

BEFORE THE REAL ESTATE COMMISSION

MAR 18 2021

STATE OF NEVADA

REAL ESTATE COMMISSION
BY *Emily Tattler*

Case No. 2019-204

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

Petitioner,

vs.

NORMA JEANNE DRAYTON,

Respondent.

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

This matter came before the Nevada Real Estate Commission (Commission) for hearing Tuesday-Wednesday, March 2-3, 2021, via virtual telephone and video conference. Respondent NORMA JEANE DRAYTON (Respondent) appeared and was represented by counsel, William A. Baker, Esq. Deputy Attorney General, Peter K. Keegan, appeared and prosecuted the Complaint on behalf of petitioner Sharath Chandra, Administrator of the Real Estate Division, Department of Business & Industry, State of Nevada (Division).

The matter having been submitted for decision based upon the allegations of the Complaint, the Commission now enters its Findings of Fact and Conclusions of Law as follows:

I. JURISDICTION

Respondent engaged in activities which require a license as a real estate broker, real estate broker-salesperson, or real estate salesperson, and/or a permit to engage in property management, issued by the Division, and is, therefore, subject to the jurisdiction of the Division and the Commission, and the provisions of NRS and NAC 645.

II. PROCEDURAL HISTORY

1. On or about February 25, 2019, the Division received a statement of fact (Complaint) complaining that Respondent's actions were fraudulent and deceitful in the real estate transaction involving the sale of real property located at 5792 Sidehill Dr., Sun Valley, NV 89433 (the Property) to John Smith and Stephanie Everidge (the Complainants).

1 2. On or about February 27, 2019, the Division sent Respondent an
2 investigation-opening letter requiring Respondent to provide a sworn affidavit response to
3 the Division regarding the Complaint.

4 3. On or about March 20, 2019, the Division received Respondent's sworn
5 affidavit response to the investigation-opening letter.

6 4. On or about, September 18, 2019, the Division sent Respondent a Notice of
7 Violation with Imposition of Administrative Fine, which imposed a \$2,000.00 fine upon
8 Respondent for alleged violations of: (1) NRS 645.633(1)(i) pursuant to NAC 645.605(1)
9 and/or NRS 645.3205; and (2) NRS 645.633(1)(i) pursuant to NAC 645.605(10) and/or NRS
10 645.252(1)(a).

11 5. On or about October 11, 2019, the Division received a Notice of Appeal from
12 Respondent's counsel, Robison, Sharp, Sullivan & Brust.

13 6. On or about November 19, 2019, the Division sent Respondent an NRS 233B
14 letter indicating that the Division's investigation had obtained sufficient evidence to
15 commence disciplinary action by filing a complaint with the Nevada Real Estate
16 Commission (Commission).

17 **III. FINDINGS OF FACT**

18 The Commission finds that there is substantial evidence in the record to establish
19 each of the following:

20 1. At all times relevant, Respondent held a real estate salesperson license,
21 S.0077159, which was first issued by the Division on July 27, 2007.

22 2. On or about November 16, 2016, the Complainants signed a purchase contract
23 (the Purchase Contract) for the Property, which included a personal property titled mobile
24 home.

25 3. The seller of the Property was the Respondent's daughter.

26 4. The Respondent lived in the Property at the time she prepared the Purchase
27 Contract, involving the Complainants, dated November 16, 2015.

28 5. The sales price on the Purchase Contract was \$60,000.00.

1 6. The Purchase Contract stated the Complainants had paid \$10,000.00 in cash
2 at the time the contract was signed and were granted a credit for \$9,000.00 in sweat equity.

3 7. The Purchase Contract stated a cash balance of \$18,000.00 was to be paid
4 ASAP.

5 8. The Purchase Contract stated the Complainants would also pay the
6 Evergreen Note Servicing loan balance of \$23,000.00.

7 9. The Purchase Contract was not recorded, nor was a deed of trust created or
8 recorded.

9 10. The beneficiary of the Evergreen Note Servicing loan secured by the property
10 in question was the owner of Nor-Nev Properties, LLC.

11 11. The Purchase Contract stated that the seller would “sign all documents to
12 effect transfer” of the Property to the Complainants once the loan was paid in full.

13 12. The Purchase Contract does not include an acceleration clause.

14 13. The Purchase Contract states “[n]o modification of this Contract will be
15 effective unless it is in writing and is signed by both parties.”

16 14. The Respondent accepted a cash payment from the Complainants on
17 December 2, 2015, in the amount of \$5,000.00 and provided Complainants a receipt
18 showing a remaining cash balance due of \$13,000.00.

19 15. Respondent accepted \$1,100.00 worth of supplies purchased by Complainants
20 for the Respondent and provided Complainants a receipt for credit towards the Purchase
21 Contract, which showed a balance due of \$11,900.00.

22 16. The Respondent accepted a cash payment from Complainants on January 5,
23 2016, in the amount of \$5,000.00 and provided Complainants a receipt showing a remaining
24 cash balance of \$6,900.00.

25 17. The Respondent accepted a cash payment from Complainants on February 16,
26 2016, in the amount of \$1,000.00 and provided Complainants a receipt showing a remaining
27 cash balance of \$5,900.00.

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1 18. The Respondent accepted a cash payment from Complainants on February 19,
2 2016, in the amount of \$4,000.00 and provided Complainants a receipt showing a remaining
3 cash balance of \$1,900.00.

4 19. The Respondent accepted a cash payment from the Complainants on April 4,
5 2016, in the amount of \$1,900.00 and provided Complainants a receipt.

6 20. On August 15, 2018, the Complainants received a Notice of Default and
7 Acceleration of All Amounts Due from attorney William Baker.

8 21. The Notice of Default stated “[o]ur client, the owner of the property located at
9 5792 Sidehill Drive, Sun Valley, Nevada has advised that you have an existing loan with
10 her that is currently delinquent.”

11 22. The Notice of Default stated that “[t]he amount past due and delinquent is
12 \$1,096.92.”

13 23. The Notice of Default also stated that “[t]his notice to you that, as to the above-
14 referenced loan that is currently in default, the lender is hereby calling the loan due in full
15 immediately based upon the default in payments.”

16 24. The Complainants received a Notice of Eviction for Non-Payment of Rent,
17 dated August 16, 2018, from attorney William Baker as agent for the landlord for the
18 Property.

19 25. The Notice of Eviction for Non-Payment of Rent specified a rent arrearage in
20 the amount of \$1,096.92.

21 26. The Complainants did not have a rental agreement for the Property.

22 27. The Complainants responded to attorney William Baker on August 23, 2018,
23 and contested the Notice of Eviction pursuant to NRS 40.050.

24 28. The Complainant’s payment for the balance of the past due amount on the
25 loan for the Property cleared their bank on August 27, 2018.

26 29. The principal of Nor Nev Properties, LLC testified that the Respondent
27 contacted Nor-Nev Properties, LLC and asked if Nor-Nev Properties, LLC wanted to
28 purchase the Property.

1 30. The principal of Nor Nev Properties, LLC testified that the Respondent did
2 not disclose the sale of the Property to the Complainants to Nor-Nev Properties, LLC.

3 31. On or about January 12, 2019, The Respondent prepared a Vacant Land Offer
4 and Acceptance Agreement on behalf of Nor-Nev. Properties, LLC for the Property.

5 32. The seller of the Property was the Respondent's daughter.

6 33. The Respondent represented both the buyer and the seller in the sale of the
7 Property to Nor-Nev Properties, LLC.

8 34. Nor-Nev Properties, LLC purchased the Property in question for \$40,000.00.

9 35. The sale of the Property to Nor-Nev Properties, LLC closed escrow on January
10 24, 2019.

11 36. Respondent was paid a commission of \$1,200.00 by the escrow company.

12 37. In Respondent's sworn affidavit response to the Division, she falsely attested
13 that "[t]his transaction does not involve my real estate license and I was never acting in
14 any formal license capacity of any kind during this transaction. I am not the listed real
15 estate agent for any party to this transaction and have received no compensation for this
16 transaction."

17 38. On or about on January 25, 2019, the Complainants received a letter from
18 Nor-Nev Properties, LLC notifying them that the Property had been purchased by Nor-Nev
19 Properties, LLC and requested that the Complainants sign a lease agreement for the
20 Property.

21 39. On or about January 30, 2019, the Complainants responded to Nor-Nev
22 Properties, LLC and indicated that they were purchasing the Property and would not sell
23 their equity in the Property or execute a lease agreement for the Property.

24 40. The Complainants filed a civil lawsuit in the Second Judicial District Court
25 for the State of Nevada alleging fraud against the Respondent and her daughter in the sale
26 of the Property.

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1 41. On February 27, 2019, the attorney for Nor-Nev Properties, LLC sent a letter
2 to the Respondent, her broker, and the seller of the Property stating that the Respondent
3 did not disclose to Nor-Nev Properties, LLC that the Property had been under contract to
4 the Complainants.

5 42. On or about May 22, 2019, Nor-Nev Properties LLC testified in court that it
6 would not have purchased the Property in question had the Respondent disclosed the
7 previous sale to the Complainants.

8 **IV. CONCLUSIONS OF LAW**

9 The Commission, based upon the preponderance of the evidence, makes the following
10 legal conclusions:

11 1. Respondent violated NRS 645.633(1)(i) pursuant to NAC 645.605(1) and/or
12 NRS 645.3205 for dealing with a party to a real estate transaction in a manner which is
13 deceitful, fraudulent or dishonest by preparing a Vacant Land Offer and Acceptance
14 Agreement for the Property while the Property was under a contract for sale to the
15 Complainants.

16 2. Respondent violated NRS 645.633(1)(i) pursuant to NAC 645.605(10) and/or
17 NRS 645.252(1)(a) for failing to disclose to Nor-Nev Properties, LLC the material and
18 relevant fact that the Property in question was previously sold to the Complainants when
19 she represented Nor-Nev Properties, LLC in the purchase of the Property.

20 3. Respondent violated NRS 645.633(1)(i) pursuant to NAC 645.605(11) by
21 attempting to impede the Division's investigation when she supplied false information to
22 the Division's investigator in her sworn affidavit response dated March 11, 2019.

23 **V. ORDER**

24 IT IS HEREBY ORDERED that Respondent shall pay to the Division a total penalty
25 of \$5,712.10. The total penalty reflects a fine of \$2,000.00. The total penalty also reflects
26 \$3,712.10 for hearing and investigative costs. Respondent shall pay the total fine to the
27 Division within six (6) months of the effective date of this Order.

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1 IT IS FUTHER ORDERED that Respondent shall complete a total of eighteen (18)
2 hours of live continuing education comprised of six (6) hours of agency, six (6) hours of
3 ethics, and six (6) hours of contracts. The eighteen (18) hours shall not be counted towards
4 the Respondent's continuing education requirements and must be completed within one (1)
5 year of the effective date of this Order.

6 If the payment or proof of completion of the continuing education is not actually
7 received by the Division on or before its due date, it shall be construed as an event of default
8 by Respondent. In the event of default, Respondent's licenses and permit shall be
9 immediately suspended, and the unpaid balance of the administrative fine and costs,
10 together with any attorney's fees and costs that may have been assessed, shall be due in
11 full to the Division within ten (10) calendar days of the date of default. The Division may
12 institute debt collection proceedings for failure to timely pay the total fine.

13 The Commission retains jurisdiction for correcting any errors that may have
14 occurred in the drafting and issuance of this Decision.

15 This Order shall become effective on the 17th day of April, 2021.

16 DATED this 18th day of March, 2021.

17 REAL ESTATE COMMISSION
18 STATE OF NEVADA

19 By: 
20 President, Nevada Real Estate Commission