

BEFORE THE REAL ESTATE COMMISSION  
STATE OF NEVADA

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

Case No. 2018-1343

**FILED**

JUL 06 2020

REAL ESTATE COMMISSION  
BY *Evelyn Pattee*

Petitioner,

vs.

ED FRAGA,

Respondent.

**FINDINGS OF FACT, CONCLUSIONS OF LAW AND ORDER**

This matter came on for hearing before the Real Estate Commission, Department of Business and Industry, State of Nevada (the "Commission"), during a regular agenda, set for a three days, beginning on June 16, 2020 via Webex (with telephone access) with no physical public location (as permitted by the Governor's Declaration of Emergency as amended) (the "Hearing"). RESPONDENT ED FRAGA (hereinafter, "RESPONDENT" or "FRAGA") did not appear. Karissa D. Neff, Esq., Deputy Attorney General with the Nevada Attorney General's Office, appeared on behalf of the Real Estate Division of the Department of Business and Industry, State of Nevada (the "Division").

Ms. Neff advised the Commission that RESPONDENT had not filed an answer or otherwise appeared and had not been in contact with her prior to the Hearing.

Evelyn Pattee testified regarding notice sent to the RESPONDENT. The Commission found appropriate service of the notice of the Hearing, the complaint, Notice of the Complaint, and Notice of Documents was made.

After hearing testimony presented in this matter and for good cause appearing, the Commission now enters its Findings of Fact, Conclusions of Law, and Order by default against RESPONDENT as follows:

**FINDINGS OF FACT**

The Commission, by unanimous vote, based upon evidence presented during the Hearing, enters a finding of the following facts by default:

1. RESPONDENT does not hold any licenses with the Division.

2. On May 8, 2018, RESPONDENT filed a complaint with the Division against real estate agent Michelle Kim and her broker, Kamran Zand, stating that RESPONDENT's company had an exclusive listing agreement to sell that certain property known as Clark County Assessor's Parcel No. 177-09-701-012, commonly known as 7840 Gilespe Street, Las Vegas, NV 89123 (the "Property") with its owner, Kevin L. Krauel ("Krauel").

3. RESPONDENT entered into an Exclusive Authorization and Right to Sell, Exchange, or Lease Brokerage Listing Agreement with Krauel, effective May 19, 2017, and expiring on November 19, 2019 to sell the Property ("Listing Agreement").

4. The Listing Agreement identified RESPONDENT as the broker and stated that RESPONDENT would receive 6 percent of the gross selling price of the Property if sold.

5. RESPONDENT stated in his complaint, that Kim obstructed and colluded in the sale of the Property and obtained a new listing agreement and began advertising the Property which was already subject to his company's Listing Agreement.

6. On September 25, 2018, the Division issued RESPONDENT a Cease and Desist Order to stop engaging in real estate activities that require a license and/or permit from the Division.

7. On September 27, 2018, the Division properly notified RESPONDENT it had opened an investigation regarding his listing of the Property and requested a response regarding why he was conducting activities with respect to the Property that require a license from the Division.

8. In response to the Division, RESPONDENT stated he was named the administrator of funds stemming from a loan on the Property at the request of the lender, and that the loan funds were to be placed into an escrow account.

9. In response to the Division's investigation, RESPONDENT produced an agreement dated June 8, 2017, where Krauel appointed RESPONDENT to be the administrator of funds in an escrow account at Ticor Title for the Property for the purposes of cleaning, disposing miscellaneous items, and for repair and maintenance ("Administrator Agreement").

10. The Administrator Agreement also provided that if Krauel changed his mind after work on the Property had started, RESPONDENT would be paid a cancellation fee not to exceed 6 percent of the

1 Property's value at the time of cancellation.

2 11. RESPONDENT claims that the funds were misappropriated from the escrow account and then  
3 issued to the borrower, when the funds should have remained in an escrow account and should have  
4 been used to pay for work as it was completed on the Property.

5 12. RESPONDENT stated that after the loan funded, the broker, Angel Fajardo, was interested in  
6 keeping the house for himself, allowed the borrower to remain in the Property, and colluded with the  
7 lender.

8 13. In his response to the Division, RESPONDENT did not deny that he entered into the Listing  
9 Agreement and was the broker under it while not holding the appropriate license to do so from the  
10 Division.

11 14. Kim responded to the Division and stated that she had been contacted by an attorney to list the  
12 Property because the attorney believed RESPONDENT was coercing Krauel into selling the Property.

13 15. On November 8, 2018, RESPONDENT was properly notified by the Division it was bringing a  
14 complaint against him for disciplinary action before the Nevada Real Estate Commission.

### 15 CONCLUSIONS OF LAW

16 Based on the foregoing findings of facts by default, the Commission concludes by unanimous  
17 vote that RESPONDENT has committed the following violations of law by default:

18 16. RESPONDENT violated NRS 645.235(1)(a) by entering into the Listing Agreement and being  
19 the broker under it without holding the appropriate license from the Division.

### 20 ORDER

21 The Commission, being fully apprised in the premises, and good cause appearing to the  
22 Commission, by unanimous vote, ORDERS as follows:

23 1. RESPONDENT shall pay an administrative fine to the Division in amount of \$5,000.00  
24 along with the Division's costs in the amount \$1,176.16, for a total amount of \$6,176.16 due to the  
25 Division ("Amount Due"). The Amount Due shall be payable to the Division within 60 days of the  
26 effective date of this Order.

27 2. The Division may institute debt collection proceedings for failure to timely pay the Amount  
28 Due, including action to reduce this Order to a judgment. Further, if collection goes through the State of

1 Nevada, then RESPONDENT shall also pay the costs associated with collection.

2 3. The Commission retains jurisdiction for correcting any errors that may have occurred in the  
3 drafting and issuance of this document.

4 4. This Order shall become effective on the 5<sup>th</sup> day of August 2020.

5 DATED this 6<sup>th</sup> day of July 2020.

6 REAL ESTATE COMMISSION  
7 STATE OF NEVADA

8 By: 

9 President, Nevada Real Estate Commission

10 Submitted by:

11 AARON D. FORD  
12 Attorney General

13 By: 

14 KARISSA D. Neff, Esq.  
15 Deputy Attorney General  
16 555 E. Washington Avenue, Suite 3900  
17 Las Vegas, Nevada 89101  
18 (702) 486-3894  
19 Attorneys for Nevada Real Estate Division  
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