to Division; and failed to disclose to lenders the source of compensation. In a separate property transaction, attempted to deprive lenders of amounts owed them.	<b>\$15,000.00</b> fines WELSK: 6 hours Ethics: 6 hours
<b>DANIEL BLACKHORSE-SMITH</b> B.0052664 Surrendered	July 2011 Action Voluntary Surrender	Acting as a property manager, failed to: return security deposit within 30 days of termination of agreement; submit Trust Account Reconciliations to Division; forward security deposit and rent to property within 30 days; obtain/maintain written property management agreement; competently manage property; remit rents collected; respond to Division investigation; and commingled trust account funds through 13 separate transactions.	<b>\$3,929.69</b> restitution Voluntary surrender of Broker License and Property Manager Permit in Lieu of Other Discipline
<b>BROOKE BOEMIO</b> S.0072963	September 2011 Stipulation	<ul style="list-style-type: none"> <li>Encouraged individuals whose homes were worth less than the mortgage to stop paying their mortgages and short-sell their homes;</li> <li>Permitted a reporter to enter a home for sale, knowing they were not a bona fide purchaser;</li> <li>Failed to disclose name of broker in article written by the reporter.</li> </ul>	<b>\$2,000.00</b> fines WELSK: 6 hours Ethics: 6 hours
<b>CURTIS BRILEY</b> S.0038617	March 2011 Action (failure to appear)	<ul style="list-style-type: none"> <li>Knowingly engaged in broker activities requiring a property manager permit without having one issued from the Division;</li> <li>Accepted compensation from a person other than the broker he was licensed with;</li> <li>Made material misrepresentations in a Lease Agreement.</li> </ul>	<b>\$7500.00</b> fines <b>\$1951.02</b> costs Other Actions and Education
<b>GILBERT FUENTES</b> S.0012714 Suspended	March 2011 Action (failure to appear)	Engaged in: unlicensed activities; false advertising; accepting compensation through escrow; and offering properties for sale without the owner's consent. <ul style="list-style-type: none"> <li>64 separate violations of the law related to 14 separate properties.</li> </ul>	<b>\$320,000.00</b> fines <b>\$2,043.75</b> costs
<b>JAMES (JIMMY) GREEN</b> B.0045635 Expired	March 2011 Action (failure to appear)	Acting as a licensed agent and supervisor, knowingly assisted an unlicensed agent in committing acts requiring a license; included commission rebates in property sales prices; concealed rebates from HUD and the lender; failed to document commission rebates; participated in naming a false consideration when a property purchase price included a commission rebate; and failed to submit transaction documents to his broker.	<b>\$63,000.00</b> fines <b>\$1,615.29</b> costs



## Disciplinary Actions/Stipulations



Name	Hearing Date/ Type	Violation or Stipulation	Fines/Education Other Action
<b>TIMOTHY J. GREENE</b> S.0060035	March 2011 Stipulation	Acting as the seller's agent: misrepresented the sales price of the subject property and named false consideration in the purchase agreement. <ul style="list-style-type: none"> <li>Included a payment of \$86,400 through escrow to a third party</li> </ul>	<b>\$5,000.00</b> fines
<b>ASHLEY HALL</b> B.0037992	September 2011 Action	Acting as buyer's agent: failed to timely inform the seller in the transaction that his client did not fulfill obligation of remitting the earnest money deposit under the contract when aware of that fact at the initiation of the purchase agreement. Signed the agreement which stated that the earnest money had been received when it had not. Failed to deposit the earnest money and did not inform the seller that no deposit was, or would be, made.	<b>\$2500.00</b> fines <b>\$1243.20</b> costs WELSK: 6 hours
<b>JENNIFER MILLIKEN</b> B.0048751 Revoked PM.0148751 Revoked	Action (failure to appear)	<ul style="list-style-type: none"> <li>Commingled property management money in one account with operating funds and used those funds to operate office;</li> <li>Failed to account for and/or remit funds belonging to five clients;</li> <li>Failed to provide a Trust Account Reconciliation to the Division for FY 2008 and FY 2009.</li> </ul>	<b>\$40,000.00</b> fines <b>\$1,677.91</b> costs Broker License & Property Mgmt. Permit Revoked
<b>CHARLES JEFF MOORE</b> B.0022985	September 2011 Stipulation	Failed to properly supervise Licensee in real estate transactions and the documents pertaining thereto.	<b>\$7,500.00</b> fines WELSK: 6 hours Contracts: 3 hours
<b>DENISE MURPHY</b> BS.0060037	March 2011 Stipulation	Acting as the seller's agent: misrepresented the sales price of the subject property and named false consideration in the purchase agreement. <ul style="list-style-type: none"> <li>Included a payment of \$51,400 through escrow to a third party.</li> </ul>	<b>\$2,500.00</b> fines WELSK: 6 hours Broker Mgt.: 6 hours Ethics: 3 hours
<b>SUSAN MURPHY</b> S.0041893	March 2011 Stipulation	Acting as the seller's agent: misrepresented the sales price of the subject property and named false consideration in the purchase agreement. <ul style="list-style-type: none"> <li>Included a payment of \$51,400 through escrow to a third party.</li> </ul>	<b>\$2,500.00</b> fines WELSK: 6 hours Contracts: 3 hours
<b>RICHARD NAFT</b> Unlicensed	March 2011 Stipulation	Engaged in unlicensed activities: represented himself as a licensed broker and negotiated real estate transactions, commissions, and rebates. Knowingly engaged in real estate broker activities for which a license is required from the Division, when, in fact, he did not hold the required license.	<b>\$15,000.00</b> fines
<b>MICHAEL REISS</b> B.0021603 B.0033231	September 2011 Stipulation	<ul style="list-style-type: none"> <li>Misrepresented himself as an agent when he took no part in the transaction;</li> <li>Failed to supervise his licensees in regard to two separate subject properties.</li> </ul>	<b>\$6,000.00</b> fines WELSK: 6 hours Broker Mgt.: 3 hours



## Disciplinary Actions/Stipulations



Name	Hearing Date/ Type	Violation or Stipulation	Fines/Education Other Action
<b>ANTHONY PAUL RUFO</b> S.0076431 Surrendered	September 2011 Action Voluntary Surrender	Acting as the buyer's agent: fraudulently caused a loan application to be submitted to the mortgage company by individual acting as a straw buyer. Falsely and fraudulently stated employment of the applicant. Fraudulently caused the loan application to be submitted with fraudulent IRS Form W-2s and pay check stubs. Failed to disclose to Division guilty plea to criminal charges related to these actions.	Voluntary surrender of Real Estate License
<b>YELENA VANGSTAD</b> S.0069081	September 2011 Stipulation	Participated in a property transaction to deprive lenders of funds to benefit herself, failed to disclose in writing her status as a real estate licensee and that she would be acquiring the property for the interest of herself. Provided false information to lenders, resulting in loss in excess of \$150,000.00.	<b>\$8,000.00</b> fines WELSK: 6 hours Ethics: 6 hours
<b>PRESTON WALRATH</b> Unlicensed	September 2011 Stipulation	Engaged in the business of a real estate broker in the State of Nevada without a license issued by the Division. <ul style="list-style-type: none"><li>Agreed to list or solicit prospective purchasers of any interest in real estate.</li></ul>	<b>\$5,000.00</b> fines

Compiled by Jen Becker, Publications Writer



**MEMBERS  
NEEDED!**  
Real Estate  
Advisory Committee  
**702-486-4033**

The Division is looking for members to serve on the Real Estate Advisory Committee as course auditors. Details regarding the qualifying criteria, per NRS 645.090, is available at [www.Red.State.NV.US/RealEstate/Arc](http://www.Red.State.NV.US/RealEstate/Arc). If you are interested and meet the qualifications specified online, scroll down the web page for directions on how to apply.

## Commission Meeting Packages Go Electronic

by Safia Anvari, Education & Information Officer

The Real Estate Commission, from its November 2011 meeting, began to receive meeting packages electronically, greatly reducing the reliance on paper copies of documents that make up the "Commission package" for each individual meeting. The commissioners are sent a flash drive containing electronic files of documents that correspond to the agenda for the meeting. Commissioners agreed to try this methodology to see if it is satisfactory for their needs to find and review documents before and during the meeting. Commissioners also agreed to bring their own laptops, tablets, or other electronic devices for this purpose.

Commission packages normally include copies of various reports from the Administrator and other Division staff, education course summaries, and information regarding any other business on the meeting agenda. The bulk of the package, however, is comprised of the disciplinary action cases, which are made up of Complaints and Notices of hearings.

The economic and resources benefits of the Commission's conversion to digital data was immediately apparent in the savings to the State in paper, printer ink and copier toner, the cost of shipping to each of the 5 Commissioners, as well as the relief in staff time spent making copies and organizing packages for shipment.

The public hard copy of the meeting material must be made available at every meeting. A few desk copies are also at the ready in case of electronic mishap during the meeting. The Division will continue to assess and develop the most efficient and effective means of providing the necessary documents for a Commission meeting, but the response from the commissioners was very positive following their first meeting experience of "going digital."

# Help for Homeowners Event

*"Our homes are our greatest treasure. I invite you to attend this comprehensive event to explore the many options available to help homeowners."*

~ Nevada Governor Brian Sandoval

**Friday, March 9, AND Saturday, March 10: 9 a.m. – 7 p.m.**  
**Cashman Center**  
**850 North Las Vegas Boulevard, Las Vegas (Free Parking)**



**Nevada Governor Brian Sandoval** encourages homeowners to attend this special event.

- Meet one-on-one with lender representatives from Bank of America, Wells Fargo, Chase, Citi, and others.
- HUD, Fannie Mae, Freddie Mac, pro-bono attorneys, HUD-approved housing counselors and more will be on site.

- Explore all your options in one place at this free event and get the help you need, even if you've been turned down before!
  - Lower your mortgage payment
  - Reduce your loan balance
  - Reduce or eliminate second mortgages
  - Short sale assistance
  - Assistance paying your mortgage
  - Help for military service members
  - 1<sup>st</sup> time homebuyer program
  - Avoid foreclosure and loan modification scams

Call (702) 486-2750 or email [biinfo@business.nv.gov](mailto:biinfo@business.nv.gov) for more information!

**Bring copies of these documents with you:**

- Monthly mortgage statement
- Information about other mortgages on your home, if available
- Two most recent pay stubs for all household members
- If self-employed, the most recent quarterly or year-to-date profit and loss statement and two years of tax returns
- A utility bill showing homeowner name and property address
- Most recent personal checking, savings, money market, mutual funds, stock and bond statements (include all pages)
- Documentation of income you receive from other sources (alimony, child support, social security, etc.)
- Current property tax statement
- Homeowner's Insurance Policy Declaration page
- Unemployment insurance letter, if applicable



## What Every Licensee Should Know 2012—GLVAR's Class Schedule

MARCH	Friday, 9 <sup>th</sup> : 1:00 – 4:00 pm CE.5317001-RE, Law & Legislation	Monday, 26 <sup>th</sup> : 1:00 – 4:00 pm CE.5318001-RE, Agency
APRIL	Tuesday, 10 <sup>th</sup> : 1:00 – 4:00 pm CE.5318001-RE, Agency	Wednesday, 25 <sup>th</sup> : 9:00 am – 12:00 noon CE.5317001-RE, Law & Legislation
MAY	Monday, 21 <sup>st</sup> : 5:30 – 8:30 pm CE.5317001-RE, Law & Legislation	Tuesday, 22 <sup>nd</sup> : 5:30 – 8:30 pm CE.5318001-RE, Agency
JUNE	Monday, 4 <sup>th</sup> : 1:00 – 4:00 pm CE.5318001-RE, Agency	Monday, 25 <sup>th</sup> : 9:00 am – 12 noon CE.5317001-RE, Law & Legislation

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 Carson City, NV 89701  
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## Real Estate Statistics as of January 2012

	BROKER		BROKER SALESPERSON		SALESPERSON		Total	
	Active	Inactive	Active	Inactive	Active	Inactive	Active	Inactive
Unknown	38	49	43	52	285	104	366	205
Carson City	42	25	38	16	142	38	222	79
Churchill	11	9	8	1	35	17	54	27
Clark	1740	452	2162	436	11108	1963	15010	2851
Douglas	75	15	86	16	260	46	421	77
Elko	22	4	21	8	54	8	97	20
Esmeralda	0	0	0	0	1	0	1	0
Eureka	1	1	0	0	0	0	1	1
Humboldt	4	4	5	3	18	0	27	7
Lander	1	1	1	0	4	0	6	1
Lincoln	1	0	1	0	3	1	5	1
Lyon	32	10	21	8	98	25	151	43
Mineral	1	0	1	0	2	1	4	1
Nye	40	8	31	9	106	33	177	50
Out Of State	288	33	206	72	391	167	885	272
Pershing	2	0	0	0	2	0	4	0
Storey	1	0	1	0	7	2	9	2
Washoe	388	195	411	131	1738	297	2537	623
White Pine	2	0	2	2	6	2	10	4
<b>Total</b>	<b>2689</b>	<b>806</b>	<b>3038</b>	<b>754</b>	<b>14260</b>	<b>2704</b>	<b>19987</b>	<b>4264</b>