

BEFORE THE REAL ESTATE COMMISSION

STATE OF NEVADA

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

Petitioner,

vs.

BRADFORD ROBERTS,

Respondent.

Case No. 2020-310

FILED

MAY 14 2021

REAL ESTATE COMMISSION
BY *Evelyn Tatta*

COMPLAINT AND NOTICE OF HEARING

The REAL ESTATE DIVISION OF THE DEPARTMENT OF BUSINESS AND INDUSTRY OF THE STATE OF NEVADA ("Division") hereby notifies BRADFORD ROBERTS ("ROBERTS" AND/OR "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 was at all relevant times mentioned in this Complaint, licensed as a broker with the Division and also holds a property management permit from the Division 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

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

1 2. At all relevant times, RESPONDENT owned and operated the brokerage The TR Team LLC,
2 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 email that
5 TR Realty was not paying agents, was paying agents late, had lawsuits filed against it for nonpayment,
6 and had failed to pay vendors and property owner clients.

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

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

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

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

19 9. On August 5, 2020, RESPONDENT responded to the Division's investigation.

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

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

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

27 13. On November 25, 2020, Steven Kitnick ("Kitnick") (a licensed broker salesperson with
28 the Division) sent a letter to the Division stating that at least ten of RESPONDENT's current and former

1 agents had complained to him regarding late payment of their commissions and were concerned that
2 RESPONDENT may be in financial trouble.

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

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

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

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

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

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

17 20. Mays stated that she requested RESPONDENT release her license immediately from his
18 brokerage.

19 21. Mays stated that she then signed with a new brokerage but had two additional
20 commissions owed to her (totaling \$18,541.00) by RESPONDENT and/or his company, and one pending,
21 but had not yet been paid.

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

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

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

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

- 3 a. 1034 Copper Palm Court, Henderson, NV 89002 (“Copper Palm Property”), and
- 4 b. 112 Delighted Avenue, North Las Vegas, NV 89031 (“Delighted Avenue
5 Property).

6 26. The Division subpoenaed TR Realty’s bank account records from Bank of America as part of
7 its investigation.

8 27. Bank account records were obtained for a business checking account ending in
9 #7575 in the name of The TR Team LLC DBA TR REALTY.

10 28. The account ending in #7575 is TR Realty’s brokerage payroll account (“Brokerage Payroll
11 Account”).

12 29. RESPONDENT’s name is the only name on the signature card for the Brokerage Payroll
13 Account.

14 30. Bank account records were also obtained for a business checking account ending
15 in #7588 in the name The TR Team LLC DBA TR Realty, Property Management Trust Account
16 (“Operational Rental Trust Account”).

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

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

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

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

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

- 1 a. October 2019: \$47,550.26
- 2 b. November 2019: \$45,988.27
- 3 c. December 2019: \$47,109.00
- 4 d. January 2020: \$45,971.35
- 5 e. February 2020: \$46,484.98
- 6 f. March 2019: \$49,955.82

7 36. The total amounts transferred from the Operational Rental Account to the Brokerage Payroll
8 Account for each month specified in Paragraph 35 exceeded RESPONDENT's estimated average
9 monthly property management fees.

10 37. RESPONDENT's property management fees averaged approximately the following for the
11 months set forth below:

- 12 a. October 2019: \$44,288.51
- 13 b. November 2019: \$37,818.35
- 14 c. December 2019: \$40,038.28
- 15 d. January 2020: \$38,923.84
- 16 e. February 2020: \$39,991.56
- 17 f. March 2020: \$30,000.00

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

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

23 39. Between October of 2019 and March of 2020, RESPONDENT transferred approximately
24 \$48,000 from the Operational Rental Trust Account to the Security Deposit Trust Account, comingling
25 funds.

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

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

4 VIOLATIONS

5 1. RESPONDENT violated NRS 645.633(1)(h) pursuant to NRS 645.6056 by failing to obtain
6 property management agreements with the owners of the Copper Palms Property and the Delighted
7 Avenue Property prior to managing the properties.

8 2. RESPONDENT violated NRS 645.630(1)(h) by comingling money from the Brokerage
9 Payroll Account with the Operational Rental Trust Account.

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

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

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

18 DISCIPLINE AUTHORIZED

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

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

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

27 NOTICE OF HEARING

28 PLEASE TAKE NOTICE, that a disciplinary hearing has been set to consider this

1 Administrative Complaint against the above-named RESPONDENTS in accordance with Chapters 233B
2 and 645 of the Nevada Revised Statutes and Chapter 645 of the Nevada Administrative Code.

3 **THE HEARING WILL TAKE PLACE** at the Commission meeting scheduled for June 15-17,
4 2021, beginning at approximately 9:00 a.m. each day, or until such time as the Commission concludes
5 its business.

6 If the Governor's Emergency Directive 006 - suspending physical location requirements - is
7 extended through the date of the meeting, then the hearing will be held via teleconference and
8 videoconference. The Commission uses WebEx for its meetings. To join the hearing go to the website
9 Webex.com and put in the Meeting ID and Password:

10 **TUESDAY, JUNE 15, 2021** Meeting number (Access code): 146 781 4940

11 Password (Attendee ID): MviU7hMsn35 (68487467635 from phones and video systems)

12 **WEDNESDAY, JUNE 16, 2021** Meeting number (Access code): 146 558 3491

13 Password (Attendee ID): EQvcxcSw628 (37829279628 from phones and video systems)

14 **THURSDAY, JUNE 17, 2021** Meeting number (Access code): 146 559 3429

15 Password (Attendee ID): BxHjvY3b33J (29458932335 from phones and video systems)

16 If you do not have internet access, you may attend by phone at 1-844-621-3956 using the meeting
17 numbers and passwords listed above. Some mobile devices may ask attendees to enter a numeric meeting
18 password provided above. If Emergency Directive 006 is not extended and the meeting is held in person,
19 then the meeting will be located at the following locations:

20 Nevada State Business Center
21 Real Estate Division
22 3300 West Sahara Avenue, 4th Floor Nevada Room
23 Las Vegas, NV 89102

24 If you would like an email containing this information, before the hearing, please contact Evelyn
25 Pattee, Commission Coordinator, at (702) 486-4074 or epattee@red.nv.gov.

26 **STACKED CALENDAR:** Your hearing is one of several hearings scheduled at the same time
27 as part of a regular meeting of the Commission that is expected to last from June 15, 2021, through June
28 17, 2021, or earlier if the business of the Commission is concluded. Thus, your hearing may be continued
until later in the day or from day to day. It is your responsibility to be present when your case is called.

1 If you are not present when your hearing is called, a default may be entered against you and the
2 Commission may decide the case as if all allegations in the complaint were true. If you have any
3 questions please call Evelyn Pattee, Commission Coordinator (702) 486-4074.

4 **YOUR RIGHTS AT THE HEARING:** except as mentioned below, the hearing is an open
5 meeting under Nevada's open meeting law and may be attended by the public. After the evidence and
6 arguments, the commission may conduct a closed meeting to discuss your alleged misconduct or
7 professional competence. You are entitled to a copy of the transcript of the open and closed portions of
8 the meeting, although you must pay for the transcription.

9 As the Respondent, you are specifically informed that you have the right to appear and be heard
10 in your defense, either personally or through your counsel of choice. At the hearing, the Division has the
11 burden of proving the allegations in the complaint and will call witnesses and present evidence against
12 you. You have the right to respond and to present relevant evidence and argument on all issues involved.
13 You have the right to call and examine witnesses, introduce exhibits, and cross-examine opposing
14 witnesses on any matter relevant to the issues involved.

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

19 The purpose of the hearing is to determine if the Respondent has violated NRS 645 and/or NAC
20 645 and if the allegations contained herein are substantially proven by the evidence presented and
21 to further determine what administrative penalty is to be assessed against the RESPONDENT, if any,
22 pursuant to NRS 645.235, 645.633 and or 645.630.

23 DATED this 11th day of May, 2021.

24 State of Nevada
25 Department of Business and Industry
26 Real Estate Division

27 By: 
28 SHARATH CHANDRA, Administrator
3300 West Sahara Avenue, Suite 350

Las Vegas, Nevada 89102

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