

Open House

A quarterly newsletter for Nevada Real Estate Licensees

Department of Business & Industry

November 2012

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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LICENSE RENEWAL EDUCATION UPDATE:

Answers to Some Frequently Asked Questions

The implementation of the education requirements for the 4-year license renewal terms set forth in regulation R093-10, adopted by the Commission in June 2012, has raised some issues of compliance and frequently asked questions that are addressed below.

education completion, which means that failure to do so is a violation of law and will result in license inactivation and a fine.

Q: *When do I need to take the additional 12 hours of continuing education required of first-time licensees?*

A: The 12 hours of continuing education in the mandatory designations of Agency, Contracts, Ethics and Law Update, must be taken by live instruction any time during the 2-year renewal period.

First-time Licensees

Q: *I am a first-time licensee and have completed my post-licensing education. What do I do now?*

A: Submit to the Division your proof (certificates) of completion of the 30 hours' post-licensing education by the end of the first anniversary month in which your license was issued. You may mail or hand-deliver to the Las Vegas Licensing Section your original certificates. Keep a copy for your records.

Proof of completion of the continuing education (certificates) must be timely submitted (by mail or in person) to the Division before the expiration of the license to prevent inactivation of your license and the imposition of a fine.

Q: *I am a first-time licensee who is a broker-salesperson. What education do I need to renew my license as a broker-salesperson?*

Note that, as with any license renewal, there is no grace period for the requirement to submit proof of

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ATTENDANCE EXCEEDS EXPECTATIONS: TRUST ACCOUNTING MANAGEMENT AND COMPLIANCE CLASSES OFFERED MONTHLY

Now in its third quarter of offerings, the Division's continuing education program entitled "Trust Accounting Management and Compliance" has greatly exceeded turnout expectations. What was originally planned to be offered as one class per quarter in northern and southern Nevada has, in Las Vegas, become a monthly event due to licensee enrollments for each scheduled class surpassing the classroom's seating capacity by almost double.

As a result of the higher-than-expected licensee interest, the Commission, in September, granted the Division's request to increase funding for classes to be held once a month in Las Vegas on an as-needed basis.

Attendance levels in the Reno classes of 15-20 per quarter have been pleasingly higher than anticipated but not high enough yet to warrant monthly offerings.

The course was developed by the Division in response to the many and varied instances of violations involving trust funds – everything from embezzlement, conver-

sion, ineffective broker supervision, unlicensed property management activities, lack of adequate brokerage policies and staff training with regard to handling client monies, among others – that the Division and the Commission were, respectively, investigating and hearing. In addition, the Division's property management survey carried out in late 2011 showed that a disturbingly high percentage of brokers who were actively engaged in property management were either failing to submit the required annual trust accounting reconciliation to the Division or were not completing and submitting the reconciliation correctly.

Attendance to the course is free of charge and restricted to brokers and broker-salespeople who actively perform property management activities in a supervisory capacity, or plan to do so in the foreseeable future. It is a 3-hour course which provides 3 credits in broker-management.

The calendar and online registration form for upcoming classes are posted on the Division's website at www.red.state.nv.us. ◀

TRUST ACCOUNTING MANAGEMENT AND COMPLIANCE SCHEDULE

LAS VEGAS
Instructor: Linda Rheinberger
Grant Sawyer Building
Room 1100
555 E. Washington
Las Vegas, NV 89101

November 1, 2012
9 a.m. to Noon

December 7, 2012
9 a.m. to Noon

RENO
Instructor: Judy Cook
NVAR
760 Margrave Dr.
Suite 200
Reno, NV 89502

October 24, 2012
9 a.m. to Noon

Register at:
<http://red.state.nv.us/trustregform.asp>

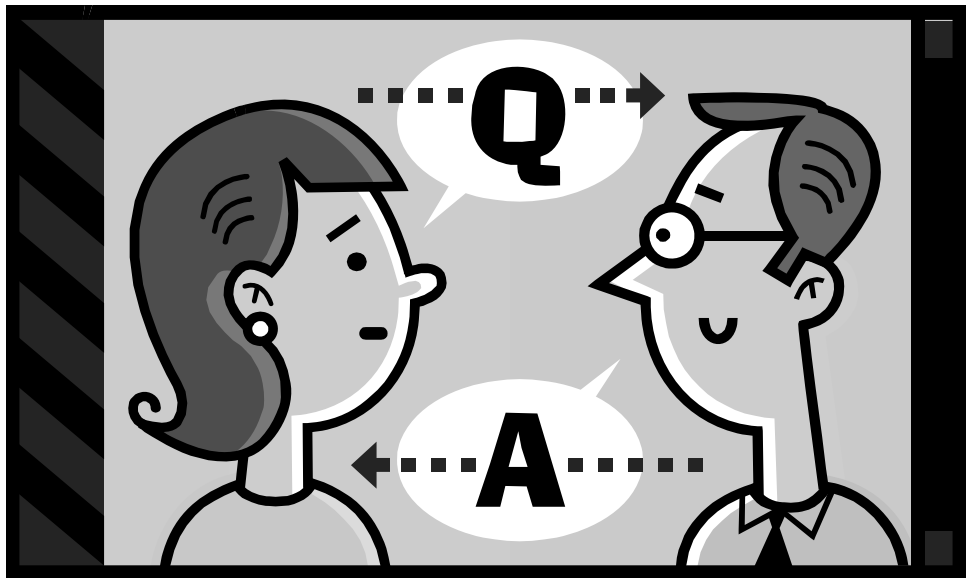
... LICENSE RENEWAL EDUCATION UPDATE

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A: A first-time licensee who is a broker-salesperson must fulfill the post licensing 30 hours within the first year and must complete the 12 required hours in the mandatory designations of Agency, Contracts, Ethics and Law Update PLUS must obtain 3 credits in broker management designated course work in order to renew by the end of the second year. The first-time renewing broker-salesperson will be taking 15 hours of education in addition to post licensing.

Q: *I am a first-time licensee and I got my property management permit during my first year of licensure. What do I need to renew my license at the end of my 2-year licensing term?*

A: A first-time renewing licen-



see with a property management permit must take all of the required hours for post-licensing and the mandatory designated course hours but must also take 3 additional hours in property management designated course work. Likewise, a licensee who holds a business broker permit must also take 3 additional continuing education credits in business broker designated credits to renew a business broker permit.

The continuing education for a broker-salesman, a property management permit and a business broker permit is required over and above the mandatory designated course work in Agency, Contracts, Ethics and Law Update for a first time licensee. The additional broker and permit education is not required to be taken by live education.

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DIVISION ACTIVELY SEEKS ADVISORY COMMITTEE MEMBERS

The Real Estate Division is seeking to increase membership of the Real Estate Advisory Committee for purpose of education review and is inviting applications from interested licensees who meet the criteria listed below.

Once appointed to the Committee by the Real Estate Commission, the Advisory Committee member will assist the Administrator on a recurring basis

to conduct education course audits, and may be called upon by the Administrator or the Commission, if needed, to assist with other matters.

To qualify, the applicant must be a U.S. citizen, resident in Nevada for at least 5 years and:

- a. An active broker for at least 2 years; or
- b. An active broker-salesperson for at least 5 years.

Note that appointment to the Advisory Committee is at the discretion of the Commission.

For more details and/or an application form, contact:

Legal Administrative Officer
Real Estate Division
2501 E. Sahara Avenue
Las Vegas, NV 89104
Email: Realest@red.state.nv.us
Phone: (702) 486-4036 ◀

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 collec-

tion 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	VIOLATION OR STIPULATION	FINES / EDUCATION / OTHER ACTION
LEO M. DUPRE B.0011037.IND (Revoked)	April 2012 Action	Engaged in property management, committed 10 violations of NRS 645.630 (1)(h) by transferring client trust account funds into his own personal account or withdrawing those funds in cash for his personal use. Also, allowed client trust account to become overdrawn, resulting in bank fees being charged against owner funds.	\$160,000 fine Broker license revoked.
STEVEN P. NOHRDEN S.0075590.LLC (Revoked)	February 2012 Action	Leased four different properties without having a property management permit issued by the Division and without the knowledge or consent of the owners; converted the money from the property rentals to his own use; impeded the investigation of the Division by failing to supply a written response, including supporting documentation.	\$240,000 fine Salesperson license revoked.
JOEL P. SILVERMAN B.0003840.LLC (Active) PM.0162327.BKR (Surrendered)	November 2011 Stipulated Settlement	Failed to balance trust accounts and employed a salesperson and property manager whom he failed to adequately supervise. Employee embezzled at least \$30,000 from trust accounts through fraud and forgery. Agreed he will not employ or contract with any licensed salesperson or broker salespersons or property managers to perform real estate activity under broker's license.	Voluntary surrender of property management permit in lieu of other disciplinary action. Agreed to continue endeavor to repay clients whose funds were embezzled. WELSK: 6 hours
G. MICHAEL COTA BS.0031676 (Revoked)	November 2011 Action	Violated NRS 645.630 (1)(a), (d), (f), (h) and (i) by misrepresenting himself to the parties of a transaction, failing to remit the buyer's earnest monies, commingling and converting the monies for his own use, and engaging in conduct which constitutes deceitful, fraudulent or dishonest dealing.	\$41,000 fine Broker salesperson license revoked.

Disciplinary Actions / Stipulations (Continued)

NAME	HEARING DATE / TYPE	VIOLATION OR STIPULATION	FINES / EDUCATION / OTHER ACTION
CURTIS MCCALL S.0073886 (Revoked)	February 2012 Action	Respondent's corporation received \$49,700 in compensation regarding the sale of a property from a broker he was not licensed under.	\$10,000 fine Salesperson license revoked.
STEPHEN BARCEL (Unlicensed)	September 2011 Stipulated Settlement	Operated as a real estate broker, without a license issued by the Division.	\$2,500 fine Cease and Desist Order dated April 26, 2011 to remain in full force and effect until licensed.
DANYA GRESHAM S.0073948 (Active)	February 2012 Stipulated Settlement	Mistakenly ordered the re-key and clean up of a wrong property. Apologized for getting the property mixed up, but then directed the same company to return to the wrong property and re-key and clean it, which they did. Violated NRS 645.633(1)(h) by acting with gross negligence or incompetence in the performance of her duties related to her responsibilities as a salesperson and violated NRS 645.252(2) by failing to exercise reasonable skill and care related to a transaction.	\$2,000 fine WELSK: 6 hours
RALPH ZIMMERMAN B.0022955.INDV (Surrendered) PM.0163834 (Surrendered)	June 2012 Voluntary Surrender	At close of escrow of a transaction, made a third party payment direct to a marketing and advertising company owned by a licensee instead of to the licensee's broker. Failed to disclose the third party payment to client.	Agreed to a voluntary surrender of his broker's license and his property management permit in lieu of other disciplinary action.
GISELA GALVAN S.0032250 (Active)	February 2012 Stipulated Settlement	Respondent failed to provide required paperwork to her broker regarding two transactions; failed to timely present offers to her clients regarding three transactions; and received advance fees but failed to forward the same to her broker regarding four transactions.	\$6,500 fine WELSK: 6 hours Ethics: 6 hours
EDDIE DORANTES S.0065574 (Revoked)	April 2012 Action	Admitted to pleading guilty to a felony, being placed on probation, answering falsely on his license application and failing to notify the Division.	License revoked.
KAREN CHAPON AKA KAREN HANNAFIOUS (Unlicensed)	April 2012 Action	Engaged in and offered to engage in property management activity without a license or permit.	\$7,000 fine
ANTHONY TRUETT BS. 0055336.LLC (Active)	February 2011 Stipulated Settlement	Respondent failed to protect the public, was negligent or incompetent and acted in a deceitful manner with respect to a property sales price, which included a \$50,000 payment out of escrow to a third party.	\$5,000 fine WELSK: 6 hours Ethics: 6 hours Contracts: 3 hours



By the end of September 2012, the following number of real estate licenses had expired:

- Broker: 285
- Broker-Salespersons: 534
- Salespersons: 2,285
- Total: 3,104

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.

Disciplinary Actions / Stipulations (Continued)

NAME	HEARING DATE / TYPE	VIOLATION OR STIPULATION	FINES / EDUCATION / OTHER ACTION
DIANE WILD (Unlicensed)	February 2012 Stipulated Settlement	Respondent engaged in numerous property management activities without a license and the required permit; was the signatory on a property management bank account; and assisted another to engage or offer to engage in property management activities.	\$10,000 fine Agreed to cease and desist all property management activities.
JUDY GABRIEL (Unlicensed)	February 2012 Stipulated Settlement	Engaged in, offered to engage in, and assisted another to engage or offer to engage in property management without first obtaining a license as a real estate broker, broker-salesperson or salesperson, and a permit for property management.	\$5,000 fine Agreed to cease and desist all property management activities.
NANCY KAM (Unlicensed)	April 2012 Stipulated Settlement	Respondent managed 10 properties without a real estate license and property management permit, in violation of NRS 645.6054 and NRS 645.230(1)(b).	\$10,000 fine
FRANCISCO AGUILA CANEZ S.0065054 (Revoked) PM.0163283.BKR (Revoked)	November 2011 Action	Violated NRS 645.630(1)(h) by converting the money held in trust of 12 individuals to his own use. Failed to place all monies he received from property management contracts to his broker, failed to protect the public against fraud and unethical practices, and failed to cooperate with the investigation of the Division.	\$150,000 fine Salesperson license and property manager permit revoked.
ANDREW LARSON B.0019735.INDV (Surrendered)	June 2012 Voluntary Surrender	Failed to: maintain a definite place of business; prominently display license; have a sign posted on the building directory or on the building exterior; and give written notice to the Division within 10 days of a change of business address.	Voluntary surrender in lieu of other penalties.
BARBARA FROLICH (Unlicensed)	April 2012 Action	Without real estate license and property management permit, accepted monthly compensation to act as a property manager.	\$400 fine
JENNIFER L. CAPURRO BS.0001704 (Active) PM.0163685 (Active)	April 2012 Action	Falsified documents on nine different occasions without the knowledge and/or permission of her clients	\$5,000 fine

... LICENSE RENEWAL EDUCATION UPDATE

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Second and Subsequent License Renewal

Q: *I have just renewed my license and the next renewal is due in 4 years. Is it true that I will need 48 hours of continuing education for my next license renewal and is the 50% education by live instruction mandatory?*

A: The 4-year license renewal period is split into two 2-year terms, each mandating 24 hours of continuing education with proof of completion of the education to be submitted to the Division by the end of each 2-year period.

The breakdown of the 24 hours of continuing education to be completed every two-year period remains unchanged with 12 hours in the mandatory designations of Agency, Contracts, Ethics and Law Update, and 12 additional hours, which are elective hours. The significant change comes in the requirement that at least 50% of the continuing education in each 2-year period must be taken by live instruction. The language of the regulation leaves it open to the licensee to take more (but not less) than 50% of the required continuing education by live instruction.

Just as in the past, broker-salespersons and brokers need 3 credit hours in broker management, and holders of the property management and/or business broker permit must obtain 3 credit hours in the respective designation in each 2-year period. **The hours required for a broker and permit holder count toward fulfilling the non-mandatory 12 hours.** For example, a broker with a property management permit who obtains 12 hours in the mandatory designations of Agency, Contracts, Ethics and Law Update, 3 credits in broker management and 3 credits in property management need only obtain 6 elective credits in each renewal period in order to meet the 24-hour requirement.

Q: *My license is in a subsequent renewal period. It expires July 31, 2013, which is after June 30, 2013. When can I submit proof of my completion of education?*

A: Licensees who renewed their license after June 30, 2011 are now in their first 2-year period of their 4-year license term. Licensees may submit their completed 24 hours for the first two-year period of the 4-year licensing term at any time when it is completed, but it must be submitted all together and before the end of the 2

-year period to not incur inactivation and a fine. If you renewed your license in July 2011, you must submit to the Division before July 30, 2013 proof of completion of the 24-hours of continuing education for the first 2-year period. If you renewed your license in August 2011, you must submit to the Division before August 31, 2013 proof of completion of 24-hours of continuing education for the first 2-year period. And so forth as each month rolls forward. You may mail or hand-deliver to the Las Vegas Licensing Section your original certificates. Keep a copy for your records.

Rural Exception

Q: *I am not a first-time licensee, but I live in a rural location. Does the "live instruction" exception apply to me?*

A: No. At the present time, there is no rural exception provision for the "no less than 50% live instruction" requirement to a renewing licensee who is not a first-time licensee taking post licensing plus 12 hours. The Commission is considering this in a proposed regulation that is in process. ◀

What Every Licensee Should Know — 2013 GLVAR and RSAR Class Schedules

Class Date	Hours	Designation	CE#	Location
11/01/12	3	Law & Leg	CE.5317002-RE	Reno
11/01/12	3	Agency	CE.5318002-RE	Reno
11/15/12	6	Agency	CE.5464001-RE	Las Vegas

3826
 State of Nevada
 Department of Business & Industry
 Real Estate Division
 2501 E. Sahara Avenue, Suite 101
 Las Vegas, NV 89104-4137

PRSRT STD
 U.S. POSTAGE
PAID
 Carson City, NV 89701
 PERMIT #15

Real Estate Statistics as of September 2012

County	BROKER		BROKER SALESPERSON		SALESPERSON		TOTALS	
	Active	Inactive	Active	Inactive	Active	Inactive	Active	Inactive
Unknown	33	47	39	50	271	92	343	189
Carson City	43	25	36	12	130	34	209	71
Churchill	14	8	7	1	36	10	57	19
Clark	1766	415	2169	381	10976	1609	14911	2405
Douglas	67	14	87	14	244	40	398	68
Elko	22	4	21	7	61	5	104	16
Esmeralda	0	0	0	0	0	1	0	1
Eureka	1	1	0	0	1	0	2	1
Humboldt	3	2	5	3	18	0	26	5
Lander	1	1	2	0	4	0	7	1
Lincoln	1	0	1	0	3	0	5	0
Lyon	32	10	22	7	88	20	142	37
Mineral	1	0	0	0	2	1	3	1
Nye	39	7	29	9	103	28	171	44
Out Of State	296	27	222	54	410	143	928	224
Pershing	2	0	0	0	2	0	4	0
Storey	1	0	1	0	5	2	7	2
Washoe	384	191	410	116	1712	248	2506	555
White Pine	2	0	2	1	5	2	9	3
Total	2708	752	3053	655	14071	2235	19832	3642