

BEFORE THE REAL ESTATE COMMISSION  
STATE OF NEVADA

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

Petitioner,

vs.

BEVERLY SCHIAEFFER,

Respondent.

Case No. 2019-6

Consolidated with:

Case No. Case No. 2019-490

**FILED**

JUL 06 2020

REAL ESTATE COMMISSION  
BY *Emily Patten*

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

These matters 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 BEVERLY SCHIAEFFER (hereinafter, "RESPONDENT" or "SCHIAEFFER") appeared by and through her attorney of record, Zachary T. Ball, Esq. of the Ball Law Group LLC. 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").

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 against RESPONDENT as follows:

**FINDINGS OF FACT**

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

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1. RESPONDENT is licensed by the Division as a broker under license B.0143231.L.L.C., which license is currently active and also holds an active property manager permit.
2. RESPONDENT has been licensed in Nevada as a broker since July of 2015.

1           3.     At all relevant times, RESPONDENT was an owner and manager of Choice One  
2 Properties & Management L.L.C., a Nevada limited liability company (the "Company") and was  
3 engaged in property management.

4           4.     At all relevant times, RESPONDENT's Company managed several residential properties  
5 in Clark County, Nevada for owner/landlord clients.

6           5.     On or around December of 2018, some of RESPONDENT's owner/landlord clients  
7 began terminating their property management agreements with RESPONDENT.

8           6.     Licensees who worked with RESPONDENT and RESPONDENT's owner/landlord  
9 clients began making complaints with the Division that RESPONDENT was not paying rental  
10 payments, was bouncing checks, and was improperly keeping security deposits due to successor  
11 property management companies hired after RESPONDENT's services were terminated.

12          7.     In November of 2018, Michael Zeng ("Zeng") filed a complaint with the Division on  
13 behalf of 21 complainant owners/landlords claiming that RESPONDENT failed to pay them their rental  
14 payments timely or had failed to pay them any rental payments at all.

15          8.     Zeng is a licensee with the Division and RESPONDENT's Company was his broker.

16          9.     In December of 2018, Zeng transferred his license from RESPONDENT's Company to  
17 Evolve Realty L.L.C, a Nevada limited liability company ("Evolve").

18          10.    When Zeng left RESPONDENT's Company, 21 of the Company's owner/landlord  
19 clients of thirty-eight properties took their business to Evolve.<sup>1</sup>

20          11.    When Zeng left RESPONDENT's Company, the owners/landlords signed addendums  
21 instructing RESPONDENT's Company to transfer their management agreements and their tenant  
22 security deposits to Evolve.

23          12.    At the time of Zeng's departure from RESPONDENT's Company, RESPONDENT had  
24 failed to transfer tenant security deposits to Evolve in the amount of approximately \$76,055 dollars.

25          13.    To date, RESPONDENT has failed to transfer the tenant security deposits and  
26 management agreements to Evolve.

27  
28 <sup>1</sup> These owners/landlords along with the respective properties that they own, along with all other complainant  
owners/landlords, are set forth on Exhibit "I," attached hereto and incorporated by reference herein. The general allegations  
set forth in this complaint apply to each and every complainant and/or owner/landlord set forth on Exhibit "I."

1           14.       RESPONDENT owes in excess of \$67,632.50 to the 21 complainant owners/landlords  
2 managed by Evolve.

3           15.       On March 6, 2019, the Division properly notified RESPONDENT that it was opening an  
4 investigation based on the received complaints and also requested a written response from  
5 RESPONDENT along with the following documents: (1) complete Broker's transaction file for the 38  
6 properties involved in the complaint brought by Zeng, and (2) copies of bank statements from July  
7 2018 to December 2018 for both the client trust and security deposit trust accounts.

8           16.       RESPONDENT failed to respond to the Division's March 6<sup>th</sup> letter and also failed to  
9 respond to subsequent letters from the Division requesting documents.

10          17.       On or around August 5, 2019, Ruth A. Collier ("Collier") filed a complaint with the  
11 Division against RESPONDENT.

12          18.       Collier was the owner of two rental properties located at 8729 Pennystone Avenue in  
13 Las Vegas, Nevada ("Pennystone Property") and 9756 Horse Back Circle in Las Vegas, Nevada  
14 ("Horse Back Property").

15          19.       Collier hired RESPONDENT to manage both the Pennystone Property and the Horse  
16 Back Property on or around April 2016 and Spring of 2018, respectively.

17          20.       As of August of 2019, RESPONDENT failed to pay Collier approximately \$3,600  
18 dollars for the Horse Back Property and approximately \$1,800 dollars for the Pennystone Property.

19          21.       Subsequently, on or around of June 13, 2019, Collier hired Strawberry Property  
20 Management LLC, a Nevada limited liability company ("Strawberry") to manage both the Pennystone  
21 Property and the Horse Back Property.

22          22.       RESPONDENT failed to provide Strawberry with the leases, cleaning and security  
23 deposits, and owner's statements.

24          23.       To date, RESPONDENT owes Collier in excess of \$5,400 dollars.

25          24.       Richard Crowder ("Crowder") also filed a complaint with the Division against  
26 RESPONDENT claiming that RESPONDENT owed him approximately \$5,859 dollars for rents paid in  
27 April, May, and June of 2019 ("Rental Payments Owed").  
28

1           25.     On August 7, 2019, after having not received the Rental Payments Owed, Crowder  
2 contacted RESPONDENT who stated that she would "check on this right away."

3           26.     On August 10, 2019, RESPONDENT informed Crowder that she was no longer  
4 managing properties.

5           27.     Despite the fact that she was no longer managing properties, RESPONDENT failed to  
6 advise Crowder of the same even though she took her management fee for all three months of April,  
7 May, and June of 2019 and did not pay Crowder the Rental Payments Owed.

8           28.     David Robinson ("Robinson") also filed a complaint on behalf of his family who owns  
9 seven rental properties and used RESPONDENT's Company for property management services.

10          29.     RESPONDENT failed to pay rental payments on properties located at 10279 Whispy  
11 Willow Way, 10305 Bayhead Beach Ave., and 6820 Groningen Ct. and 9021 Rusty Rifle Way in the  
12 amount of \$19,507 dollars.

13          30.     Subsequently, Robinson changed management companies and hired Robinson Realty  
14 Management.

15          31.     To date, RESPONDENT has failed to transfer the management agreements and lease  
16 agreements to Robinson Realty Management.

17          32.     RESPONDENT has also failed to transfer security deposits for the seven properties to  
18 Robinson Realty Management in the amount of \$9,675 dollars.

19          33.     When Low turned Evolve's 2019 Security Trust Account Reconciliations into the  
20 Division for the accounts taken over from RESPONDENT, the account reconciliation showed a  
21 shortage of \$83,437.50 when the account should have had a balance of \$174,032.70.

22          34.     In her operating of the Company, RESPONDENT failed to submit any Trust Account  
23 Reconciliations what-so-ever to the Division and was issued a fine.

24          35.     In the Division's investigation, RESPONDENT's Company's bank records were  
25 subpoenaed.

26          36.     The Company's bank records showed RESPONDENT used the Company's client trust  
27 accounts to pay her personal credit card bills.  
28

1        37.    The Company's bank records showed RESPONDENT used the Company's primary  
2 account to transfer money in and out of all accounts she established on behalf of the Company as well  
3 to transfer money in and out of her personal accounts.

4        38.    The Company's bank records showed RESPONDENT commingled her business  
5 brokerage account with her rental trust account funds.

6        39.    Respondent failed to designate the Company's rental trust account as a trust account.

7        40.    Respondent failed to provide an accounting of the debits from the rental trust account.

8        41.    The Company's bank records showed RESPONDENT improperly transferred money  
9 from the client trust account to the Company's business brokerage account in excess of the amount due  
10 to RESPONDENT under her Company's management agreements.

11       42.    The Company's bank records showed RESPONDENT improperly made rental payments  
12 to owners/landlords from the Company's business brokerage account instead of from the client trust  
13 rental operational account.

14       43.    The Company's bank records showed RESPONDENT improperly transferred money  
15 from her personal bank account into the client rental trust account and then into her business brokerage  
16 account.

17       44.    During her management of the Properties, RESPONDENT failed to maintain a separate  
18 trust account for the money held in trust for the owners/landlords.

19       45.    RESPONDENT commingled her brokerage and personal account funds with rental trust  
20 account funds.

21       46.    During her management of the Properties, RESPONDENT co-mingled her personal  
22 funds with the Company's funds.

23       47.    During her management of the Properties, RESPONDENT converted and/or embezzled  
24 money belonging to owners/landlords to herself and/or her Company.

25       48.    Also, as background, in 2012, the State of California suspended RESPONDENT's real  
26 estate license.

27       49.    The California Real Estate Division opened Case No. H-37137 LA against  
28 RESPONDENT after an audit was conducted that showed from March of 2008 to August of 2008.

1 RESPONDENT collected rents from tenants but failed to place those rents in a trust account, failed to  
2 maintain accurate control and reconcile trust accounts monthly, and converted funds in the amount of  
3 \$11,330.30.

4 50. On February 9, 2012, the State of California Commission Board entered an Order  
5 Accepting Voluntary Surrender of Real Estate License for RESPONDENT and forced RESPONDENT  
6 to pay the costs of the audit.

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8 51. RESPONDENT is licensed by the Division as a broker under license B.0143231.LLC,  
9 which license is currently active and also holds an active property manager permit.

10 52. RESPONDENT is an owner and manager of Choice One Properties & Management  
11 L.L.C., a Nevada limited liability company (the "Company").

12 53. Respondent's Company entered into a property management agreement with the  
13 Diamond Family Trust ("Owner") to manage that certain residential rental property located at 2737  
14 Valley Downs, Las Vegas, NV 89134 (the "Property").

15 54. Respondent's Company was to hold in trust the tenant's security and cleaning deposits  
16 paid by tenant in connection with renting the Property in the amount of \$1,245.00 (the "Deposit").

17 55. On or around January of 2019, the Property Owner contacted Diane Romano, a broker  
18 salesperson and licensed property manager with Signature Real Estate Group ("Signature").

19 56. The Property Owner stated that they wanted Signature to manage the Property instead of  
20 RESPONDENT's company.

21 57. Signature agreed to manage the Property for Owner.

22 58. On March 29, 2019, Signature prepared the Transfer of Security Deposit form to transfer  
23 the Deposit from RESPONDENT's Company to Signature and emailed it to RESPONDENT's  
24 Company.

25 59. During the week of April 22, 2019, RESPONDENT's Company delivered a check for  
26 the Deposit to Signature's office.

60. On April 29, 2019, Signature's bookkeeper notified Ms. Romano of Signature that the check for the Deposit was returned by the bank due to insufficient funds in RESPONDENT's Company's bank account.

61. On or around May 6, 2019, Ms. Romano of Signature notified the Division regarding the RESPONDENT's Company's check for the Deposit and its failure to clear the bank due to insufficient funds.

62. The Division opened an investigation regarding the allegations set forth herein, and on May 14, 2019, properly notified the RESPONDENT of its investigation.

63. The Division requested RESPONDENT complete an affidavit and provide it along with any relevant documents to the Division by May 28, 2019.

64. RESPONDENT failed to respond to the Division.

## CONCLUSIONS OF LAW

Based on the foregoing findings of facts, the Commission concludes that RESPONDENT has committed the following violations of law:

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1. RESPONDENT violated NRS 645.6056 on 24 separate occasions by failing to abide by the terms of the fully executed property management agreements with owners/landlords.

2. RESPONDENT violated NRS 645.6056 by failing to notify Crowder that she was no longer conducting property management services on Crowder's behalf.

3. RESPONDENT violated NRS 645.630(1)(h) by commingling her money or other property of a client with her own or converting and/or embezzling the money to herself and/or the Company on 22 separate occasions.

4. RESPONDENT violated NRS 645.310(4) by failing to deposit monies belonging to others in a separate account located in a bank or credit union which must be designated as a trust account.

5. RESPONDENT violated NRS 645.310(5) that requires a broker to maintain a separate trust account and keep record of all money deposited, including the date and from whom the real estate broker received the money.

1           6.       RESPONDENT violated NRS 645.630(1)(e) by failing to maintain for review and audit  
2 by the Division, each brokerage agreement and property management agreement.

3           7.       RESPONDENT violated NRS 645.630(1)(f) by failing within a reasonable amount of  
4 time, to account for or to remit any money which comes into his or her possession and which belongs to  
5 others.

6           8.       RESPONDENT violated NRS 645.630(1)(g) by failing to balance the trust account at  
7 least monthly and by failing to submit to the Division an annual accounting of the trust account.

8           9.       RESPONDENT violated NRS 645.633(1)(h) pursuant to NAC 645.605(6) by breach of  
9 her obligation of absolute fidelity to her principal's interest or her obligation to deal fairly with all  
10 parties to a real estate transaction on 24 separate occasions.

11          10.       RESPONDENT violated NAC 645.806 on four different occasions by failing to turn in  
12 her annual Trust Account Reconciliations despite the Division's requests to obtain them.

13          11.       RESPONDENT violated NAC 645.655(1) by failing to provide copies of all  
14 management agreements and residential lease agreements RESPONDENT and/or her Company entered  
15 into to the Division as requested in its investigation.

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17          12.       RESPONDENT violated NRS 645.630(1)(i) by failing, within a reasonable time, to  
18 account for or to remit money in her possession that belongs to others when she allowed a check for the  
19 Deposit to be drawn from the Company's account that did not have sufficient funds and could not  
20 timely transfer the Deposit to Signature.

21          13.       RESPONDENT violated NRS 645.633(1)(h) pursuant to NAC 645.605(11)(a) for  
22 failing to comply with a request by the Division to provide documents and/or a written response.

23                   **ORDER**

24          The Commission, being fully apprised in the premises, and good cause appearing to the  
25 Commission, ORDERS as follows:

26           **A.**

27           **Case No. 2019-6**



1           1.       RESPONDENT shall pay an administrative fine to the Division in amount of  
2 \$110,000.00  
3 along with the Division's costs in the amount \$4,245.11, for a total amount of \$114,245.11 due to the  
4 Division ("First Amount Due"). The First Amount Due shall be payable to the Division within 6  
5 months of the effective date of this Order.

6           2.       All permits and licenses issued by the Division to RESPONDENT are hereby revoked.

7           3.       The Division may institute debt collection proceedings for failure to timely pay the First  
8 Amount Due, including action to reduce this Order to a judgment. Further, if collection goes through  
9 the  
10 State of Nevada, then RESPONDENT shall also pay the costs associated with collection.

11           **B.**

12           **Case No. 2019-490**

13           4.       RESPONDENT shall pay an administrative fine to the Division in amount of \$10,000.00  
14 along with the Division's costs in the amount \$2,401.51, for a total amount of \$12,401.51 due to the  
15 Division ("Second Amount Due"). The Second Amount Due shall be payable to the Division within 6  
16 months of the effective date of this Order.

17           5.       All permits and licenses issued by the Division to RESPONDENT are hereby revoked.

18           6.       The Division may institute debt collection proceedings for failure to timely pay the  
19 Second Amount Due, including action to reduce this Order to a judgment. Further, if collection goes  
20 through the State of Nevada, then RESPONDENT shall also pay the costs associated with collection.

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

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

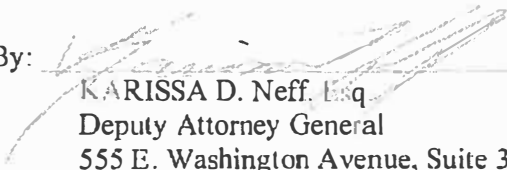
4       DATED this 6<sup>th</sup> day of July, 2020.

5                   REAL ESTATE COMMISSION  
6                   STATE OF NEVADA

7                   By:   
8                   President, Nevada Real Estate Commission

9       Submitted by:

10       AARON D. FORD  
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12       By:   
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