

FILED

BEFORE THE REAL ESTATE COMMISSION

MAR 18 2021

STATE OF NEVADA

REAL ESTATE COMMISSION

Case No. ~~2019-640~~ *Equity Falls*

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

Petitioner,

vs.

LINDA S. HARTMAN,

Respondent.

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

This matter came before the Nevada Real Estate Commission (Commission) for hearing on Wednesday, March 3, 2021, via virtual telephone and video conference. Respondent LINDA S. HARTMAN (Respondent) appeared and was represented by counsel, Brett J. Whipple, 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 June 3, 2019, the Division received a decision of the Board of Directors for the Reno/Sparks Association of Realtors, Inc. (RSAR) which affirmed the Decision of the of Ethics Panel of the Professional Standards Committee from the RSAR, finding that Respondent and her broker, Kathryn Miner, B.0001157.LLC, violated the RSAR Code of Ethics.

1 2. On or about June 17, 2019, the Division sent an investigation-opening letter
2 to Respondent which required Respondent to provide a sworn statement addressing the
3 RSAR Decision.

4 3. On or about June 17, 2019, an investigation-opening letter was also sent to
5 the Respondent's broker of record, Kathryn Miner, B.0001157.LLC., of Miner Realty of
6 Nevada, LLC, requiring her to provide a sworn statement addressing the RSAR Decision,
7 along with a complete copy of the broker's transaction file for the property in question.

8 4. On or about July 2, 2019, the Division received Kathryn Miner's sworn
9 affidavit and broker's transaction file.

10 5. On or about July 3, 2019, the Division received the Respondent's sworn
11 affidavit.

12 6. On or about October 16, 2019, the Division sent Respondent an NRS 233B
13 letter indicating that the Division's investigation had obtained sufficient evidence to
14 commence disciplinary action by filing a complaint with the Commission.

15 **III. FINDINGS OF FACT**

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

18 1. At all times relevant, Respondent held a real estate broker-salesperson
19 license, BS.0017739.

20 2. Respondent has been a licensee since 1998.

21 3. On or about April 24, 2018, the sellers of the property located at 2531 and
22 2533 Orovada St., Reno, NV 89512 (the Property), signed an Exclusive Right to Sell
23 Contract for the Property granting Trans-Action Realty 500 as the broker of record.

24 4. The Property was input into the Northern Nevada Regional Multiple Listing
25 Service (MLS) on April 24, 2018.

26 5. The sellers of the Property signed a Residential Offer and Acceptance
27 Agreement presented by their broker of record, Trans-Action Realty 500, in the amount of
28 \$80,000.00 on April 25, 2018.

1 6. The day of input, on April 24, 2018, the MLS status showed the Property as
2 "Pending-no show."

3 7. In Respondent's sworn affidavit response to the Division, she attested that
4 she "did not put an expiration date on the contract."

5 8. In Respondent's sworn affidavit response to the Division, she attested that
6 she pulled the Property up on the MLS and told her client that the client's offer would need
7 to be a backup offer.

8 9. The Residential Offer and Acceptance Agreement dated May 3, 2018, does not
9 state that it is a backup offer.

10 10. As part of the Respondent's sworn affidavit response to the Division, the
11 Respondent's client attested, in an undated statement, that "[w]e were not aware the
12 property was listed until I met with [the sellers] that night to give them the offer."

13 11. Respondent's buyer client obtained two mortgages, both on June 5, 2018,
14 secured by the Property, for the purchase of the Property.

15 12. Respondent did not prepare an addendum to the May 3, 2018 purchase
16 agreement reflecting the correct financing terms.

17 13. Respondent's client was informed by the seller of the Property in question that
18 he had already accepted an offer to purchase the Property when Respondent's client
19 personally presented the seller with the Residential Offer and Acceptance Agreement
20 prepared by Respondent.

21 14. On or about May 2, 2018, the sellers contacted their listing agent and
22 explained that they wanted to rescind their acceptance of the April 24, 2018 Offer and
23 Acceptance Agreement because "[o]n Monday the 30th of April a friend of ours (John
24 Stempeck) presented us with an offer on the Orovada duplex for \$139,000.00."

25 15. On May 3, 2018, the sellers accepted the offer prepared by the Respondent.

26 16. The May 3, 2018, purchase agreement listed the earnest money deposit was
27 to be made payable to Western Title Company.

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1 17. On May 11, 2018, Respondent generated and submitted Escrow Cancellation
2 Instructions and Addendum to Western Title Company for the first offer.

3 18. The Escrow Cancellation Instructions and Addendum became effective on
4 June 13, 2018, the date of the final party's signature.

5 19. The May 3, 2018 purchase agreement was never amended to reflect the new
6 title company information.

7 20. The June 3, 2019 RSAR Decision reflects that Respondent testified before the
8 RSAR Ethics Hearing Panel of the Professional Standards Committee that she did not
9 contact the listing agent for the Property prior to writing the Residential Offer and
10 Acceptance Agreement, despite knowing the property was in escrow.

11 21. In Respondent's sworn affidavit to the Division, she attested that she spoke
12 to the listing agent on the phone during the transaction.

13 22. The RSAR Ethics Hearing Panel of the Professional Standards Committee
14 found "clear, strong and convincing evidence" Respondent "communicated directly" with
15 the seller of the Property during the transaction.

16 23. The RSAR Ethics Hearing Panel decision was affirmed by the RSAR Board of
17 Directors on June 3, 2019, and Respondent was suspended for six (6) months and fined
18 \$15,000.00.

19 24. As part of the RSAR Board of Director's decision, the decision of the Ethic's
20 Panel was submitted to the Division.

21 25. Respondent failed to notify the Division that she was acting as the managing
22 broker for Miner Realty.

23 26. Respondent advertised that she is the managing broker for Miner Realty.

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1 **IV. CONCLUSIONS OF LAW**

2 The Commission, based upon the preponderance of the evidence, makes the following
3 legal conclusions:

4 1. Respondent violated NAC 645.610(1)(a) and/or NRS 645.605(1) for advertising
5 herself as the managing broker of Miner Realty while she holds a broker-salesperson
6 license.

7 2. Respondent violated NRS 645.633(1)(i) pursuant to NAC 645.605(1) by failing
8 to protect her client and the public against unethical practices when she knowingly opened
9 a second escrow on the Property while it was already under contract.

10 3. Respondent is in violation of NRS 645.633(1)(i) pursuant to NAC 645.605(6)
11 for not dealing fairly with the listing agent for the property in question by failing to
12 communicate her client's intent to submit an offer to purchase the Property while the
13 Property was listed as "Pending-no show" in the MLS.

14 **V. ORDER**

15 IT IS HEREBY ORDERED that Respondent shall pay to the Division a total penalty
16 of \$15,285.71. The total penalty reflects a fine of \$12,000.00, comprised of \$4,000.00 for
17 violating NAC 645.610(1)(a) and/or NRS 645.605(1); as well as \$4,000.00 for violating NRS
18 645.633(1)(i) pursuant to NAC 645.605(1); as well as \$4,000.00 for violating NRS
19 645.633(1)(i) pursuant to NAC 645.605(6). The total penalty also reflects \$3,285.71 for
20 hearing and investigative costs. Respondent shall pay the total fine to the Division within
21 six (6) months of the effective date of this Order.

22 IT IS FUTHER ORDERED that Respondent shall complete a total of eighteen (18)
23 hours of live continuing education comprised of six (6) hours of agency, six (6) hours of
24 ethics, and six (6) hours of contracts. The eighteen (18) hours shall not be counted towards
25 the Respondent's continuing education requirements and must be completed within six (6)
26 months of the effective date of this Order.

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

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

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

11 DATED this 18th day of March, 2021.

12 REAL ESTATE COMMISSION
13 STATE OF NEVADA

14 By: 
15 President, Nevada Real Estate Commission