

1 BEFORE THE REAL ESTATE COMMISSION

2 STATE OF NEVADA

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

5 Petitioner,

6 vs.

7 DEREK W. MARKOVIC,

8 Respondent.
9

Case No. 2019-190

and

Case No. 2019-533

FILED

MAY 15 2020

REAL ESTATE COMMISSION

BY *Evelyn Patten*

10 **COMPLAINT AND NOTICE OF HEARING**

11 The REAL ESTATE DIVISION OF THE DEPARTMENT OF BUSINESS AND INDUSTRY
12 OF THE STATE OF NEVADA ("Division"), by and through its counsel, Aaron D. Ford, Attorney
13 General of the State of Nevada, and Dennis L. Belcourt, Deputy Attorney General, hereby notifies
14 RESPONDENT DEREK W. MARKOVIC ("RESPONDENT") of an administrative hearing before the
15 STATE OF NEVADA REAL ESTATE COMMISSION. The hearing will be held pursuant to Chapters
16 233B and Chapter 645 of the Nevada Revised Statutes ("NRS") and Chapter 645 of the Nevada
17 Administrative Code ("NAC"). The purpose of the hearing is to consider the allegations stated below
18 and to determine if the RESPONDENT should be subject to an administrative penalty as set forth in NRS
19 645.633, NRS 645.630 and NRS 622.400, and the discipline to be imposed, if violations of law are
20 proven.

21 **JURISDICTION**

22 RESPONDENT at all relevant times mentioned in this Complaint was licensed as a real estate
23 broker and permitted as a property manager by the Division. He is therefore subject to the jurisdiction
24 of the Division and the Commission and the provisions of NRS chapter 645 and NAC chapter 645.

25 **FACTUAL ALLEGATIONS**

26 I. RESPONDENT has been and as of the date of this complaint is currently licensed by the
27 Division as a real estate broker, B.0065540.INDV. His broker license was initially issued June 21, 2016.

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1 2. RESPONDENT also holds a property management permit, permit number
2 PM.0165924.BKR, said permit being issued on October 10, 2013

3 3. On or about February 25, 2019, the Division received a complaint about RESPONDENT's
4 management of units at the Manzanita condominium complex, 4730 E. Craig Road, Las Vegas, Nevada.

5 4. On February 26, 2019, the Division sent RESPONDENT a letter enclosing the complaint
6 and directing RESPONDENT to submit a response, setting a deadline of March 12 for the response.

7 5. On May 8, 2019, not having received a response to the February 26, 2019 letter, the
8 Division sent RESPONDENT a letter by certified mail, return-receipt requested, referencing that the
9 Division had not received the transaction files for the condos he managed in the Manzanita complex and
10 setting a response deadline of May 23, 2019.

11 6. On or around May 8, 2019, the Division sent RESPONDENT a letter requesting a
12 response regarding whether RESPONDENT currently, or in the past year, has held any funds belonging
13 to others (including the collection handling or access to owner rents, tenant security deposits or any other
14 funds) under his Nevada brokerage.

15 7. RESPONDENT failed to respond to the Division's May 8, 2019 letter regarding whether
16 he has held any funds belonging to others.

17 8. On or around May 28, 2019, the Division sent RESPONDENT a letter notifying
18 RESPONDENT that he had failed to submit his trust account reconciliations to the Division as required
19 under Nevada law and that it was issuing an administrative fine to RESPONDENT in the amount of
20 \$1,000.00 (the "Fine").

21 9. Received by the Division on or around May 29, 2019, RESPONDENT provided an
22 Affidavit in Lieu of Form 546 to the Division stating that he was not required to file a Form 546 Trust
23 Account Reconciliation dated May 25, 2019 with the Division because he had not received monies
24 belonging to others as set forth in NRS 645.310(4).

25 10. On May 30, 2019, the Division issued a Notice of Violation with Imposition of
26 Administrative Fine, finding violations of NRS 645.633(1)(h), pursuant to NAC 645.605(11)(a) or
27 (b)(impeding or attempting to impede investigation of the Division by failing to comply with a request
28 ...

1 to provide documents or supplying a written response, including supporting documentation), and fining
2 RESPONDENT in the amount of \$500.

3 11. RESPONDENT paid the fine on or around June 25, 2019 but failed to submit his Trust
4 Account Reconciliation reports to the Division.

5 12. On or about June 23, 2019, RESPONDENT filed a response to the February 25, 2019
6 complaint, denying allegations thereof but paying the \$500 fine, "to put this to rest."

7 13. With his June 23, 2019 response, RESPONDENT failed to include any of the transaction
8 files for the Manzanita complex.

9 14. On June 26, 2019, the Department sent RESPONDENT a further letter by certified mail,
10 return-receipt requested, referencing that the Division had not received the transaction files for the condos
11 he managed in the Manzanita complex and setting a response deadline of July 10, 2019.

12 15. On July 31, 2019, not having received the transaction files for the condos he managed in
13 the Manzanita Complex, the Department sent RESPONDENT yet a further letter by certified mail, return-
14 receipt requested, referencing that the Division had not received the transaction files for the condos he
15 managed in the Manzanita complex and setting a response deadline of August 14, 2019.

16 16. The July 31, 2019 letter listed over thirty (30) condominium units for which the Division
17 required RESPONDENT to provide the complete transaction files.

18 17. On August 8, 2019, RESPONDENT called the Division on the telephone and asked if he
19 could submit less than the entire set of documents demanded of him; but the Division advised him to
20 submit all the requested documents.

21 18. On December 3, 2019, the RESPONDENT provided a response to the July 31, 2019
22 demand by providing lease agreements on only 12 of the over thirty properties, all of which were owned
23 by third parties.

24 19. In the lease agreements provided to the Division, RESPONDENT agreed to or did collect
25 rents on one or more of the properties.

26 20. The December 3, 2019 response did not include the following for any of the properties for
27 which transaction files were demanded:

- 28 a. Management agreements

1 b. Duties owed forms

2 c. Accounts for the rents paid

3 **VIOLATIONS**

4 RESPONDENT has committed the following violations of law:

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6 21. RESPONDENT violated NRS 645.633(1)(h) pursuant to NAC 645.605(11)(a) and (e),
7 impeding or attempting to impede an investigation of the Division by failing to comply or delaying his
8 or her compliance with a Division request to provide transaction files.

9 22. RESPONDENT violated NRS 645.633(1)(h) pursuant to NAC 645.605(11)(c) and (d),
10 two (2) times, impeding or attempting to impede the Division's investigation by supplying false
11 information on two Affidavits in Lieu of Form 546.

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13 23. RESPONDENT violated NRS 645.310(5) by failing to provide his trust account
14 reconciliations to the Division.

15 **DISCIPLINE AUTHORIZED**

16 24. Pursuant to NRS 645.630 and NRS 645.633, the Commission is empowered to impose
17 an administrative fine per violation against RESPONDENT that may not exceed \$10,000, and further to
18 suspend, revoke or place conditions on the license of RESPONDENT, for his violations of NRS
19 645.633(1)(h) pursuant to NAC 645.605(11)(a) and (e) and NRS 645.633(1)(h) pursuant to NAC
20 645.605(11)(c) and (d).

21 25. Additionally, under NRS Chapter 622, the Commission is authorized to impose costs
22 of the proceeding upon RESPONDENT, including investigative costs and attorney's fees, if the
23 Commission otherwise imposes discipline on RESPONDENT.

24 26. Therefore, the Division requests that the Commission take such disciplinary action as
25 it deems appropriate under the circumstances.

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1 **NOTICE OF HEARING**

2 **PLEASE TAKE NOTICE** that a disciplinary hearing has been set to consider the Administrative
3 Complaint against the above-named RESPONDENT in accordance with Chapters 233B and 645 of the
4 Nevada Revised Statutes and Chapter 645 of the Nevada Administrative Code.

5 **THE HEARING WILL TAKE PLACE** on June 16, 2020 commencing at 9:00 a.m., or as
6 soon thereafter as the Commission is able to hear the matter, and each day thereafter commencing
7 at 9:00 a.m. through June 18, 2020, or earlier if the business of the Commission is concluded. The
8 Commission meeting will be held on June 16, 2020, at the Nevada State Business Center, 3300 West
9 Sahara Avenue, 4th Floor – Nevada Room, Las Vegas, Nevada 89102. The meeting will continue
10 on June 17, 2020, at the Nevada State Business Center, 3300 West Sahara Avenue, 4th Floor –
11 Nevada Room, Las Vegas, Nevada 89102, commencing at 9:00 a.m., and on June 18, 2020, should
12 business not be concluded, starting at 9:00 a.m. at the Nevada State Business Center, 3300 West
13 Sahara Avenue, 4th Floor – Tahoe Room, Las Vegas, Nevada 89102.

14 **STACKED CALENDAR:** Your hearing is one of several hearings scheduled at the same
15 time as part of a regular meeting of the Commission that is expected to last from June 16, 2020,
16 through June 18, 2020, or earlier if the business of the Commission is concluded. Thus, your
17 hearing may be continued until later in the day or from day to day. It is your responsibility to be
18 present when your case is called. If you are not present when your hearing is called, a default may
19 be entered against you and the Commission may decide the case as if all allegations in the complaint
20 were true. If you have any questions please call Evelyn Pattee, Commission Coordinator (702) 486-
21 4074.

22 **YOUR RIGHTS AT THE HEARING:** except as mentioned below, the hearing is an open meeting
23 under Nevada’s open meeting law, and may be attended by the public. After the evidence and arguments,
24 the commission may conduct a closed meeting to discuss your alleged misconduct or professional
25 competence. You are entitled to a copy of the transcript of the open and closed portions of the meeting,
26 although you must pay for the transcription.

27 * As the RESPONDENT, you are specifically informed that you have the right to appear and be
28 heard in your defense, either personally or through your counsel of choice. At the hearing, the Division

1 has the burden of proving the allegations in the complaint and will call witnesses and present evidence
2 against you. You have the right to respond and to present relevant evidence and argument on all issues
3 involved.

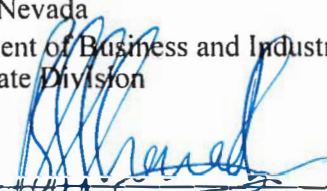
4 You have the right to call and examine witnesses, introduce exhibits, and cross-examine opposing
5 witnesses on any matter relevant to the issues involved.

6 You have the right to request that the Commission issue subpoenas to compel witnesses to testify
7 and/or evidence to be offered on your behalf. In making the request, you may be required to demonstrate
8 the relevance of the witness' testimony and/or evidence. Other important rights you have are listed in
9 NRS 645.680 through 645.990, NRS Chapter 233B, and NAC 645.810 through 645.920.

10 The purpose of the hearing is to determine if the RESPONDENT has violated NRS 645 or NAC
11 645 and if the allegations contained herein are substantially proven by the evidence presented and
12 to further determine what administrative penalty, if any, is to be assessed against the RESPONDENT,
13 pursuant to NRS 645.235 or NRS 645.230.

14 DATED this 12 day of May, 2020.

15 State of Nevada
16 Department of Business and Industry
17 Real Estate Division

18 By: 
19 SHARATH CHANDRA, Administrator
20 3300 West Sahara Avenue, Suite 350
21 Las Vegas, Nevada 89102

22 AARON D. FORD
23 Attorney General

24 By: /s/ Dennis L. Belcourt
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