

BEFORE THE REAL ESTATE COMMISSION
STATE OF NEVADA

FILED

JUL 18 2019

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

Case No. 2018-600

REAL ESTATE COMMISSION
BY *[Signature]*

Petitioner,

**COMPLAINT AND NOTICE OF
HEARING**

vs.

BRIAN NELSON,

Respondent.

The REAL ESTATE DIVISION OF THE DEPARTMENT OF BUSINESS AND INDUSTRY OF THE STATE OF NEVADA ("Division"), by and through its counsel, Aaron D. Ford, Attorney General of the State of Nevada, and Peter Keegan, Deputy Attorney General, hereby notifies RESPONDENT BRIAN NELSON ("RESPONDENT") of an administrative hearing before the STATE OF NEVADA REAL ESTATE COMMISSION ("Commission"). The hearing will be held pursuant to Chapter 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 the RESPONDENT should be subject to an administrative penalty or other discipline authorized by NRS 645 and/or NAC 645, if violations of law are proven.

JURISDICTION

RESPONDENT was at all relevant times mentioned in this Complaint licensed as a real estate broker salesperson under License Number BS.0037511, and is therefore subject to the jurisdiction of the Division and the provisions of NRS Chapter 645 and NAC Chapter 645.

FACTUAL ALLEGATIONS

1. RESPONDENT has been licensed as a real estate broker, License Number BS.0037510.INDV, since February 20, 1996, and is currently in active status.

1 2. RESPONDENT identifies himself as a Broker Salesperson for Great Western
2 Real Estate.

3 3. RESPONDENT is married to Terry Nelson, a Nevada licensed Broker, License
4 Number B.0037510.INDV, since February 20, 1996.

5 4. Terry Nelson is the Broker of record for Great Western Real Estate.

6 5. On or about May 7, 2018, the Division sent an investigation opening letter to
7 RESPONDENT, which required RESPONDENT to provide a sworn statement, not later
8 than May 21, 2018.

9 6. On or about May 21, 2018, RESPONDENT's counsel, submitted a response to
10 the Division on behalf of the RESPONDENT, but no sworn statement was received.

11 7. On or about June 27, 2018, the Division sent RESPONDENT's counsel a 233B
12 letter, via certified mail, placing RESPONDENT on notice that the Division intended to
13 commence disciplinary action against her with the Nevada Real Estate Commission for
14 violations NRS 645 and NAC 645.

15 **14070 TOURMALINE DRIVE**

16 8. On or about July 29, 2013, the seller entered into an Exclusive Right to Sell
17 Contract, which engaged Terry Nelson, RESPONDENT's broker, and wife, to list and sell
18 real property located at 14070 Tourmaline Drive, Reno, Nevada 89521 with a sales price of
19 \$105,000.00.

20 9. On Thursday, August 8, 2013, RESPONDENT presented the first Offer and
21 Acceptance Agreement to the seller in the amount of \$105,000.00, which was accepted later
22 that same day.

23 10. On August 8, 2013, RESPONDENT and RESPONDENT's broker had the
24 seller and the buyer for the first offer execute a Duties Owned by Nevada Real Estate
25 Licensee Form indicating that the seller and the buyer understood that the licensee "may,
26 in the future act for two or more parties who have interests adverse to each other."

27 11. On August 8, 2013, RESPONDENT and RESPONDENT's broker had the
28 seller and the buyer for the first offer execute a Consent to Act Form.

1 12. The \$105,000.00 Offer and Acceptance Agreement contained an Earnest
2 Money Deposit provision which specified that the buyer would issue a \$5,000.00 earnest
3 money check payable to Great Western Real Estate, to be "held uncashed until acceptance
4 and then deposited within one (1) business day of acceptance with First American Title
5 Company."

6 13. The \$105,000.00 Offer and Acceptance Agreement also contained a Short Sale
7 Addendum dated Thursday, August 8, 2013, signed by both the buyer and seller, which also
8 contained a handwritten term stating that "[e]arnest money to be deposited within (1)
9 business day of seller's acceptance of offer."

10 14. The Receipt for Deposit of the \$5,000.00 Earnest Money Check issued by the
11 first buyer on Thursday, August 8, 2013, from First American Title is dated Monday,
12 August 12, 2013, more than one (1) business day after the acceptance.

13 15. On or about November 13, 2013, Great Western Real Estate prepared
14 Addendum #3 to the Offer and Acceptance Agreement dated August 8, 2013, which was
15 signed by the buyer and the seller and increased the sales price to \$123,000.00.

16 16. On or about November 23, 2013, RESPONDENT presented another Offer and
17 Acceptance Agreement from a second buyer to the seller in the amount of \$140,000.00,
18 which was accepted by the seller that day.

19 17. On or about November 23, 2013, RESPONDENT and RESPONDENT's broker
20 had the seller and the buyers for the second offer execute a Duties Owned by Nevada Real
21 Estate Licensee Form indicating that the seller and the buyer understood that the licensee
22 "may, in the future act for two or more parties who have interests adverse to each other."

23 18. On or about November 23, 2013, RESPONDENT and RESPONDENT's broker
24 had the seller and the buyer for the second offer execute a Consent to Act Form.

25 19. The \$140,000.00 Offer and Acceptance Agreement also contained an Earnest
26 Money Deposit provision which specified that the buyer would issue a \$3,000.00 earnest
27 money check payable to Great Western Real Estate, to be "held uncashed until acceptance
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1 and then deposited within one (1) business day of acceptance with First American Title
2 Company.”

3 20. The Offer and Acceptance Agreement also contained a Short Sale Addendum
4 dated Saturday, November 23, 2013, signed by both the buyer and seller, which also
5 contained a handwritten term stating that “[e]arnest money to be deposited within (1)
6 business day of seller’s acceptance of offer.”

7 21. The Receipt for Deposit of the \$3,000.00 Earnest Money Check issued by the
8 second buyer on Saturday, November 23, 2013, from First American Title is dated
9 Wednesday, November 27, 2013, more than one (1) business day after acceptance of the
10 offer.

11 22. On or about November 26, 2013, the first buyer and the seller executed a
12 Cancellation Instructions and Addendum form to the Offer and Acceptance Agreement
13 dated August 8, 2013.

14 23. On or about December 12, 2013, RESPONDENT’s broker, prepared
15 Addendum #4 to the Offer and Acceptance Agreement dated November 23, 2013, which was
16 signed by the buyer and the seller and increased the sales price to \$145,000.00.

17 24. The final settlement statement shows that RESPONDENT’s broker was paid
18 100% for the commissions from the \$145,000.00 sale, for a total of \$8,700.00.

19 25. The RESPONDENT failed to make a written disclosure to either the buyer or
20 the seller that RESPONDENT and RESPONDENT’s broker were husband and wife.

21 26. As part of the short sale transaction, the parties were required to sign an
22 Affidavit of “Arm’s Length Transaction,” which specified that “[t]he sale of the Mortgage
23 Premises is an ‘arm’s length’ transaction, between parties who are unrelated and
24 unaffiliated by family, marriage, or commercial enterprise.”

25 27. RESPONDENT engaged in a scheme with his wife and broker to control the
26 offers, limit the open market for the transaction, and ensure a double commission.

27 **2080 BLOSSOM VIEW DRIVE**
28

1 28. On or about August 25, 2013, the sellers entered into an Exclusive Right to
2 Sell Contract, which engaged RESPONDENT's broker, and wife, to list and sell real
3 property located at 2080 Blossom View Drive, Sparks, Nevada 89434 with a sales price of
4 \$189,000.00.

5 29. On or about August 31, 2013, RESPONDENT, as the buyer's agent, and
6 RESPONDENT's wife, as the buyer's broker, presented an Offer and Acceptance
7 Agreement to seller, in the amount of \$189,000.00.

8 30. On or about September 3, 2013, RESPONDENT and RESPONDENT's broker
9 had the seller and the buyers execute a Duties Owned by Nevada Real Estate Licensee
10 Form indicating that the sellers and the buyers understood that the licensee "may, in the
11 future act for two or more parties who have interests adverse to each other."

12 31. On or about September 3, 2013, RESPONDENT and RESPONDENT's broker
13 had the sellers and the buyers execute a Consent to Act Form.

14 32. The sellers accepted the Offer and Acceptance Agreement on Tuesday,
15 September 3, 2013.

16 33. The Offer and Acceptance Agreement contained an Earnest Money Deposit
17 provision which specified that the buyer would issue a \$5,000.00 earnest money check
18 payable to Great Western Real Estate, to be "held uncashed until acceptance and then
19 deposited within one (1) business day of acceptance with First American Title Company."

20 34. The Offer and Acceptance Agreement also contained a Short Sale Addendum
21 dated August 31, 2013, signed by both the buyers and sellers, which also contained a
22 handwritten term stating that "[e]arnest money to be deposited within (1) business day of
23 seller's acceptance of offer."

24 35. The Receipt for Deposit of the \$5,000.00 Earnest Money Check from First
25 American Title is dated Friday, September 6, 2013, more than one (1) business day after
26 acceptance of the offer.

27 36. As part of the short sale transaction, the parties were required to sign an
28 Affidavit of "Arm's Length Transaction," which specified that "the transaction is

1 characterized by a selling prices and other conditions that would prevail in an open market
2 environment and there are not hidden terms or special understandings that exist between
3 any of the parties involved in the transaction including, but not limited to the buyer, seller,
4 appraiser, broker, sales agent (including, but not limited to the listing agent and seller's
5 agent), closing agent, Lender and/or Servicer."

6 37. RESPONDENT engaged in a scheme with his wife and broker to control the
7 offers, limit the open market for the transaction, and ensure a double commission.

8 38. The final settlement statement shows that RESPONDENT's broker was paid
9 100% of the commissions from the \$189,000.00 sale, for a total of \$11,340.00.

10 39. The RESPONDENT failed to make a written disclosure to either the buyer or
11 the seller that RESPONDENT and RESPONDENT'S broker were husband and wife.

12 **2290 LINDLEY WAY**

13 40. On or about February 20, 2014, the sellers entered into an Exclusive Right to
14 Sell Contract, which engaged RESPONDENT's broker, and wife, to list and sell real
15 property located at 2290 Lindley Way, Reno, Nevada 89509 with a sales price of \$425,000.

16 41. On or about March 13, 2014, RESPONDENT, as the buyer's agent, and
17 RESPONDENT's broker, and wife, as the buyers' broker, presented an Offer and
18 Acceptance Agreement to sellers in the amount of \$375,000.00.

19 42. The sellers accepted the Offer and Acceptance Agreement on March 13, 2014.

20 43. On March 13, 2014, RESPONDENT and RESPONDENT's broker had the
21 sellers and the buyers execute a Duties Owned by Nevada Real Estate Licensee Form
22 indicating that the seller and the buyers understood that the licensee "may, in the future
23 act for two or more parties who have interests adverse to each other."

24 44. On March 13, 2014, RESPONDENT and RESPONDENT's broker had the
25 sellers and the buyers execute a Consent to Act Form.

26 45. As part of the short sale transaction, as indicated in the NationStar Mortgage
27 short sale approval letter dated July 24, 2014, the parties were required to sign an Affidavit
28

1 of "Arm's Length Transaction," which was not provided with the RESPONDENT's listing
2 and sales file.

3 46. RESPONDENT engaged in a scheme with his wife and broker to control the
4 offers, limit the open market for the transaction, and ensure a double commission.

5 47. After a series of addendums to the Offer and Acceptance Agreement, the sales
6 price was finalized on Addendum # 4 at \$370,000.

7 48. The final settlement statement shows that RESPONDENT's broker was paid
8 100% of the commissions from the \$370,000.00 sale, for a total of \$22,200.00.

9 49. The RESPONDENT failed to make a written disclosure to either the buyer or
10 the seller that RESPONDENT and RESPONDENT's broker were husband and wife.

11 50. The sales price for this home was less than the listing price.

12 51. RESPONDENT engaged in a scheme with his wife and broker to control the
13 offers, limit the open market for the transaction, and ensure a double commission.

14 **7615 HALIFAX DRIVE**

15 52. On or about Saturday, January 11, 2014, the seller entered into an Exclusive
16 Right to Sell Contract, which engaged RESPONDENT's broker to list and sell real property
17 located at 7615 Halifax Drive, Reno, NV 89506 with a sales price of \$107,000.00.

18 53. On or about May 1, 2014, RESPONDENT, as the buyer's agent, and
19 RESPONDENT's broker, as the buyer's broker, presented an Offer and Acceptance
20 Agreement to sellers in the amount of \$80,000.00.

21 54. The seller accepted the Offer and Acceptance Agreement on Saturday, May 3,
22 2014.

23 55. On or about May 3, 2014, RESPONDENT and RESPONDENT's broker had
24 the seller and the buyer execute a Duties Owned by Nevada Real Estate Licensee Form
25 indicating that the seller and the buyers understood that the licensee "may, in the future
26 act for two or more parties who have interests adverse to each other."

27 56. On or about May 3, 2014, RESPONDENT and RESPONDENT's broker had
28 the seller and the buyer execute a Consent to Act Form.

1 57. After a series of addendums to the Offer and Acceptance Agreement, the sales
2 price was finalized on Addendum # 3 at \$88,350.

3 58. The final settlement statement shows that RESPONDENT's broker was paid
4 100% of the commissions from the \$88,350.00 sale, for a total of \$5,301.00.

5 59. The RESPONDENT failed to make a written disclosure to either the buyer or
6 the seller that RESPONDENT and RESPONDENT's broker were husband and wife.

7 60. The sales price for this home was less than the listing price.

8 61. RESPONDENT engaged in a scheme to control the offers, limit the open
9 market for the transaction, and ensure a double commission.

10 **7615 ROLLING CLOUDS DRIVE**

11 62. On or about June 1, 2015, the sellers entered into an Exclusive Right to Sell
12 Contract, which engaged RESPONDENT's broker to list and sell real property located at
13 7615 Rolling Clouds Drive, Reno, Nevada 89506 with a sales price of \$220,000.00.

14 63. On or about Wednesday, June 24, 2015, RESPONDENT, as the buyer's agent,
15 and RESPONDENT, as the buyer's broker, presented an Offer and Acceptance Agreement
16 to sellers in the amount of \$205,000.00.

17 64. The seller accepted the Offer and Acceptance Agreement on Wednesday, June
18 24, 2015.

19 65. The Offer and Acceptance Agreement contained an Earnest Money Deposit
20 provision which specified that the buyer would issue a \$500.00 earnest money check
21 payable to First American Title Company, to be "held uncashed until acceptance and then
22 deposited within one (1) business day of acceptance with First American Title Company."

23 66. The Offer and Acceptance Agreement also contained a Short Sale Addendum
24 dated Wednesday, June 24, 2015, signed by both the buyer and seller, which also contained
25 a handwritten term stating that "[e]arnest money to be deposited within (1) business day
26 of seller's acceptance of offer."

1 67. The Receipt for Deposit of the \$500.00 Earnest Money Check from First
2 American Title is dated Friday, July 10, 2015, more than one (1) business day after
3 acceptance of the offer.

4 68. On or about June 23, 2015, RESPONDENT had the buyer execute a Duties
5 Owned by Nevada Real Estate Licensee Form indicating that the buyer understood that
6 the licensee "may, in the future act for two or more parties who have interests adverse to
7 each other."

8 69. On or about June 24, 2015, RESPONDENT and RESPONDENT's broker had
9 the sellers and the buyer execute a Consent to Act Form.

10 70. After a series of addendums to the Offer and Acceptance Agreement, the sales
11 price was finalized on Addendum # 4 at \$200,000.00.

12 71. The RESPONDENT failed to make a written disclosure to either the buyer or
13 the seller that RESPONDENT and RESPONDENT's broker were husband and wife.

14 72. The final settlement statement shows that RESPONDENT's broker was paid
15 100% of the commissions from the \$200,000.00 sale, for a total of \$12,000.00.

16 73. The sales price for this home was less than the listing price.

17 74. RESPONDENT engaged in a scheme with his wife and broker to control the
18 offers, limit the open market for the transaction, and ensure a double commission.

19 **439 L STREET, SPARKS, NEVADA 89431**

20 75. On or about Wednesday, September 30, 2015, the seller entered into an
21 Exclusive Right to Sell Contract, which engaged RESPONDENT's broker to list and sell
22 real property located at 439 L Street, Sparks, Nevada 89431 with a sales price of
23 \$149,000.00.

24 76. On or about Wednesday, October 14, 2015, RESPONDENT, as the buyer's
25 agent, and RESPONDENT's broker, as the buyer's broker, presented an Offer and
26 Acceptance Agreement to sellers in the amount of \$130,000.00.

27 77. The seller accepted the Offer and Acceptance Agreement on Wednesday,
28 October 14, 2015.

1 78. On or about October 14, 2015, RESPONDENT had the buyer execute a Duties
2 Owned by Nevada Real Estate Licensee Form indicating that the buyer understood that
3 the licensee "may, in the future act for two or more parties who have interests adverse to
4 each other."

5 79. On or about October 14, 2015, RESPONDENT and RESPONDENT's broker
6 had the seller and the buyer execute a Consent to Act Form.

7 80. After a series of addendums to the Offer and Acceptance Agreement, the sales
8 price was finalized on Addendum # 3 at \$145,000.00

9 81. The RESPONDENT failed to make a written disclosure to either the buyer or
10 the seller that RESPONDENT and RESPONDENT's broker were husband and wife.

11 82. The Offer and Acceptance Agreement contained an Earnest Money Deposit
12 provision which specified that the buyer would issue a \$500.00 earnest money check
13 payable to First American Title Company, to be "held uncashed until acceptance and then
14 deposited within one (1) business day of acceptance with First American Title Company."

15 83. The Offer and Acceptance Agreement also contained a Short Sale Addendum
16 dated Wednesday, October 14, 2015, signed by both the buyer and seller, which also
17 contained a handwritten term stating that "[e]arnest money to be deposited within (1)
18 business day of seller's acceptance of offer."

19 84. The Receipt for Deposit of the \$500.00 Earnest Money Check from First
20 American Title is dated Friday, October 23, 2015, more than one (1) business day after
21 acceptance of the offer.

22 85. The final settlement statement shows that RESPONDENT's broker was paid
23 100% of the commissions from the \$145,000.00 sale, for a total of \$8,700.00.

24 86. The sales price for this home was less than the listing price.

25 87. RESPONDENT engaged in a scheme with his wife and broker to control the
26 offers, limit the open market for the transaction, and ensure a double commission.

27 **11560 TUPELO STREET**

1 88. On or about Tuesday, February 9, 2016, the seller entered into an Exclusive
2 Right to Sell Contract, which engaged RESPONDENT's broker to list and sell real property
3 located at 11560 Tupelo Street, Reno, Nevada 89506 with a sales price of \$150,000.00.

4 89. On or about Wednesday, February 24, 2016, RESPONDENT, as the buyer's
5 agent, and RESPONDENT's broker, as the buyer's broker, presented an Offer and
6 Acceptance Agreement to seller in the amount of \$150,000.00.

7 90. On or about February 24, 2016, RESPONDENT had the buyer execute a
8 Duties Owned by Nevada Real Estate Licensee Form indicating that the buyer understood
9 that the licensee "may, in the future act for two or more parties who have interests adverse
10 to each other."

11 91. On or about February 25, 2016, RESPONDENT and RESPONDENT's broker
12 had the seller and the buyer execute a Consent to Act Form.

13 92. The seller accepted the Offer and Acceptance Agreement on Thursday,
14 February 25, 2016.

15 93. The RESPONDENT failed to make a written disclosure to either the buyer or
16 the seller that RESPONDENT and RESPONDENT's broker were husband and wife.

17 94. The Offer and Acceptance Agreement contained an Earnest Money Deposit
18 provision which specified that the buyer would issue a \$500.00 earnest money check
19 payable to First American Title Company, to be "held uncashed until acceptance and then
20 deposited within one (1) business day of acceptance with First American Title Company."

21 95. The Offer and Acceptance Agreement also contained a Short Sale Addendum
22 dated Thursday, February 25, 2016, signed by both the buyer and seller, which also
23 contained a handwritten term stating that "[e]arnest money to be deposited within (1)
24 business day of seller's acceptance of offer."

25 96. The Receipt for Deposit of the \$500.00 Earnest Money Check from First
26 American Title is dated Thursday, March 3, 2016, more than one (1) business day after
27 acceptance of the offer.

1 97. The final settlement statement shows that RESPONDENT's broker was paid
2 100% of the commissions from the \$150,000.00 sale, for a total of \$9,000.00.

3 98. RESPONDENT engaged in a scheme with his wife and broker to control the
4 offers, limit the open market for the transaction, and ensure a double commission.

5 **3525 PARQUE VERDE LANE**

6 99. On or about, Thursday, April 14, 2016, the sellers entered into an Exclusive
7 Right to Sell Contract, which engaged RESPONDENT's broker to list and sell real property
8 located at 3525 Parque Verde Lane, Reno, NV 89502 with a sales price of \$225,000.00.

9 100. On or about Sunday, April 24, 2016, RESPONDENT, as the buyer's agent, and
10 RESPONDENT's broker, as the buyer's broker, presented an Offer and Acceptance
11 Agreement to sellers in the amount of \$215,000.00.

12 101. The seller accepted the Offer and Acceptance Agreement on Saturday, April
13 24, 2016, at approximately 4:00 p.m.

14 102. On or about April 24, 2016, RESPONDENT had the buyer and sellers execute
15 a Duties Owned by Nevada Real Estate Licensee Form indicating that the buyer
16 understood that the licensee "may, in the future act for two or more parties who have
17 interests adverse to each other."

18 103. On or about April 24, 2016, RESPONDENT and RESPONDENT's broker had
19 the sellers and the buyer execute a Consent to Act Form.

20 104. The RESPONDENT failed to make a written disclosure to either the buyer or
21 the seller that RESPONDENT and RESPONDENT's broker were husband and wife.

22 105. The Offer and Acceptance Agreement contained an Earnest Money Deposit
23 provision which specified that the buyer would issue a \$100.00 earnest money check
24 payable to First American Title Company, to be "held uncashed until acceptance and then
25 deposited within one (1) business day of acceptance with First American Title Company."

26 106. The Offer and Acceptance Agreement also contained a Short Sale Addendum
27 dated Sunday, April 24, 2016, signed by both the buyer and seller, which also contained a
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1 handwritten term stating that "[e]arnest money to be deposited within (1) business day of
2 seller's acceptance of offer."

3 107. The Receipt for Deposit of the \$100.00 Earnest Money Check from First
4 American Title is dated Tuesday, April 26, 2016, more than one (1) business day after
5 acceptance of the offer.

6 108. The final settlement statement shows that RESPONDENT's broker was paid
7 100% of the commissions from the \$215,000.00 sale, for a total of \$12,900.00.

8 109. The sales price for this home was less than the listing price.

9 110. RESPONDENT engaged in a scheme with his wife and broker to control the
10 offers, limit the open market for the transaction, and ensure a double commission.

11 **2261 MATTEONI DRIVE (DECEMBER 30, 2016, CLOSING)**

12 111. On or about Wednesday, April 6, 2016, the seller entered into an Exclusive
13 Right to Sell Contract, which engaged RESPONDENT's broker to list and sell real property
14 located at 2261 Matteoni Drive, Sparks, Nevada 89434 with a sales price of \$160,000.00.

15 112. On or about Monday, May 2, 2016, RESPONDENT, as the buyer's agent, and
16 RESPONDENT's broker, as the buyer's broker, presented an Offer and Acceptance
17 Agreement to sellers in the amount of \$160,000.00.

18 113. The seller accepted the Offer and Acceptance Agreement on Tuesday, May 3,
19 2016.

20 114. On or about May 2, 2016, RESPONDENT had the buyer execute a Duties
21 Owned by Nevada Real Estate Licensee Form indicating that the buyer understood that
22 the licensee "may, in the future act for two or more parties who have interests adverse to
23 each other."

24 115. On or about May 3, 2016, RESPONDENT and RESPONDENT's broker had
25 the seller and the buyer execute a Consent to Act Form.

26 116. The RESPONDENT failed to make a written disclosure to either the buyer or
27 the seller that RESPONDENT and RESPONDENT's broker were husband and wife.
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117. The final settlement statement shows that RESPONDENT was paid 100 % of the commissions from the \$160,000.00 sale, for a total of \$9,600.00.

118. RESPONDENT engaged in a scheme with his wife and broker to control the offers, limit the open market for the transaction, and ensure a double commission.

751 TAHOE BOULEVARD #5

119. On or about December 24, 2016, the sellers entered into an Exclusive Right to Sell Contract, which engaged RESPONDENT to list and sell real property located at 751 Tahoe Boulevard, Unit 5, Incline Village, NV 89451 with a sales price of \$155,000.00.

120. On or about Thursday, January 26, 2017, RESPONDENT, as the buyer's agent, and RESPONDENT's broker, as the buyers' broker, presented an Offer and Acceptance Agreement to sellers in the amount of \$150,000.00.

121. The seller accepted the Offer and Acceptance Agreement on Thursday, January 26, 2017.

122. On or about January 26, 2017, RESPONDENT had the buyers execute a Duties Owned by Nevada Real Estate Licensee Form indicating that the buyers understood that the licensee "may, in the future act for two or more parties who have interests adverse to each other."

123. On or about January 26, 2017, RESPONDENT and RESPONDENT's broker had the sellers and the buyers execute a Consent to Act Form.

124. The RESPONDENT failed to make a written disclosure to either the buyer or the seller that RESPONDENT and RESPONDENT's broker were husband and wife.

125. The Offer and Acceptance Agreement contained an Earnest Money Deposit provision which specified that the buyer would issue a \$1,000.00 earnest money check payable to First American Title Company, to be "held uncashed until acceptance and then deposited within one (1) business day of acceptance with First American Title Company."

126. The Offer and Acceptance Agreement also contained a Short Sale Addendum dated Thursday, January 26, 2017, signed by both the buyer and seller, which also

1 contained a handwritten term stating that "[e]arnest money to be deposited within (1)
2 business day of seller's acceptance of offer."

3 127. The Receipt for Deposit of the \$1,000.00 Earnest Money Check from First
4 American Title is dated Friday, February 3, 2017, more than one (1) business day after
5 acceptance of the offer.

6 128. Arvest Central Mortgage Co. included a Short Sale Affidavit dated June 30,
7 2017, requiring all parties to the transaction, including the seller's agent and buyers' agent
8 to affirm "that this is an 'arm's length' transaction, between parties who are unrelated and
9 unaffiliated by family or marriage, or commercial enterprise[.]"

10 129. RESPONDENT failed to include a signed copy of the Short Sale Affidavit in
11 his response to the Division.

12 130. RESPONDENT engaged in a scheme with his wife and broker to control the
13 offers, limit the open market for the transaction, and ensure a double commission.

14 131. After a series of addendums to the Offer and Acceptance Agreement, the sales
15 price was finalized on Addendum # 4 at \$160,000.

16 132. The final settlement statement shows that RESPONDENT's broker was paid
17 100% of the commission from the \$160,000.00 sale, for a total of \$9,600.00.

18 **1920 TRAINER WAY**

19 133. On or about Tuesday, January 17, 2017, the sellers entered into an Exclusive
20 Right to Sell Contract, which engaged RESPONDENT's broker to list and sell real property
21 located at 1920 Trainer Way, Reno, Nevada 89512 with a sales price of \$70,000.00.

22 134. On or about Tuesday, February 28, 2017, RESPONDENT, as the buyer's
23 agent, and RESPONDENT's broker, as the buyer's broker, presented an Offer and
24 Acceptance Agreement to sellers in the amount of \$40,000.00.

25 135. The seller accepted the Offer and Acceptance Agreement on Wednesday,
26 March 1, 2017.

27 136. On or about February 28, 2017, RESPONDENT had the buyer execute a
28 Duties Owned by Nevada Real Estate Licensee Form indicating that the buyer understood

1 that the licensee "may, in the future act for two or more parties who have interests adverse
2 to each other."

3 137. On or about February 28, 2017, RESPONDENT and RESPONDENT's broker
4 had the seller and the buyer execute a Consent to Act Form.

5 138. The RESPONDENT failed to make a written disclosure to either the buyer or
6 the seller that RESPONDENT and RESPONDENT's broker were husband and wife.

7 139. The Offer and Acceptance Agreement contained an Earnest Money Deposit
8 provision which specified that the buyer would issue a \$100.00 earnest money check
9 payable to First American Title Company, to be "held uncashed until acceptance and then
10 deposited within one (1) business day of acceptance with First American Title Company."

11 140. The Offer and Acceptance Agreement also contained a Short Sale Addendum
12 dated Wednesday, March 1, 2017, signed by both the buyer and seller, which also contained
13 a handwritten term stating that "[e]arnest money to be deposited within (1) business day
14 of seller's acceptance of offer."

15 141. The Receipt for Deposit of the \$100.00 Earnest Money Check from First
16 American Title is dated Monday, March 6, 2017, more than one (1) business day after
17 acceptance of the offer.

18 142. After a series of addendums to the Offer and Acceptance Agreement, the sales
19 price was finalized on Addendum # 3 at \$66,500.

20 143. The final settlement statement shows that RESPONDENT's broker was paid
21 100% of the commission from the \$66,500.00 sale, for a total of \$3,900.00.

22 144. The sales price for this home was less than the listing price.

23 145. RESPONDENT engaged in a scheme with his wife and broker to control the
24 offers, limit the open market for the transaction, and ensure a double commission.

25 **3525 W. PLUMB LANE**

26 146. On or about Thursday, May 11, 2017, the sellers entered into an Exclusive
27 Right to Sell Contract, which engaged RESPONDENT's broker to list and sell real property
28 located at 3525 W. Plumb Lane, Reno, Nevada 89509 with a sales price of \$440,000.00.

1 147. On or about Sunday, May 21, 2017, RESPONDENT, as the buyer's agent, and
2 RESPONDENT's broker, as the buyer's broker, presented an Offer and Acceptance
3 Agreement to sellers in the amount of \$440,000.00.

4 148. The seller accepted the Offer and Acceptance Agreement on Tuesday, May 21,
5 2017.

6 149. On or about May 21, 2017, RESPONDENT had the buyer execute a Duties
7 Owned by Nevada Real Estate Licensee Form indicating that the buyer understood that
8 the licensee "may, in the future act for two or more parties who have interests adverse to
9 each other."

10 150. On or about May 21, 2017, RESPONDENT and RESPONDENT's broker had
11 the sellers and the buyer execute a Consent to Act Form.

12 151. The RESPONDENT failed to make a written disclosure to either the buyer or
13 the seller that RESPONDENT and RESPONDENT's broker were husband and wife.

14 152. The Offer and Acceptance Agreement contained an Earnest Money Deposit
15 provision which specified that the buyer would issue a \$1,000.00 earnest money check
16 payable to First American Title Company, to be "held uncashed until acceptance and then
17 deposited within one (1) business day of acceptance with First American Title Company."

18 153. The Offer and Acceptance Agreement also contained a Short Sale Addendum
19 dated Sunday, May 21, 2017, signed by both the buyer and seller, which also contained a
20 handwritten term stating that "[e]arnest money to be deposited within (1) business day of
21 seller's acceptance of offer."

22 154. The Receipt for Deposit of the \$1,000.00 Earnest Money Check from First
23 American Title is dated Wednesday, May 31, 2017, more than one (1) business day after
24 acceptance of the offer.

25 155. Wells Fargo, the seller's mortgage servicer, sent a letter to seller dated July
26 10, 2017, which was contained in RESPONDENT's listing and sales file, identifying that
27 "the sale must be an "arm's length transaction," which means "the parties to the transaction
28

1 (buyer, seller, and their respective agents) cannot have a close personal or business
2 relationship.”

3 156. The July 10, 2017, Well’s Fargo Letter also stated that “[a]ll parties to the
4 transaction must agree to the conditions of the short sale affidavit[;]” however, the
5 RESPONDENT failed to include a signed copy of the short sale affidavit in his listing and
6 sales file that was provided to the Division.

7 157. After a series of addendums to the Offer and Acceptance Agreement, the sales
8 price was finalized on Addendum # 3 at \$460,000.00.

9 158. The final settlement statement shows that RESPONDENT’s broker was paid
10 100% of the commissions from the \$460,000.00 sale, for a total of \$27,600.00.

11 159. RESPONDENT engaged in a scheme with his wife and broker to control the
12 offers, limit the open market for the transaction, and ensure a double commission.

13 **7280 GEMSTONE DRIVE**

14 160. On or about Friday, June 9, 2017, the sellers entered into an Exclusive Right
15 to Sell Contract, which engaged RESPONDENT’s broker to list and sell real property
16 located at 7280 Gemstone Drive, Reno, Nevada 89511, with a sales price of \$240,000.00.

17 161. On or about Monday, July 31, 2017, RESPONDENT, as the buyer’s agent, and
18 RESPONDENT, as the buyer’s broker, presented an Offer and Acceptance Agreement to
19 sellers in the amount of \$225,000.00.

20 162. The seller accepted the Offer and Acceptance Agreement on August 1, 2017.

21 163. On or about July 31, 2017, RESPONDENT had the buyer execute a Duties
22 Owned by Nevada Real Estate Licensee Form indicating that the buyer understood that
23 the licensee “may, in the future act for two or more parties who have interests adverse to
24 each other.”

25 164. On or about July 31, 2017, RESPONDENT and RESPONDENT’s broker had
26 the seller and the buyer execute a Consent to Act Form.

27 165. The RESPONDENT failed to make a written disclosure to either the buyer or
28 the seller that RESPONDENT and RESPONDENT’s broker were husband and wife.

1 Clouds Dr.; 439 L St.; 11560 Tulepo St.; 3525 Parque Verde Lane; 751 Tahoe Blvd., #5;
2 1920 Trainer Way; 3525 W. Plumb Lane; and 7280 Gemstone Drive, by negligently failing
3 to exercise reasonable skill and care to ensure that the buyer's earnest money was timely
4 deposited within one (1) business day of the seller's acceptance, in accordance with the
5 provisions of the Offer and Acceptance Agreement and, where applicable the Short Sale
6 Addendum.

7 DISCIPLINE AUTHORIZED

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

11 5. Pursuant to NRS 645.314, the Division is authorized to request its investigative
12 costs where the investigation was undertaken for disciplinary purposes.

13 6. Additionally, under NRS 622.400, the Commission is authorized to impose costs
14 of the proceeding upon RESPONDENT, including investigative costs and attorney's fees, if
15 the Commission otherwise imposes discipline on RESPONDENT.

16 7. Therefore, the Division requests that the Commission take such disciplinary
17 action as it deems appropriate under the circumstances.

18 NOTICE OF HEARING

19 **PLEASE TAKE NOTICE** that a disciplinary hearing has been set to consider the
20 Administrative Complaint against the above-named Respondent in accordance with
21 Chapters 233B and 645 of the Nevada Revised Statutes and Chapter 645 of the Nevada
22 Administrative Code.

23 **THE HEARING WILL TAKE PLACE** on August 20-22, 2019, commencing at
24 9:00 a.m., or as soon thereafter as the Commission is able to hear the matter, and
25 each day thereafter commencing at 9:00 a.m. through August 22, 2019, or earlier
26 if the business of the Commission is concluded. The Commission meeting will be
27 held each day at the Nevada Division of Insurance, 1818 East College Parkway,
28 suite 103, Carson City, Nevada 89706.

1
2 **STACKED CALENDAR:** Your hearing is one of several hearings scheduled
3 at the same time as part of a regular meeting of the Commission that is expected
4 to last from August 20-22, 2019 or earlier if the business of the Commission is
5 concluded. Thus, your hearing may be continued until later in the day or from
6 day to day. It is your responsibility to be present when your case is called. If you
7 are not present when your hearing is called, a default may be entered against you
8 and the Commission may decide the case as if all allegations in the complaint
9 were true. If you have any questions please call Evelyn Pattee Commission
10 Coordinator (702) 486-4074.

11 **YOUR RIGHTS AT THE HEARING:** except as mentioned below, the hearing is an
12 open meeting under Nevada's open meeting law, and may be attended by the public. After
13 the evidence and arguments, the commission may conduct a closed meeting to discuss your
14 alleged misconduct or professional competence. A verbatim record will be made by a
15 certified court reporter. You are entitled to a copy of the transcript of the open and closed
16 portions of the meeting, although you must pay for the transcription.

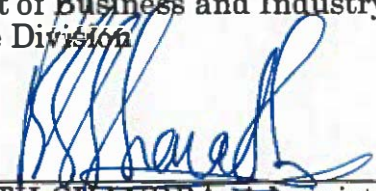
17 As the Respondent, you are specifically informed that you have the right to appear
18 and be heard in your defense, either personally or through your counsel of choice. At the
19 hearing, the Division has the burden of proving the allegations in the complaint and will
20 call witnesses and present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

24 You have the right to request that the Commission issue subpoenas to compel
25 witnesses to testify and/or evidence to be offered on your behalf. In making the request,
26 you may be required to demonstrate the relevance of the witness' testimony and/or
27 evidence. Other important rights you have are listed in NRS 645.680 through 645.990,
28 NRS Chapter 233B, and NAC 645.810 through 645.920.

1 The purpose of the hearing is to determine if the Respondent has violated NRS 645
2 and/or NAC 645 and if the allegations contained herein are substantially proven by
3 the evidence presented and to further determine what administrative penalty, if any, is to
4 be assessed against the Respondent..

5 DATED this 18 day of July, 2019.

6 STATE OF NEVADA
7 Department of Business and Industry
8 Real Estate Division

9 By: 
10 SHARATH CHANDRA, Administrator
11 3300 W. Sahara Avenue, Ste. 350
Las Vegas, Nevada 89102

12 DATED this 10th day of July, 2019.

13 AARON D. FORD
14 Attorney General

15 By: 
16 PETER K. KEEGAN
17 Deputy Attorney General
18 100 North Carson Street
19 Carson City, Nevada 89701
20 (775) 684-1153
21 Attorneys for Real Estate Division
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