

1 **BEFORE THE REAL ESTATE COMMISSION**
2 **STATE OF NEVADA**

3 SHARATH CHANDRA, Administrator,
4 REAL ESTATE DIVISION,
5 DEPARTMENT OF BUSINESS &
6 INDUSTRY, STATE OF NEVADA,

6 Petitioner,

7 vs.

8 KAREN C. XIAO,

9 Respondent.

Case No. 2017-1190 & 2017-1286

FILED

SEP 21 2018

REAL ESTATE COMMISSION
BY

11
12 **STIPULATION FOR SETTLEMENT OF DISCIPLINARY ACTION**

13 This Stipulation for Settlement of Disciplinary Action ("Stipulation") is entered into
14 by and between the State of Nevada, Department of Business and Industry, Real Estate
15 Division ("Division"), through its Administrator Sharath Chandra ("Petitioner"); and Karen
16 C. Xiao ("Respondent").

17 **JURISDICTION**

18 RESPONDENT was, at all relevant times mentioned in this Complaint, licensed as
19 a Broker under license numbers B.1000842.LLC and B.1001006.INDV; was permitted as a
20 Property Manager under permit numbers PM.0163911.BKR and PM.0165379.BKR; and
21 therefore is subject to the jurisdiction of the Division and the Commission and the
22 provisions of NRS chapter 645 and NAC chapter 645.

23 **FACTUAL ALLEGATIONS**

24 1. RESPONDENT has been licensed since June 30, 2011, as a Broker under
25 license number B.1000842.LLC, which currently is in active status.

26 2. RESPONDENT has been licensed since May 30, 2012, as a Broker under
27 license number B.1001006.INDV, which currently is in active status.

28 ///

1 3. RESPONDENT has been permitted since October 7, 2008, as a Property
2 Manager under permit number PM.0163911.BKR, which currently is in active status.

3 4. RESPONDENT has been permitted since May 30, 2012, as a Property
4 Manager under permit number PM.0165379.BKR, which currently is in active status.

5 5. In or about 2012 and 2013, RESPONDENT entered into residential property
6 management agreements with Shou Chen Lin for three rental properties that Lin owned
7 in Las Vegas, Nevada.

8 6. None of these three property management agreements contained a
9 termination date.

10 7. In or about 2012 and 2013, RESPONDENT entered into residential property
11 management agreements with Megagator LLC for twelve rental properties that
12 Megagator LLC owned in Las Vegas, Nevada, and one rental property that Megagator
13 LLC owned in Henderson, Nevada.

14 8. None of these thirteen property management agreements contained a
15 termination date.

16 9. Despite the lack of termination dates, RESPONDENT charged property
17 owners an "early" termination fee between \$60.00 and \$240.00 per property.

18 10. On or about May 23, 2017, Monte Lai of Megagator LLC filed a Statement of
19 Facts with the Division complaining about RESPONDENT's conduct.

20 11. On or about June 6, 2017, Lin filed a Statement of Facts with the Division
21 complaining about RESPONDENT's conduct.

22 **VIOLATIONS**

23 RESPONDENT has committed the following violations of law:

24 12. RESPONDENT violated NRS 645.6056(2)(a) *on sixteen occasions*, by not
25 including the term of the agreement in the property management agreements.

26 **DISCIPLINE AUTHORIZED**

27 13. Pursuant to NRS 645.630 and NRS 645.633, the Commission is empowered
28 to impose an administrative fine of up to \$10,000 per violation against RESPONDENT

1 further to suspend, revoke, or place conditions on the license of RESPONDENT.

2 14. Additionally, under NRS Chapter 622, the Commission is authorized to
3 impose costs of the proceeding upon RESPONDENT, including investigative costs and
4 attorney's fees, if the Commission otherwise imposes discipline on RESPONDENT.

5 15. Therefore, the Division requests that the Commission take such disciplinary
6 action, as it deems appropriate under the circumstances.

7 **STIPULATION AGREEMENT**

8 1. In an effort to avoid the time and expense of litigating these issues before the
9 Commission, the parties desire to compromise and settle the instant controversy upon the
10 following terms and conditions:

- 11 a. Respondent admits all factual allegations.
- 12 b. Respondent admits all alleged violations of law.
- 13 c. Respondent agrees to pay SIX THOUSAND DOLLARS (\$6,000.00) to the
14 Division within one hundred and eighty (180) days.
- 15 i. Respondent shall pay THREE THOUSAND DOLLARS (\$3,000.00) to the
16 Division to settle Case No. 2017-1190. TWO THOUSAND FIVE
17 HUNDRED DOLLARS (\$2,500.00) shall be payable as a fine, and the
18 remaining FIVE HUNDRED DOLLARS (\$500) shall be payable to the
19 Division as reimbursement for its investigative costs.
- 20 ii. Respondent shall pay THREE THOUSAND DOLLARS (\$3,000.00) to the
21 Division to settle Case No. 2017-1286. TWO THOUSAND FIVE
22 HUNDRED DOLLARS (\$2,500.00) shall be payable as a fine, and the
23 remaining FIVE HUNDRED DOLLARS (\$500) shall be payable to the
24 Division as reimbursement for its investigative costs.
- 25 d. Respondent further agrees to take three (3) hours of live-course continuing
26 education credits covering the area of property management, three (3) hours
27 of live-course continuing education credits in the area of contracts, and three
28 (3) hours of live continuing education credits covering the area of ethics.

1 These nine (9) hours shall not be counted towards Respondent's continuing
2 education requirements and must be completed within one hundred and
3 eighty (180) days of the effective date of the Commission's order approving
4 this stipulation.

5 2. If Respondent fails to timely meet any of the payment or continuing education
6 obligations specified above, it shall be construed as an event of default by the Respondent.

7 3. In the event of default, Respondent agrees that her license(s) and any
8 permit(s) shall be suspended immediately, and the unpaid balance of the administrative
9 fine and costs, together with any attorney's fees and costs that may have been assessed,
10 shall be due in full to the Division within ten (10) calendar date of the date of default. Debt
11 Collection actions for unpaid monetary assessments in this case may be instituted by the
12 Division.

13 4. The Division agrees not to pursue any other or greater remedies or fines in
14 connection with Respondent's alleged conduct referenced herein. The Division further
15 agrees that upon Respondent's timely payment, the Division will not bring any claim or
16 cause directly or indirectly against Respondent based upon any of the facts, circumstances,
17 or allegations discovered during the Division's investigation and prosecution of this case.

18 5. Respondent agrees and understands that by entering into this Stipulation,
19 Respondent is waiving her right to a hearing at which Respondent may present evidence
20 in her defense; her right to a written decision on the merits of the complaint; her rights
21 to reconsideration and/or rehearing, appeal and/or judicial review; and all other rights
22 which may be accorded by the Nevada Administrative Procedure Act, the Nevada Real
23 Estate Brokers and Salespersons statutes, and accompanying regulations, and the federal
24 and state Constitutions. Respondent understands that this Agreement and other
25 documentation may be subject to public records laws. The Commission members who
26 review this matter for approval of this Stipulation may be the same members who
27 ultimately hear, consider, and decide the Complaint if this Stipulation either is not
28 approved by the Commission or is not performed timely by Respondent. Respondent fully

1 understands that she has the right to be represented by legal counsel in this matter at her
2 own expense.

3 6. Each party shall bear its own attorney's fees and costs.

4 7. Approval of Stipulation. Respondent accepted this Stipulation, and it will be
5 reviewed by the Commission at its September 10-12, 2018, public meeting.

6 8. Release. In consideration of the execution of this Stipulation, Respondent, for
7 herself, her heirs, executors, administrators, successors, and assigns, hereby releases,
8 remises, and forever discharges the State of Nevada, the Department of Business and
9 Industry, and the Division, and each of their respective members, agents, employees, and
10 counsel in their individual and representative capacities, from any and all manner of
11 actions, causes of action, suits, debts, judgments, executions, claims, and demands
12 whatsoever, known and unknown, in law or equity, that Respondent ever had, now has,
13 may have, or claim to have against any or all of the persons or entities named in this
14 section, arising out of or by reason of the Division's investigation, this disciplinary action,
15 and all other matters relating thereto.

16 9. Indemnification. Respondent hereby indemnifies and holds harmless the
17 State of Nevada, the Department of Business and Industry, the Division, and each of their
18 respective members, agents, employees, and counsel, in their individual and representative
19 capacities, against any and all claims, suits, and actions brought against said persons
20 and/or entities by reason of the Division's investigation, this disciplinary action, and all
21 other matters relating thereto, and against any and all expenses, damages, and costs,
22 including court costs and attorney fees, which may be sustained by the persons and/or
23 entities named in this section as a result of said claims, suits, and actions.

24 ///

25 ///

26 ///


27 ///


28 ///

1 ///
2 ///

3 10. Respondent has signed and dated this Stipulation only after reading and
4 understanding all terms herein.


5 DATED this 7th day of September 2018 DATED this 10 day of September 2018.

6
7 By: 
8 KAREN C. XIAO
9 Respondent

NEVADA DEPARTMENT OF BUSINESS
& INDUSTRY REAL ESTATE DIVISION
By: 
SHARATH CHANDRA
Administrator

11 Approved as to form:

12
13 ADAM PAUL LAXALT
14 Attorney General

15 By: 
16 PETER K. KEEGAN
17 Deputy Attorney General
18 100 N. Carson St.
19 Carson City, NV 89701
20 Attorney for the Real Estate Division
21
22
23
24
25
26
27
28

1 **BEFORE THE REAL ESTATE COMMISSION**
2 **STATE OF NEVADA**

3 SHARATH CHANDRA, Administrator,
4 REAL ESTATE DIVISION,
5 DEPARTMENT OF BUSINESS &
6 INDUSTRY, STATE OF NEVADA,

Case No. 2017-1190 & 2017-1286

6 Petitioner,

7 vs.

8 KAREN C. XIAO,

9 Respondent.

FILED

SEP 21 2018

REAL ESTATE COMMISSION
BY



11 **ORDER APPROVING STIPULATION**

12 The Stipulation for Settlement of Disciplinary Action having come before the Real
13 Estate Commission, Department of Business and Industry, State of Nevada, during its
14 regular agenda on September 10, 2018, and the Commission being fully apprised of
15 terms and good cause appearing,

16 IT IS ORDERED that the Stipulation for Settlement of Disciplinary Action in this
17 matter is approved in full.

18 This Order shall become effective on the 22 day of October 2018.

21 NEVADA REAL ESTATE COMMISSION

22 By:



23 [Print Name] DEVIN REISS
24 Commission President