

BEFORE THE REAL ESTATE COMMISSION

STATE OF NEVADA

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

Petitioner,

vs.

JEAN MARIE MCGANNON,

Respondent.

Case No. 2019-246

**FILED**

FEB 07 2020

REAL ESTATE COMMISSION

BY Evelyn Patter

**COMPLAINT AND NOTICE OF HEARING**

The REAL ESTATE DIVISION OF THE DEPARTMENT OF BUSINESS AND INDUSTRY OF THE STATE OF NEVADA ("Division") hereby notifies JEAN MARIE MCGANNON (RESPONDENT), of an administrative hearing before the STATE OF NEVADA REAL ESTATE COMMISSION ("Commission"). The hearing will be held pursuant to Chapters 233B and Chapter 645 of the Nevada Revised Statutes ("NRS") and Chapter 645 of the Nevada Administrative Code ("NAC"). The purpose of the hearing is to consider the allegations stated below and to determine if RESPONDENT should be subject to an administrative penalty as set forth in NRS 645.633 and/or NRS 645.630 and/or NRS 622.400, and the discipline to be imposed, if violations of law are proven.

**JURISDICTION**

RESPONDENT JEAN MARIE MCGANNON was at all relevant times mentioned in this Complaint, licensed as a broker under B.1001656.INDV and holds an active property management permit and is therefore subject to the jurisdiction of the Division and the Commission, and the provisions of NRS chapter 645 and NAC chapter 645.

**FACTUAL ALLEGATIONS**

1. RESPONDENT is licensed by the Division as a broker under license B.1001656.INDV, which license is currently active and holds an active property management permit.

1           2. RESPONDENT has been conducting property management services since 2015 for  
2 owner/landlord clients and had a brokerage relationship with Real Property Management until October  
3 2, 2015.

4           3. On or around October 2, 2015, RESPONDENT terminated her relationship with Real Property  
5 Management and began using the brokerage Jackpot Property Management and/or Jackpot Realty.

6           4. RESPONDENT is the owner of Jackpot Property Management and Jackpot Realty.

7           5. Despite being a property manager since 2015, over the last four years, RESPONDENT has  
8 failed to submit Trust Account Reconciliation(s) to the Division, even though the Division has requested  
9 them from her.

10          6. RESPONDENT has also failed to submit Form 546 (a Trust Account Reconciliation Form) to  
11 the Division and supporting documents, as is required with the annual Trust Account Reconciliations.

12          7. Instead, RESPONDENT submitted a Form 546A, an Affidavit in Lieu of a Trust Account  
13 Reconciliation, claiming that she had not received money belonging to others (i.e. rent money or security  
14 deposits) that would have required her to deposit any such money into a separate checking account  
15 designated as a trust account pursuant to NRS 645.310.

16          8. On or around March 10, 2019, Cindy Baker ("Baker") filed a complaint against  
17 RESPONDENT and RPM Jackpot/Jackpot Realty.

18          9. Baker hired RESPONDENT and/or her company to manage her property located at 915  
19 Vineyard Wine Avenue in Las Vegas, Nevada.

20          10. Baker began noticing that RESPONDENT failed to timely pay, or failed to pay at all,  
21 rental payments that were due to her, particularly from September of 2018 through February of 2019.

22          11. Baker terminated RESPONDENT's services in February of 2019.

23          12. Baker alleged in her complaint with the Division that RESPONDENT owed her in excess  
24 of \$5,291 dollars from rent due from September 2018 through February of 2019.

25          13. During her management of the property, RESPONDENT also failed to timely provide  
26 Baker with monthly statements and failed to provide her with an annual tax statement for 2018, delaying  
27 her ability to file her taxes.  
28

1           14.     During her management of the property, RESPONDENT also failed to respond to Baker's  
2 numerous attempts to communicate with her regarding missed rental payments and needed repairs to the  
3 property's air conditioning unit.

4           15.     On March 12, 2019, the Division properly gave notice to RESPONDENT that it was  
5 opening an investigation and requested the transaction file for the 915 Vineyard Wine Avenue property  
6 and also requested a response.

7           16.     On March 27, 2019, RESPONDENT responded to the Division.

8           17.     In her response to the Division, RESPONDENT claimed that the outstanding rental  
9 payments were not made to Baker "due to a systemic error the system defaulted several of Ms. Baker's  
10 payments from ACH to physical check payments which were never issued and/or received by Ms.  
11 Baker."

12           18.     RESPONDENT stated that as of March 29, 2019, she issued an electronic deposit in the  
13 amount of \$975 dollars to Baker's successor management company and also issued them a check in the  
14 amount of \$4,875 dollars for the past rent due.

15           19.     RESPONDENT also stated that Baker's 2018 year end statement was re-issued to her on  
16 March 27, 2019, and that she transferred the security deposit to Baker's new management company.

17           20.     RESPONDENT failed to timely pay Baker the rental payment money due from  
18 September 2018 through February of 2019.

19           21.     RESPONDENT also untimely provided Baker with her 2018 annual statement by waiting  
20 to provide it to her until March 27, 2019, when taxes were due April 15, 2019.

21           22.     On March 13, 2019, Robert An and Li Mia (collectively "An") also filed a complaint with  
22 the Division against RESPONDENT and Jackpot Realty.

23           23.     An entered into a property management agreement with RESPONDENT to manage three  
24 residential properties located in Las Vegas, Nevada- 9237 Harbor Stream Ave, 1205 Nevada Blaze Ave.,  
25 and 3132 Alder Grove Ct.

26           24.     An terminated the property management agreement with RESPONDENT on January 31,  
27 2019, after RESPONDENT failed to disburse rental payments from the properties to An from November  
28 and December of 2018.

1           25.     An hired Avalon Realty & Oaktree Management ("Avalon") as the successor property  
2 management company, effective February of 2019.

3           26.     RESPONDENT failed to transfer rental payments due to An for November and December  
4 of 2018.

5           27.     RESPONDENT also failed to transfer security deposits to Avalon that were due.

6           28.     RESPONDENT also failed to provide the invoices associated with repairs on the 12205  
7 Nevada Blaze Ave. property despite repeated requests by An.

8           29.     On March 18, 2019, the Division properly gave notice to RESPONDENT that it was  
9 opening an investigation and requested the transaction files for An's three properties from  
10 RESPONDENT and requested a response from RESPONDENT.

11          30.     On April 2, 2019, RESPONDENT responded to the Division.

12          31.     RESPONDENT did not deny that she failed to provide the invoices associated with repairs  
13 on the 12205 Nevada Blaze Ave. property, nor did she provide them to the Division.

14          32.     RESPONDENT stated that she provided An and/or Avalon any funds due for both the  
15 1205 Nevada Blaze Ave. and 3132 Alder Grove Ct properties within 30 days.

16          33.     RESPONDENT did not disburse rental payments for the November and December of  
17 2018 rent to An timely because RESPONDENT waited until approximately March 1, 2019 to disburse  
18 the rental payments.

19          34.     In her response to the Division, RESPONDENT stated that with respect to the 9237  
20 Harbor Stream Ave. property, the tenant was moving out and disputing the amount of money withheld  
21 in the security deposit.

22          35.     RESPONDENT stated that she communicated this information to Avalon on March 13,  
23 2019, and on March 26, 2019, but received no response.

24          36.     RESPONDENT stated that An then agreed that she could directly disburse the balance of  
25 the security deposit to him instead, and that she did so on April 2, 2019.

26          37.     Because An terminated the property management agreement with RESPONDENT on  
27 January 31, 2019, and RESPONDENT did not pay the security deposit to An until April 2, 2019,  
28 RESPONDENT failed to transfer the security deposit timely.

38. As part of the investigation, the Division subpoenaed RESPONDENT's bank records.

39. The bank account records showed that RESPONDENT collected rents that she did not report to the Nevada Real Estate Division and did so under an account labeled Jean Joyce RPM Jackpot Client Trust Funds and then transferred the money to a business brokerage account ending in 1053 that was not a client trust account.

40. The bank account records showed that RESPONDENT also transferred money from a client trust account to an account ending in 1079 labeled Jean Joyce RPM Jackpot Client Trust Funds.

41. The bank account records also showed that RESPONDENT transferred money from the business brokerage account ending in 1053 to one of the accounts labeled Jean Joyce RPM Jackpot Client Trust Funds.

42. On December 4, 2019, the Division properly sent RESPONDENT notice that it intended to file a complaint for hearing against her before the Real Estate Commission.

## VIOLATIONS

RESPONDENT committed the following violations of law:

43. RESPONDENT violated NRS 645.630(1)(f) by failing within a reasonable amount of time, to account for, or to remit, any money which came into her possession and belonged to others by failing to timely pay Baker the funds due to her.

44. RESPONDENT violated NRS 645.633(1)(h) by failing to provide Baker her monthly statements on a consistent basis and by untimely providing her with her 2018 tax form.

45. RESPONDENT violated NRS 645. 633(1)(h) by failing to exercise reasonable care in performing her property management duties by failing to respond to Baker regarding the air conditioner unit repair.

46. RESPONDENT violated NRS 645.633(1)(h) because she claimed that Baker's rental payments were delayed due to a "systemic error." Had RESPONDENT been exercising competent and reasonable care, RESPONDENT's monthly reconciliation statements (had she done them), would have revealed that Baker was not receiving her rental money.

47. RESPONDENT violated NRS 645.310(4) four times by conducting property management and

1 holding other's property in trust and then failing to submit the required Form 546 and supporting  
2 documents with her Annual Trust Account Reconciliation to the Division for four years.

3 48. RESPONDENT violated NRS 645.310(5) by failing to maintain a separate trust account and  
4 by failing to keep record of all money deposited, including record of from whom the money was received  
5 and on what date.

6 49. RESPONDENT violated NRS 645.633(1)(i) on four different occasions by submitting forms  
7 546A, knowing that doing so was deceitful because she was handling money belonging to others that she  
8 was holding in trust (i.e. rent money and tenant deposits).

9 50. RESPONDENT violated NAC 645.806 on four occasions by failing to turn in her annual Trust  
10 Account Reconciliations to the Division during four consecutive years.

11 51. RESPONDENT violated NRS 645.630(1)(f) by failing to timely remit to An his rental  
12 payments due for November and December of 2018.

13 52. RESPONDENT violated NRS 645.633(1)(h) pursuant to NAC 645.605(6) by  
14 committing gross negligence or incompetence by breaching her obligation of absolute fidelity to her  
15 principal's interest or her obligation to deal fairly with all parties to a real estate transaction by failing to  
16 provide An with repair invoices related to the 12205 Nevada Blaze Ave. property.

17 53. RESPONDENT violated NRS 645.630(1)(h) by commingling money held in client trust  
18 account(s) with her personal and/or her company's brokerage accounts.

19 54. RESPONDENT violated NRS 645.630(1)(h) by converting and/or embezzling money held in  
20 trust for her clients, to herself and/or her company.

21 55. RESPONDENT violated NRS 645.310(5) by failing to maintain separate trust account(s) and  
22 keeping records of all money deposited, including the date the money was received and from whom.

23 56. RESPONDENT violated NRS 645.630(1)(g) by failing to balance the trust account(s) at least  
24 monthly and by failing to submit to the Division an annual accounting of the trust account.

25 ...

26 ...

27 ...

1 **DISCIPLINE AUTHORIZED**

2 1. Pursuant to NRS 645.630 and NRS 645.633, the Commission is empowered to impose an  
3 administrative fine of up to \$10,000 per violation against RESPONDENT and further to suspend, revoke  
4 or place conditions on the license of RESPONDENT.

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

8 3. Therefore, the Division requests that the Commission take such disciplinary action as it deems  
9 appropriate under the circumstances.

10 **NOTICE OF HEARING**

11 **PLEASE TAKE NOTICE**, that a disciplinary hearing has been set to consider the  
12 Administrative Complaint against the above-named Respondent in accordance with Chapters 233B and  
13 645 of the Nevada Revised Statutes and Chapter 645 of the Nevada Administrative Code.

14 **THE HEARING WILL TAKE PLACE** on March 10, 2020 commencing at 9:00 a.m., or as  
15 soon thereafter as the Commission is able to hear the matter, and each day thereafter commencing  
16 at 9:00 a.m. through March 12, 2020 or earlier if the business of the Commission is concluded. The  
17 Commission meeting will be held on March 10, 2020, at the Grant Sawyer Building, 555 East  
18 Washington Avenue, Room 4401, Las Vegas, Nevada 89101. The meeting will continue on March  
19 11, 2020 at the Grant Sawyer Building, 555 East Washington Avenue, Room 4401, Las Vegas,  
20 Nevada 89101, commencing at 9:00 a.m., and on March 12, 2020, should business not be concluded,  
21 starting at 9:00 a.m. at the Grant Sawyer Building, 555 East Washington Avenue, Room 4401, Las  
22 Vegas, Nevada 89101.

23 **STACKED CALENDAR:** Your hearing is one of several hearings scheduled at the same  
24 time as part of a regular meeting of the Commission that is expected to last from March 10, 2020  
25 through March 12, 2020, or earlier if the business of the Commission is concluded. Thus, your  
26 hearing may be continued until later in the day or from day to day. It is your responsibility to be  
27 present when your case is called. If you are not present when your hearing is called, a default may  
28 be entered against you and the Commission may decide the case as if all allegations in the complaint

1 were true. If you have any questions please call Evelyn Pattee, Commission Coordinator at (702)  
2 486-4074.

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

8 As the Respondent, you are specifically informed that you have the right to appear and be heard  
9 in your defense, either personally or through your counsel of choice. At the hearing, the Division has the  
10 burden of proving the allegations in the complaint and will call witnesses and present evidence against  
11 you. You have the right to respond and to present relevant evidence and argument on all issues involved.  
12 You have the right to call and examine witnesses, introduce exhibits, and cross-examine opposing  
13 witnesses on any matter relevant to the issues involved.

14 You have the right to request that the Commission issue subpoenas to compel witnesses to testify  
15 and/or evidence to be offered on your behalf. In making the request, you may be required to demonstrate  
16 the relevance of the witness' testimony and/or evidence. Other important rights you have are listed in  
17 NRS 645.680 through 645.990, NRS Chapter 233B, and NAC 645.810 through 645.875.

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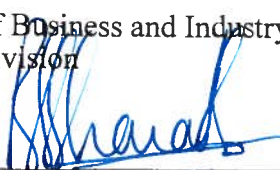
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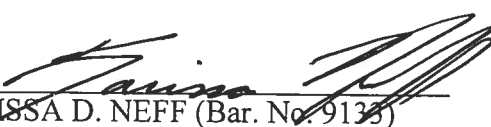
1 The purpose of the hearing is to determine if the Respondent has violated NRS 645 and/or NAC  
2 645 and if the allegations contained herein are substantially proven by the evidence presented and  
3 to further determine what administrative penalty is to be assessed against the RESPONDENT, if any,  
4 pursuant to NRS 645.235, 645.633 and or 645.630.

5 DATED this 5<sup>th</sup> day of February, 2020.

6 State of Nevada  
7 Department of Business and Industry  
8 Real Estate Division

9 By:   
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14 Attorney General

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