

BEFORE THE REAL ESTATE COMMISSION

FILED

STATE OF NEVADA

DEC 29 2021

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

Case No. 2020-310

REAL ESTATE COMMISSION
BY *[Signature]*

Petitioner,

vs.

BRADFORD ROBERTS,

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 a three-day stack commencing on December 14, 2021 (the "Hearing") held by telephonic and virtual means and at the Nevada State Business Center, 3300 W. Sahara Avenue, 4th Floor, Nevada Room, Las Vegas, Nevada 89102. Karissa D. Neff, Senior Deputy Attorney General with the Nevada Attorney General's Office appeared on behalf of the Division. Neither RESPONDENT, nor his attorney, Gregory L. Wilde, appeared at the Hearing. This matter was initially set for hearing at the Commission's June 2021 meeting but was continued two separate times at RESPONDENT's request.

Counsel for the Division informed the Commission that the complaint in this matter was filed on May 14, 2021. After not receiving a response to the complaint, the Division's counsel notified RESPONDENT's counsel that an answer needed to be filed by November 19th or a Notice of Default would be filed. A Notice of Default was filed on November 22, 2021. RESPONDENT filed an answer on November 30, 2021. The Division's counsel further advised the Commission that she had been in settlement discussions with

1 RESPONDENT's counsel, that no settlement had been reached, and that on the morning
2 of December 14, 2021, RESPONDENT's counsel advised her that neither he nor
3 RESPONDENT would be appearing at the Hearing.

4 Evelyn Pattee testified regarding notice sent to the RESPONDENT. The
5 Commission found appropriate service of the notice of the Hearing, the complaint, Notice
6 of the Complaint, and Notice of Documents was made, as well as proper service of all re-
7 noticing documents giving notice of the two subsequent Commission meetings after
8 RESPONDENT's requests for continuances were granted.
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11 After hearing testimony presented in this matter and for good cause appearing, the
12 Commission now enters its Findings of Fact, Conclusions of Law, and Order by default
13 against RESPONDENT as follows:

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15 RESPONDENT was at all relevant times mentioned in this Complaint, licensed as
16 a broker with the Division and also holds a property management permit from the Division
17 and is therefore subject to the jurisdiction of the Division and the Commission, and the
18 provisions of NRS chapter 645 and NAC chapter 645.

19 20 **FINDINGS OF FACT**

21 The Commission, by unanimous vote, enters a finding of the following facts by
22 default:
23

24 1. RESPONDENT is licensed by the Division as a broker with the Division under
25 licenses B.0143293.LLC and B.1000704.INDV (said licenses being issued in September of
26 2010) and also holds a property management permit from the Division under
27 PM.0164974.BKR (issued in July of 2011), all of which are in "active" status.
28

1 2. At all relevant times, RESPONDENT owned and operated the brokerage The TR
2 Team LLC, a Nevada limited liability company, doing business as TR Realty (“TR Realty”).

3 3. TR Realty also provides property management services.

4 4. On or around March 17, 2020, the Division received an anonymous complaint by
5 email that TR Realty was not paying agents, was paying agents late, had lawsuits filed
6 against it for nonpayment, and had failed to pay vendors and property owner clients.

7 5. The anonymous complaint further alleged that TR Realty’s only continuous source
8 of income was from property management that was being diverted by the company to pay
9 its employees before property owners were paid.

10 6. The anonymous complaint further stated that real estate commissions were being
11 diverted by TR Realty to pay property owner clients their draws from rents.

12 7. The anonymous complaint stated that every month, the company was falling
13 further and further behind to make payroll and commission and requested an audit of TR
14 Realty’s trust account.

15 8. On or around June 15, 2020, the Division properly notified RESPONDENT it had
16 opened an investigation and requested the following documents: (1) copies of residential
17 management agreements from October 2019 through February 2020, (2) copies of owners
18 statements from October 2019 through February 2020, (3) copies of residential lease
19 agreements from October 2019 through February 2020, and (4) copies of tenant ledgers
20 from October 2019 through February 2020.

21 9. On August 5, 2020, RESPONDENT responded to the Division’s investigation.

22 10. In his response, RESPONDENT stated that he had hired a new accountant
23 who had inadvertently scanned approximately \$8,000.00 in rent checks into TR Realty’s
24 operating account instead of its property management trust account.

25 11. RESPONDENT further claimed that several months later, when their new
26 accountant got up to speed, she caught and corrected the error.

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1 12. RESPONDENT claimed at no time was the trust account overdrawn, or were
2 funds ever withdrawn or transferred from a trust account, and that at no point was anyone
3 harmed in anyway.

4 13. On November 25, 2020, Steven Kitnick ("Kitnick") (a licensed broker
5 salesperson with the Division) sent a letter to the Division stating that at least ten of
6 RESPONDENT's current and former agents had complained to him regarding late
7 payment of their commissions and were concerned that RESPONDENT may be in financial
8 trouble.

9 14. Kitnick further stated that RESPONDENT could be treating his trust
10 accounts for his property management business how he was treating the commissions owed
11 to agents, and could be commingling and/or converting trust fund monies for his real estate
12 business and/or personal use.

13 15. On or around December 21, 2020, Anzetta Mays ("Mays") filed a complaint
14 with the Division against RESPONDENT, who was her broker.

15 16. Mays stated that she is a licensee with the Division and was due commission
16 by RESPONDENT and/or his company on a house she closed a sale on, on or around August
17 12, 2020.

18 17. When Mays did not timely receive her owed commission, she contacted TR
19 Realty's accountant, who told her that the company had upgraded to a new payroll system
20 and that her original direct deposit information had been archived.

21 18. Mays did not receive her commission from RESPONDENT until six weeks
22 after closing on the sale.

23 19. Mays's independent contractor agreement with RESPONDENT required
24 payment of her commission within three days of TR Realty's collecting its fees for
25 brokerage services.

26 20. Mays stated that she requested RESPONDENT release her license
27 immediately from his brokerage.
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1 21. Mays stated that she then signed with a new brokerage but had two additional
2 commissions owed to her (totaling \$18,541.00) by RESPONDENT and/or his company, and
3 one pending, but had not yet been paid.

4 22. After RESPONDENT ignored Mays's attempt to mediate the owed
5 commissions through the Neighborhood Justice Center, she hired a law firm to demand the
6 commissions owed to her by RESPONDENT and/or his company.

7 23. During the Division's investigation, it obtained copies of certain property
8 management agreements entered into by RESPONDENT and/or his company and his
9 property owner clients.

10 24. The Division also obtained the leases RESPONDENT and/or his company
11 entered into with tenants on behalf of his property owner clients.

12 25. Despite managing the following properties, RESPONDENT and/or his
13 company failed to obtain property management agreements from the owners of the
14 following properties:

15 a. 1034 Copper Palm Court, Henderson, NV 89002 ("Copper Palm
16 Property"), and

17 b. 112 Delighted Avenue, North Las Vegas, NV 89031 ("Delighted Avenue
18 Property").

19 26. The Division subpoenaed TR Realty's bank account records from Bank of
20 America as part of its investigation.

21 27. Bank account records were obtained for a business checking account ending in
22 #7575 in the name of The TR Team LLC DBA TR REALTY.

23 28. The account ending in #7575 is TR Realty's brokerage payroll account
24 ("Brokerage Payroll Account").

25 29. RESPONDENT's name is the only name on the signature card for the Brokerage
26 Payroll Account.

27 30. Bank account records were also obtained for a business checking account ending
28

1 in #7588 in the name The TR Team LLC DBA TR Realty, Property Management Trust
2 Account (“Operational Rental Trust Account”).

3 31. RESPONDENT’s name is the only name on the signature card for the Operational
4 Rental Trust Account.

5 32. Bank account records were also obtained for a business checking account ending
6 in #7591 in the name The TR Team LLC dba TR Realty Security, TR Realty Security
7 Deposit Trust Account (“Security Deposit Trust Account”).

8 33. RESPONDENT’s name is the only name on the signature card for the Security
9 Deposit Trust Account.

10 34. The bank records obtained by the Division during its investigation showed that
11 between October of 2019 and March of 2020, RESPONDENT improperly transferred
12 approximately \$24,000.00 from the Brokerage Payroll Account to the Operational Rental
13 Account, comingling the two accounts.

14 35. RESPONDENT transferred approximately the following amounts of money from
15 the Operational Rental Account to the Brokerage Payroll Account during the months set
16 forth below:

- 17 a. October 2019: \$47,550.26
- 18 b. November 2019: \$45,988.27
- 19 c. December 2019: \$47,109.00
- 20 d. January 2020: \$45,971.35
- 21 e. February 2020: \$46,484.98
- 22 f. March 2019: \$49,955.82

23 36. The total amounts transferred from the Operational Rental Account to the
24 Brokerage Payroll Account for each month specified in Paragraph 35 exceeded
25 RESPONDENT’s estimated average monthly property management fees.

26 37. RESPONDENT’s property management fees averaged approximately the
27 following for the months set forth below:

- 28 a. October 2019: \$44,288.51

- b. November 2019: \$37,818.35
- c. December 2019: \$40,038.28
- d. January 2020: \$38,923.84
- e. February 2020: \$39,991.56
- f. March 2020: \$30,000.00

38. RESPONDENT improperly transferred the following amounts of money between the Brokerage Payroll Account and the Security Deposit Trust Account on the dates set forth below, thus comingling funds:

- a. 1/17/2020: \$1,500.00
- b. 3/23/2020: \$915.00

39. Between October of 2019 and March of 2020, RESPONDENT transferred approximately \$48,000 from the Operational Rental Trust Account to the Security Deposit Trust Account, comingling funds.

40. From approximately October of 2019 through March of 2020, RESPONDENT improperly transferred approximately \$123,000.00 from the Security Deposit account into the Operational Rental Account, comingling funds.

41. On or around January 22, 2021, the Division properly notified RESPONDENT it intended to bring a disciplinary action against him by filing a complaint for a hearing before the Nevada Real Estate Commission.

VIOLATIONS OF LAW

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

1. RESPONDENT violated NRS 645.633(1)(h) pursuant to NRS 645.6056 by failing to obtain property management agreements with the owners of the Copper Palms Property and the Delighted Avenue Property prior to managing the properties.
2. RESPONDENT violated NRS 645.630(1)(h) by comingling money from the Brokerage Payroll Account with the Operational Rental Trust Account.

1 3. RESPONDENT violated NRS 645.630(1)(h) by comingling money by transferring more than
2 his average, monthly property management fees from the Operational Rental Trust Account to the
3 Brokerage Payroll Account and then by transferring money from the Brokerage Payroll Account into the
4 Operational Rental Trust Account.

5 4. RESPONDENT violated NRS 645.630(1)(h) by commingling money between the Brokerage
6 Payroll Account and the Security Deposit Account.

7 5. RESPONDENT violated NRS 645.630(1)(h) by commingling money between the Operational
8 Rental Trust Account and the Security Deposit Trust Account.

9 **ORDER**

10 1. RESPONDENT shall pay an administrative fine to the Division in amount of
11 \$50,000.00 along with the Division's costs in the amount \$8,395.68 for a total amount of
12 \$58,395.68 ("Amount Due"). The Amount Due shall be payable to the Division within 30
13 days of the effective date of this Order.

14 2. Effective 30 days from the effective date of this Order, all permits and licenses
15 issued by the Division held by RESPONDENT are hereby revoked. Should RESPONDENT
16 desire to become licensed again with the Division, and provided that RESPONDENT has
17 paid the Amount Due to the Division, RESPONDENT shall be required to submit a new
18 application to the Division and comply with all Division requirements. Any such
19 application for licensure shall be deferred to the Commission for its determination of
20 whether to approve RESPONDENT's application for licensure.

21 3. The Division may institute debt collection proceedings for failure to timely pay the
22 Amount Due, including an action to reduce this Order to a judgment. Further, if collection
23 goes through the State of Nevada, then RESPONDENT shall also pay the costs associated
24 with collection.

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

27 5. This order shall become effective on the 28th day of January, 2022.
28 DATED this 29th day of December, 2021.

REAL ESTATE COMMISSION
STATE OF NEVADA

By: 

Vice - President, Nevada Real Estate Commission

Submitted by:

AARON D. FORD
Attorney General

By: /s/ *Karissa Neff*

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