

BEFORE THE REAL ESTATE COMMISSION

STATE OF NEVADA

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

Case No. 2017-1239

Petitioner,

vs.

GAVIN M. ERNSTONE,

Respondent.

**FILED**

NOV 16 2018

**REAL ESTATE COMMISSION**

DECISION

This matter came on for hearing before the Nevada Real Estate Commission, State of Nevada ("Commission") on Wednesday, September 11, 2018, at the Nevada State Business Center, 3300 W. Sahara Avenue, Las Vegas, Nevada 89102. Respondent Gavin M. Ernstone ("Respondent") appeared through counsel, Frank Perez, Esq. Peter K. Keegan, Deputy Attorney General, appeared and prosecuted the Complaint on behalf of petitioner Sharath Chandra, Administrator of the Real Estate Division, Department of Business & Industry, State of Nevada ("Division").

The matter having been submitted for decision based upon the allegations of the Complaint, the Commission now enters its Findings of Fact and Conclusions of Law as follows:

FINDINGS OF FACT

The Commission, based upon the evidence presented during the hearing, finds that there is substantial evidence in the record to establish each of the following:

1. RESPONDENT has been licensed as a Broker under license number B.1000642.LLC, since May 26, 2010, which is currently in active status.

2. RESPONDENT has been licensed as a Broker under license number B.1001429.INDV, since July 23, 2014, which is currently in active status.

3. RESPONDENT has been licensed as a Property Manager under permit number PM.0163784.BKR, since May 27, 2008, which is currently in active status.

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1           4.     In or about February 2014, Scott E. and Amie G. Yancey (the "Yanceys") purchased  
2 real property located at 43 Morning Glow Lane, Las Vegas, Nevada (the "Property") from Howard  
3 Hughes Properties, Inc. ("Hughes").

4           5.     The Yanceys purchased the Property for approximately \$675,000.00.

5           6.     The Property was subject to a transfer fee to Hughes if the property was sold before a  
6 residence was constructed thereon.

7           7.     The Yanceys never constructed a residence on the Property.

8           8.     On or about October 31, 2016, RESPONDENT listed the Property for sale on behalf of  
9 the Yanceys.

10          9.     At that time, RESPONDENT listed the Property for sale for \$999,000.00.

11          10.    The Yanceys, through RESPONDENT, sold the Property in or about March 2017.

12          11.    RESPONDENT prepared the Vacant Land Purchase Agreement.

13          12.    The Vacant Land Purchase Agreement states that the Yanceys sold the Property for only  
14 \$250,000.00.

15          13.    However, Addendum #2 to Purchase Agreement ("Addendum") required Buyers to  
16 purchase "architectural plans" from the Yanceys for an additional \$690,000.00.

17          14.    The Addendum required the "Sales of plans to be handled outside of escrow...."

18          15.    The Addendum required the Buyer, the Yanceys and RESPONDENT to not disclose the  
19 contents thereof.

20          16.    RESPONDENT prepared the Addendum.

21          17.    In or about March or April 2017, RESPONDENT received a commission of  
22 approximately \$56,400.00 (\$28,200.00 for representing the Yanceys, and \$28,200.00 for representing  
23 the Buyer) as a result of the Property sale.

24          18.    RESPONDENT's \$56,400.00 commission is the equivalent of a 6% commission of a  
25 \$940,000 Property sale.

26          19.    RESPONDENT, through his attorney, admitted "Hughes would be entitled to a  
27 percentage of profit made by a transfer" if the Yanceys and RESPONDENT reported a profit on the  
28 Property sale.



1 IT IS FURTHER ORDERED that Respondent complete three (3) hours of ethics and three (3)  
2 hours of agency live course continuing education credits within one hundred eighty (180) days of the  
3 effective date of the Commission's order.

4 If the payment or proof of completion of the continuing education is not actually received by the  
5 Division on or before its due date, it shall be construed as an event of default by Respondent. In the  
6 event of default, Respondent's licenses and permit shall be immediately suspended, and the unpaid  
7 balance of the administrative fine and costs, together with any attorney's fees and costs that may have  
8 been assessed, shall be due in full to the Division within ten calendar days of the date of default. The  
9 Division may institute debt collection proceedings for failure to timely pay the total fine.

10 The Commission retains jurisdiction for correcting any errors that may have occurred in the  
11 drafting and issuance of this Decision.

12 This Order shall become effective on the 17 day of October, 2018.

13 DATED this 16 day of Nov., 2018.

14  
15 REAL ESTATE COMMISSION  
16 STATE OF NEVADA

17  
18 By:   
19 President, Nevada Real Estate Commission