

BRIAN SANDOVAL
Governor

STATE OF NEVADA



TERRY REYNOLDS
Interim Director

SHARATH CHANDRA
Administrator

DEPARTMENT OF BUSINESS AND INDUSTRY
REAL ESTATE DIVISION
www.red.nv.gov

November 16, 2018

Certified Mail #: 7018 1130 0001 8302 4126

Gavin M. Ernstone
c/o Frank Perez, Esq.
1489 West Warm Springs Road, #100
Henderson, NV. 89014

RE: NRED v Gavin M. Ernstone
Case No: 2017-1239

Mr. Ernstone:

Enclosed you will find the Decision entered by the Nevada Real Estate Commission at the meeting held September 11, 2018 in Las Vegas, Nevada. This is the fully executed copy for your records.

The Commission has ordered the following:

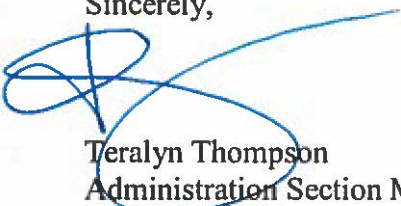
- Respondent pay a total of \$32,460.94 to the Division. The total fine reflects a fine of \$30,000.00 plus hearing and investigative costs of \$2,460.94;
- The Respondent's real estate broker license is hereby downgraded to a broker-sales license and respondent cannot manage any licensees for a period of two (2) years from the effective date of the order. Respondent must appear before the Commission before his broker license can be reactivated; and,
- Respondent must complete three (3) hours of ethics and three (3) hours of agency live course continuing education.

Effective Date of Order: **December 17, 2018**
Payment Due Date: **March 18, 2019**
Education Due Date: **June 17, 2019**

NOTE: Your fine and/or cost of hearing totals \$10,000.00 or more. Please be aware that pursuant to NRS 353.1467 your payment must now be made electronically. For details on how to submit your electronic payment, please see Informational Bulletin #016 (included) or contact the Department of Business and Industry's Management Analyst Grace Hilgar-Devito at 702-486-5134 or email at ghilgar@business.nv.gov.

Please note that the Division staff does not have the authority to extend the due date for your fine which was ordered by the Commission. If you find that you are unable to meet the required due date, you will need to request in writing that you be placed on the agenda for a Commission hearing in which Respondent will be allowed to request an extension from the Commission. This request should be made several months prior.

Sincerely,



Teralyn Thompson
Administration Section Manager
Telephone: (702) 486-4036
Email: tlthompson@red.nv.gov

Enclosures as indicated

cc: Sharath Chandra, Administrator
Peter Keegan, Deputy Attorney General
Compliance Section
Education Section
Fiscal

DEPARTMENT OF BUSINESS AND INDUSTRY
REAL ESTATE DIVISION

realest@red.nv.gov <http://red.nv.gov/>

REQUIREMENTS FOR ELECTRONIC PAYMENTS IN EXCESS OF \$10,000

Per Nevada Revised Statutes (NRS) 353.1467, all payments of **\$10,000 or more** remitted to the Nevada Real Estate Division (NRED) must be made electronically via wire transfer (Fedwire) or Automatic Clearing House (ACH). This requirement does not apply to payments under \$10,000. Payments less than \$10,000 may still be made via check, money order or cash (exact change).

Prior to the initiation of **EACH** electronic payment to NRED, please complete the Incoming Funds Deposit Form, and contact Grace Hilgar-Devito, Management Analyst, at (702) 486-5134 or by email at ghilgar@business.nv.gov for bank routing details and further instructions. This is necessary to ensure that your payment is applied to the appropriate account. All electronic payments to NRED are received by the Office of the State Treasurer, so notification is required each time a payment is made to make certain that the payment is received by NRED. Additionally, all electronic payments to NRED should include the following: Name of Organization/Remitter; NRED's 3 digit Agency Number: "748"; the program or purpose of the remittance; and any additional relevant descriptions (i.e. license or registration number, association name, commission order, etc.) that helps to properly identify the payment.

For all homeowners associations that meet the \$10,000 or more threshold, the association is required to perform the following steps to complete this process:

- E-mail the Annual Registration Form on the same day as the electronic transfer to: HOARegistrations@red.nv.gov (This email address is for registrations exceeding \$10,000 ONLY. Any other registration forms received at this email address will NOT be accepted.)
- Submit a hard copy of the registration form with signature for our files.
- If you are a master association, you must also submit emailed and hard copies of the Master Roster.

Finally, as a matter of law, any payment received by NRED that is in violation of NRS 353.1467 will be returned to the constituent and will not be considered as received by NRED. As such, the constituent could potentially be subject to late fees and/or penalties.

Revised: 2/23/2018

BEFORE THE REAL ESTATE COMMISSION

STATE OF NEVADA

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

Case No. 2017-1239

Petitioner,

vs.

GAVIN M. ERNSTONE,

Respondent.

FILED

NOV 16 2018

REAL ESTATE COMMISSION

DECISION

This matter came on for hearing before the Nevada Real Estate Commission, State of Nevada ("Commission") on Wednesday, September 11, 2018, at the Nevada State Business Center, 3300 W. Sahara Avenue, Las Vegas, Nevada 89102. Respondent Gavin M. Ernstone ("Respondent") appeared through counsel, Frank Perez, Esq. Peter K. Keegan, Deputy Attorney General, 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:

FINDINGS OF FACT

The Commission, based upon the evidence presented during the hearing, finds that there is substantial evidence in the record to establish each of the following:

1. RESPONDENT has been licensed as a Broker under license number B.1000642.LLC, since May 26, 2010, which is currently in active status.
2. RESPONDENT has been licensed as a Broker under license number B.1001429.INDV, since July 23, 2014, which is currently in active status.
3. RESPONDENT has been licensed as a Property Manager under permit number PM.0163784.BKR, since May 27, 2008, which is currently in active status.

///

1 4. In or about February 2014, Scott E. and Amie G. Yancey (the “Yanceys”) purchased
2 real property located at 43 Morning Glow Lane, Las Vegas, Nevada (the “Property”) from Howard
3 Hughes Properties, Inc. (“Hughes”).

4 5. The Yanceys purchased the Property for approximately \$675,000.00.

5 6. The Property was subject to a transfer fee to Hughes if the property was sold before a
6 residence was constructed thereon.

7 7. The Yanceys never constructed a residence on the Property.

8 8. On or about October 31, 2016, RESPONDENT listed the Property for sale on behalf of
9 the Yanceys.

10 9. At that time, RESPONDENT listed the Property for sale for \$999,000.00.

11 10. The Yanceys, through RESPONDENT, sold the Property in or about March 2017.

12 11. RESPONDENT prepared the Vacant Land Purchase Agreement.

13 12. The Vacant Land Purchase Agreement states that the Yanceys sold the Property for only
14 \$250,000.00.

15 13. However, Addendum #2 to Purchase Agreement (“Addendum”) required Buyers to
16 purchase “architectural plans” from the Yanceys for an additional \$690,000.00.

17 14. The Addendum required the “Sales of plans to be handled outside of escrow....”

18 15. The Addendum required the Buyer, the Yanceys and RESPONDENT to not disclose the
19 contents thereof.

20 16. RESPONDENT prepared the Addendum.

21 17. In or about March or April 2017, RESPONDENT received a commission of
22 approximately \$56,400.00 (\$28,200.00 for representing the Yanceys, and \$28,200.00 for representing
23 the Buyer) as a result of the Property sale.

24 18. RESPONDENT’s \$56,400.00 commission is the equivalent of a 6% commission of a
25 \$940,000 Property sale.

26 19. RESPONDENT, through his attorney, admitted “Hughes would be entitled to a
27 percentage of profit made by a transfer” if the Yanceys and RESPONDENT reported a profit on the
28 Property sale.

1 IT IS FURTHER ORDERED that Respondent complete three (3) hours of ethics and three (3)
2 hours of agency live course continuing education credits within one hundred eighty (180) days of the
3 effective date of the Commission's order.

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

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

12 This Order shall become effective on the 17 day of December, 2018.

13 DATED this 16 day of Nov, 2018.

14
15 REAL ESTATE COMMISSION
16 STATE OF NEVADA

17
18 By: 
19 President, Nevada Real Estate Commission