

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. 2019-878

FILED

FEB 07 2020

REAL ESTATE COMMISSION

BY Emily Patten

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.

2. RESPONDENT had a brokerage relationship with Real Property Management until October 2, 2015.

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

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

5. RESPONDENT and/or her company entered into several property management agreements with owner/landlord clients to manage their residential properties.

6. On or around August of 2019, RESPONDENT's owner/landlord clients began filing complaints with the Division stating that RESPONDENT was not paying them rental payments, was making untimely rental payments, and/or was improperly withholding tenant deposits and/or failing to transfer them to successor management companies.

BATES

7. On August 2, 2019, Mark Christopher Bates (“Bates”) filed a complaint with the Division against RESPONDENT and Real Property Management Jackpot/Jackpot Realty.

8. RESPONDENT managed three separate residential properties in Las Vegas, Nevada for Bates-4617 Silver Shore Court, 7951 Cadenza, and 6595 Lucky Boyd Drive.

9. RESPONDENT took over the management of these properties from another broker but failed to obtain a new property management agreement for the properties with Bates.

10. Beginning in April of 2017, RESPONDENT began making late rental payments to Bates on all three rental properties or failed to make any payments to him at all.

11. As of August of 2019, RESPONDENT owed Bates in excess of \$29,190 dollars.

12. RESPONDENT acknowledged to Bates that she owed him approximately \$20,571 dollars and drafted a promissory note agreeing to pay \$20,571 dollars at a six percent interest rate over a three-year period.

13. To date, RESPONDENT has failed to pay Bates the money due.

14. On August 13, 2019, and on September 12, 2019, the Division properly gave notice to RESPONDENT that it was opening an investigation regarding Bates' complaint and requested a response from RESPONDENT and the complete broker's transaction file for each of the three properties managed by RESPONDENT.

15. RESPONDENT failed to respond to the Division and failed to provide the Division requested documents.

NARANJO

16. On August 21, 2019, Marcos Naranjo ("Naranjo") filed a complaint with the Division against RESPONDENT and Jackpot Realty.

17. Naranjo entered into a property management agreement with RESPONDENT to manage his property located at 4710 Biddle Way, North Las Vegas, Nevada.

18. RESPONDENT failed to pay Naranjo his May 1, 2019 rental payment.

19. Naranjo then terminated his management agreement with RESPONDENT and directed the tenant to pay Naranjo directly.

20. RESPONDENT acknowledged that she received notice that Naranjo was terminating her services but told Naranjo that she would balance the account, would do so by July 10, 2019, and would then transfer the May rental payment to him.

21. RESPONDENT also improperly withheld a \$300 dollar tenant cleaning deposit collected in connection with leasing Naranjo's property that was due to Naranjo and/or his successor management company.

22. To date, RESPONDENT has failed to transfer the May rental payment and the cleaning deposit to Naranjo's new management company and has refused to respond to Naranjo regarding the same.

23. On August 26, 2019, the Division properly gave notice to RESPONDENT of its investigation regarding Naranjo's complaint and requested a response from RESPONDENT.

24. On September 12, 2019, the Division sent RESPONDENT a letter again requesting a response and also requesting a complete broker's transaction file for the 4710 Biddle Way property.

25. RESPONDENT failed to respond or provide the requested documents to the Division.

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OMBAO

26. On September 4, 2019, Amado Ombao ("Ombao") filed a complaint with the Division against RESPONDENT and RPM Jackpot.

27. Ombao hired RESPONDENT to manage his residential property located at 240 Moose Lane in Las Vegas, Nevada.

28. RESPONDENT failed to pay Ombao rental payments from the property from March 2019 through July 2019.

29. After hiring a new property management company, RESPONDENT failed to transfer the tenant security deposit and pet deposit to the new property management company.

30. RESPONDENT owes Ombao in excess of \$5,362.50 in past due rental payments from March 2019 through July 2019, and owes his new property management company \$1,425 dollars in pet and security deposits.

31. On September 12, 2019, the Division properly sent notice to RESPONDENT of its investigation of Ombao's complaint and requested a response and the transaction files for Ombao's property.

32. RESPONDENT failed to respond or provide the requested documents to the Division.

GALLEGO

33. On March 27, 2019, Rebecca Gallego ("Gallego") filed a complaint against RESPONDENT with the Division.

34. Gallego is a Nevada licensee and is a broker/salesperson/property manager for Atlas Group LC ("Atlas").

35. Gallego took over the management for three properties RESPONDENT had previously been managing- 5756 Ancient Angora St., 7662 Morning Lake, and 2200 S. Fort Apache #2046, located in North Las Vegas and Las Vegas, Nevada.

36. RESPONDENT informed Gallego that Gallego would receive all deposits/funds for the three properties.

37. RESPONDENT failed to transfer the deposits/funds to Gallego and/or Atlas.

38. On September 12, 2019, the Division properly gave RESPONDENT notice of its investigation of Gallego's complaint and also requested a response and the transaction files for the three properties.

39. RESPONDENT failed to respond to the Division and failed to provide the requested documents.

JENSEN

40. On October 16, 2019, Ken Jensen (“Jensen”) filed a complaint with the Division against RESPONDENT and RPM Jackpot Realty.

41. Jensen hired RESPONDENT to manage his residential property located at 7648 Highland Pony Street in Las Vegas, Nevada.

42. Jensen stated that beginning in July of 2019, Respondent failed to pay him his landlord/owner's payment.

43. Jensen terminated RESPONDENT's services.

44. RESPONDENT owes Jensen in excess of \$3,600 dollars (representing three months of unpaid rent) and the tenant's deposit in the amount of \$1,200 dollars.

45. On October 29, 2019, the Division properly gave notice to RESPONDENT that it was opening an investigation regarding Jensen's complaint and requested a response from RESPONDENT and the transaction files related to Jensen's property.

46. RESPONDENT failed to respond to the Division and failed to provide the requested Documents to the Division.

ANDRE

47. On October 25, 2019, Keven Lawrence Andre (“Andre”) filed a complaint with the Division against RESPONDENT and Real Property Management Jackpot Realty claiming that RESPONDENT had failed to pay him his rental payments.

48. Andre hired RESPONDENT to manage his residential property located at 9133 Spoonbill Ridge Pl in Las Vegas, Nevada.

62. RESPONDENT failed to provide the requested documents or respond to the Division.

HORNING

63. On November 14, 2019, Timothy Horning as Trustee of the Reno Avenue Trust ("Horning"), filed a complaint with the Division against RESPONDENT and Jackpot Realty stating that the trust entered into a property management agreement with RESPONDENT to manage its property located at 1751 East Reno Avenue #201 in Las Vegas, Nevada.

64. RESPONDENT failed to provide Horning with a copy of the property management agreement for the property.

65. In June of 2017, RESPONDENT failed to make rental payments to Horning.

66. On or around July 12, 2019, Horning made a formal demand for an accounting of the property and also requested information regarding whether the property was occupied and by who.

67. RESPONDENT failed to respond to Horning other than one email dated July 24, 2019, where she promised a reconciliation and information regarding the status of the property.

68. RESPONDENT failed to provide the requested information to Horning.

69. Thereafter, Horning retained an attorney who requested the same information from RESPONDENT.

70. RESPONDENT failed to respond to the attorney's request, failed to provide an accounting, and failed to tender any rent proceeds from the property.

71. RESPONDENT failed to pay rental payments to Horning from December 2017 through September 2019, for a total of 21 months, with approximately \$775 dollars due per month to Horning, totaling in excess of \$16,275 dollars.

72. When Horning terminated his property management agreement with RESPONDENT, RESPONDENT failed to assist in the property's file's transfer to the new property manager and failed to transfer any security deposits or funds.

73. Despite RESPONDENT's property management agreement being terminated, RESPONDENT continued to send automated requests for rent to the tenant through October 2019.

74. During RESPONDENT's management of the property, RESPONDENT also had the hot water heater replaced but failed to pay for the repair.

75. Horning was notified by the hot water heater repair company that RESPONDENT failed to pay for the repair.

76. On December 10, 2019, the Division properly notified RESPONDENT of its investigation of Horning's complaint and requested a response and the transaction files related to the property located at 1751 East Reno Avenue #201,

77. RESPONDENT failed to respond to the Division or provide the requested documents.

JOHNSON

78. On November 29, 2019, Vanessa Johnson (“Johnson”) filed a complaint with the Division against RESPONDENT and Jackpot Realty.

79. Johnson stated that she entered into a lease agreement to rent property located at 1709 King James Street #201 in Las Vegas, Nevada in March of 2013 that RESPONDENT managed.

80. Johnson stated that she gave notice to vacate the property on June 17, 2019 and informed RESPONDENT that her move out date was August 29, 2019.

81. Despite giving RESPONDENT the keys, cleaning the unit, and completing necessary repairs, and contacting RESPONDENT several times to receive her security deposit, RESPONDENT failed to respond to her.

82. Johnson is owed in excess of \$775 dollars- the amount of her security deposit.

83. On November 14, 2019, the Division properly notified RESPONDENT that it was opening up an investigation based on Johnson's complaint and requested a response and the transaction files for the property.

84. RESPONDENT failed to respond and/or provide the documents to the Division.

VIOLATIONS

RESPONDENT committed the following violations of law:

85. 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 pay Bates the funds owed.

86. RESPONDENT violated NRS 645.633(1)(h) pursuant to NRS 645.6056 by failing to obtain

1 a new management agreement with Bates after taking over the management of Bates' properties from
2 another broker.

3 87. RESPONDENT violated NRS 645.630(1)(f) by failing within a reasonable amount of time, to
4 account for, or to remit, any money which came her possession and which belonged to others by failing
5 to pay Naranjo the rental money and security deposit funds owed.

6 88. RESPONDENT violated NRS 645.630(1)(f) by failing within a reasonable amount of time, to
7 account for, or to remit, any money which came into her possession and which belonged to others by
8 failing to pay Ombao the rental money and tenant security deposits owed.

9 89. RESPONDENT violated NRS 645.630(1)(f) by failing within a reasonable amount of time, to
10 account for, or to remit, any money which came into her possession and which belonged to others by
11 failing to pay Gallego and/or Atlas the funds due.

12 90. RESPONDENT violated NRS 645.630(1)(f) by failing within a reasonable amount of time, to
13 account for, or to remit, any money in her possession and which belonged to others by failing to pay
14 Jensen the funds due.

15 91. RESPONDENT violated NRS 645.630(1)(f) by failing within a reasonable amount of time, to
16 account for, or to remit, any money in her possession and which belonged to others by failing to pay
17 Andre the funds due.

18 92. RESPONDENT violated NRS 645.630(1)(f) by failing within a reasonable amount of time, to
19 account for, or to remit, any money in her possession and which belonged to others by failing to pay
20 Parsons the funds due.

21 93. RESPONDENT violated NRS 645.630(1)(f) by failing within a reasonable amount of time, to
22 account for, or to remit, any money in her possession and which belonged to others by failing to pay
23 Johnson the funds due.

24 94. RESPONDENT violated NRS 645.633(1)(h) by failing to comply with her duties set forth in
25 NRS 118A.242 by failing to return Johnson's security deposit within 30 days and/or by failing to
26 appropriately respond.

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

3 96. RESPONDENT violated NRS645.633 through NAC 645.605(11)(a) by failing to comply with
4 the Division's request to provide documents by failing to provide transaction files for the properties
5 referenced herein on nine occasions.

6 97. RESPONDENT violated NRS645.633 through NAC 645.605(11)(b) by failing to provide a
7 response to the Division as requested on nine occasions.

8 98. RESPONDENT violated NRS 645.633(1)(h) pursuant to NAC 645.605(6) by breaching her
9 obligation of absolute fidelity to her principal's interest on over 9 occasions by failing to pay and/or
10 timely pay rental money due and/or deposits due to her owner/landlord clients and/or their successor
11 property managers.

12 99. RESPONDENT violated NRS 645.6056 on over 9 occasions by failing to abide by the
13 terms of the fully executed property management agreements with owners/landlords.

14 **DISCIPLINE AUTHORIZED**

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

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

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

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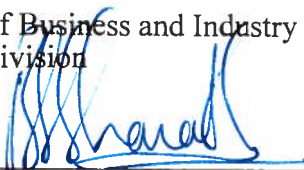
1 burden of proving the allegations in the complaint and will call witnesses and present evidence against
2 you. You have the right to respond and to present relevant evidence and argument on all issues involved.
3 You have the right to call and examine witnesses, introduce exhibits, and cross-examine opposing
4 witnesses on any matter relevant to the issues involved.

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

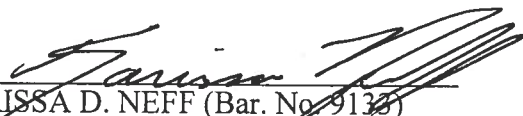
9 The purpose of the hearing is to determine if the Respondent has violated NRS 645 and/or NAC
10 645 and if the allegations contained herein are substantially proven by the evidence presented and
11 to further determine what administrative penalty is to be assessed against the RESPONDENT, if any,
12 pursuant to NRS 645.235, 645.633 and or 645.630.

13 DATED this 5th day of February, 2020.

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

17 By: 
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