

FILED

BEFORE THE REAL ESTATE COMMISSION JAN 10 2022

STATE OF NEVADA

REAL ESTATE COMMISSION

BY Evelyn Pattee

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

Case No. 2018-862

Petitioner,

vs.

YERANUHI ARAKELYAN,

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 three days, beginning on December 14, 2021 (the "Hearing"). RESPONDENT YERANUHI ARAKELYAN (hereinafter, "RESPONDENT") did not appear in person, through counsel, or otherwise. Virginia T. Tomova, 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").

At 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 to the Respondent.

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:

JURISDICTION

RESPONDENT, at all relevant times mentioned in this Complaint, is licensed by the Division as a broker and holds a property management permit from the Division. She is therefore subject to the jurisdiction of the Division and the Commission and the provisions of NRS chapter 645 and NAC chapter 645.

FINDINGS OF FACT

1
2 The Commission, by unanimous vote, based upon evidence presented during the Hearing, enters
3 a finding of the following facts by default:

4 1. RESPONDENT is licensed by the Division as a broker under license number B. 1001640.CORP
5 and holds a property manager permit PM.0165220.BKR, both of which are in "active" status at the time
6 of filing this Complaint.

7 2. RESPONDENT is the manager of A&E Realty & Property Management LLC, a Nevada limited
8 liability company ("A&E").

9 3. RESPONDENT provides property management services through her company, A&E.

10 4. On or around March 5, 2018, one of RESPONDENT's property management clients
11 ("Complainant") filed a complaint with the Division stating that RESPONDENT was hired to manage
12 one of her properties in March of 2016.

13 5. Complainant stated that her March 2016 monthly rental payment from RESPONDENT was
14 returned by the bank due to insufficient funds.

15 6. In February of 2017, another rental check due to Complainant by RESPONDENT was returned
16 by the bank.

17 7. On or around February 1, 2018, after Complainant had several issues with RESPONDENT's
18 property management services, Complainant's property management agreement was terminated.

19 8. Following the termination, RESPONDENT stated to Complainant that she had mailed
20 Complainant's tenant's security deposit to the tenant.

21 9. After neither Complainant nor her tenant received the security deposit, on February 19, 2019,
22 Complainant spoke with RESPONDENT who stated that the security deposit would be refunded within
23 30 days.

24 10. Neither Complainant, nor the tenant, received the security deposit within the 30-day period,
25 leading Complainant to file her complaint with the Division.

26 11. On or around March 8, 2018, the Division properly notified RESPONDENT it was opening an
27 investigation against her based on the complaint received, requested a response, and also requested the
28 following: 1) a copy of the complete transaction file for Complainant's property, (2) a copy of any and

1 all management agreements from May 2017 through November of 2017, (3) a copy of any and all
2 residential lease agreements from May 2017 through November of 2017, and (4) a copy of
3 RESPONDENT's 2017 trust account reconciliation ("Requested Documents").

4 12. After not receiving a response or the Requested Documents, on April 30, 2018, the Division again
5 requested both.

6 13. On or around March 29, 2018, RESPONDENT responded to the Division's investigation.

7 14. RESPONDENT stated in part, that as of February 28, 2018, A & E did not hold any funds, that
8 Complainant's complaint had no merit, that the bounced checks were caused by her bank's errors, that
9 the tenant's security deposit was released in June 2016, and that her company did not hold owner/tenant
10 deposits in its accounts.

11 15. Despite claiming to the Division that she no longer held security deposits, RESPONDENT's lease
12 agreements showed that RESPONDENT collected and held Complainant's security deposit on or about
13 June 1, 2017 and failed to return it until March 29, 2018.

14 16. Documents obtained during the Division's investigation also showed that contrary to
15 RESPONDENT's representations to the Division that she did not hold security deposits, she had been
16 holding deposits since August 1, 2015, beginning with a property located at 5132 Pebble Beach Blvd.
17 Apt. #C, Las Vegas, Nevada ("Pebble Beach Lease").

18 17. Respondent was also unable to provide the Division with the duties owed form signed in
19 connection with the management of the Pebble Beach property.

20 18. On or about October 17, 2017, RESPONDENT submitted her 2017 Trust Account Reconciliation
21 statement to the Division, claiming that she did not hold security deposits.

22 19. However, RESPONDENT was collecting security deposits from August of 2015 through
23 February of 2018, but for three years failed to provide an accounting of those trust account deposits to
24 the Division on the required form.

25 20. RESPONDENT further failed to notify the Division regarding the location of her records.

26 21. As part of the Division's investigation, it also acquired A&E's bank records from Nevada State
27 Bank.

28 22. RESPONDENT is the sole signatory on A&E's bank signature cards.

1 23. A & E's security deposit trust account ends in 7647 ("Security Deposit Account").

2 24. Even though RESPONDENT collected deposits from tenants, those deposits were never placed
3 in the Security Deposit Account.

4 25. A & E also has an operational trust account ending in 7662 ("Trust Account").

5 26. A & E has one business checking account ending in 7464 ("First Business Checking Account"),
6 one ending in 3579 ("Second Business Checking Account"), and another business checking account
7 ending in 3587 ("Third Business Checking Account") (collectively the "Business Checking Accounts").

8 27. The bank records showed that RESPONDENT routinely and improperly transferred money from
9 A & E's Trust Account to its Business Accounts in excess of any amount RESPONDENT was entitled to
10 for her monthly property management fees.

11 28. Based on the lease agreements provided to the Division by RESPONDENT during the Division's
12 investigation, RESPONDENT's monthly property management fees totaled approximately \$4,941.00.

13 29. Despite RESPONDENT's approximate monthly property management fee of \$4,941.00,
14 RESPONDENT transferred approximately the following amounts from A & E's Trust Account to the
15 First Business Account during the months below:

16 February 2017: \$11,500.00
17 May 2017: \$15,800.00
18 June 2017: \$9,700.00
19 July 2017: \$9,450.00
20 August 2017: \$9,600.00
21 September 2017: \$7,000.00
22 October 2017: \$5,200.00
23 November 2017: \$24,350.00

24 30. In addition to the amounts set forth in Paragraph 31, RESPONDENT also transferred the
25 following amounts from A & E's Trust Account to the Second Business Account during the months
26 below:

27 February 2017: \$2,800.00
28 May 2017: \$200.00
June 2017: \$300.00
July 2017: \$250.00
August 2017: \$500.08
October 2017: \$600.00
November 2017: \$400.00

1 31. RESPONDENT also improperly transferred money from the Business Checking Accounts to the
2 Trust Account on several occasions, including an amount of \$10,000 in August 2017 from the First
3 Business Checking Account, \$12,300 from the Third Business Checking Account in October of 2017,
4 \$27,700.00 from the Third Business Checking Account in November of 2017.

5 32. The bank records further showed that RESPONDENT improperly paid fees to the Greater Las
6 Vegas Association of Realtors from the Trust Account.

7 33. The bank records showed that RESPONDENT commingled the money of property management
8 clients with her own money and converted that money for her own personal use.

9 34. For example, in November of 2017, RESPONDENT made purchases with money from the Trust
10 Account at stores such as Marshalls, Bed Bath and Beyond, Ross, and Allure Nails.

11 35. On or around June 5, 2019, RESPONDENT was properly notified by the Division that it was
12 bringing a complaint for disciplinary action before the Commission.

13 VIOLATIONS OF LAW

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

16 1. RESPONDENT violated NRS 645.630(1)(f) by failing, within a reasonable time, to account for
17 or to remit any money which comes into her possession, and which belongs to others, by collecting
18 Complainant's security deposit on or about June 1, 2017 but failing to return it until on or about March
19 29, 2018.

20 2. RESPONDENT violated NAC 645.637 by failing to provide the duties form setting forth the
21 duties owed by the licensee prior to signing the residential management agreement for the Pebble Beach
22 property.

23 3. RESPONDENT violated NRS 645.633(1)(i) by engaging in conduct that was deceitful,
24 fraudulent, or dishonest by making a false statement in her response to the Division, claiming that she
25 did not hold security deposits when she had been doing so since August 1, 2015, beginning with the
26 Pebble Beach property.

27 4. RESPONDENT violated NAC 645.655, by failing to keep records of her security
28

1 deposit trust account transactions, by failing to give written notice to the Division of the location of her
2 records, and by failing to reconcile her security deposit accounts since 2015 within 30 days of receiving
3 her bank statements.

4 5. RESPONDENT violated NAC 645.806 (1) on three occasions by failing to provide the
5 Division trust account reconciliations for three years despite holding security deposits from August 2015
6 through February of 2018.

7 6. RESPONDENT violated NAC 645.806(2) on three occasions by failing to submit her security
8 deposit trust account reconciliations to the Division annually by the expiration date of her broker's
9 license.

10 7. RESPONDENT violated NRS 645.630(1)(h) on multiple occasions by transferring money
11 from the Trust Account for several months to her Business Accounts in excess of her monthly property
12 management fees, thus commingling the funds.

13 8. RESPONDENT violated NRS 645.630(1)(h) on multiple occasions by comingling the Trust
14 Account with the Business Checking Accounts.

15 9. RESPONDENT violated NRS 645.630(1)(h) by comingling the money of clients with her
16 own and/or converting the money of others to his or her own use by using Trust Account money for
17 personal purchases.

18 **ORDER**

19 8. RESPONDENT shall pay an administrative fine to the Division in amount of \$90,000.00 along
20 with the Division's costs in the amount \$3,349.76, for a total amount of \$93,349.76 due to the Division
21 ("Amount Due"). The Amount Due shall be payable to the Division within 180 days of the effective date
22 of this Order.

23 9. All licenses including brokers licenses and property management permits issued by the Division
24 to RESPONDENT are hereby revoked.

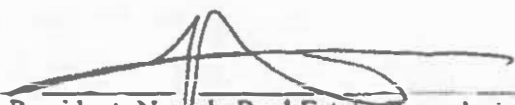
25 10. The Commission retains jurisdiction for correcting any errors that may have occurred in the drafting
26 and issuance of this document.

27 ...

1 12. This Order shall become effective on the 9th day of February 2022.

2 DATED this 10th day of January, 2022.

3 REAL ESTATE COMMISSION
4 STATE OF NEVADA

5 By: 
6 Vice-President, Nevada Real Estate Commission

7 Submitted by:

8 AARON D. FORD
9 Attorney General

10 By: *Virginia T. Tomova*

11 VIRGINIA T. TOMOVA, Esq.
12 Deputy Attorney General
13 555 E. Washington Avenue, Suite 3900
14 Las Vegas, Nevada 89101
15 (702) 486-7629
16 Attorneys for Nevada Real Estate Division
17
18
19
20
21
22
23
24
25
26
27
28