

BEFORE THE REAL ESTATE COMMISSION
STATE OF NEVADA

FILED

APR 12 2022

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

Case No. 2020-359

REAL ESTATE COMMISSION
BY *Evelyn Pattee*

Petitioner,

vs.

ALLAN N. ROTHSTEIN,

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 three days, beginning on March 29, 2022 (the "Hearing"). RESPONDENT ALLAN N. ROTHSTEIN (hereinafter, "RESPONDENT") did not appear in person, through counsel, or otherwise. Virginia T. Tomova, Esq., Deputy Attorney General with the Nevada Attorney General's Office, appeared on behalf of the Real Estate Division of the Department of Business and Industry, State of Nevada (the "Division").

At the Hearing, Evelyn Pattee testified regarding notice sent to the RESPONDENT. The Commission found appropriate service of the notice of the Hearing, the complaint, Notice of the Complaint, and Notice of Documents was sent to RESPONDENT at her last known address which the Respondent provided to the Division.

After hearing testimony presented in this matter and for good cause appearing, the Commission now enters its Findings of Fact, Conclusions of Law, and Order by default against RESPONDENT as follows:

JURISDICTION

RESPONDENT, at all relevant times mentioned in this Complaint, was licensed by the Division as a real estate salesperson and held a property management permit from the Division. He is therefore subject to the jurisdiction of the Division and the Commission and the provisions of NRS chapter 645 and NAC chapter 645.

1 **FINDINGS OF FACT**

2 The Commission, by unanimous vote, based upon evidence presented during the Hearing,
3 enters a finding of the following facts by default:

4 1. At all relevant times, RESPONDENT was licensed by the Division as a real estate broker
5 (B.1001142) and a property management permit (PM. 0164222.BKR), was issued by the Division, both
6 of which are in “active” status.

7 2. The RESPONDENT has been a broker since March 25, 2013.

8 3. The RESPONDENT was issued a property management permit on July 15, 2009.

9 4. The RESPONDENT had a salesperson license (S.0167162) until March 12, 2013.

10 5. The RESPONDENT’s salesperson license is currently in “closed” status.

11 6. Prior to March 25, 2013, the RESPONDENT’s brokers were RX Realty, Pulse Realty
12 Group, LLC and Encore Realty Group.

13 7. On or about July 30, 2010, Kyle Puntney executed a residential property management
14 agreement with the RESPONDENT’s prior brokerage RX Realty for 11893 Wedgebrook, Las Vegas
15 Nevada 89183 (“the property”).

16 8. At that time, the RESPONDENT had a property management permit and a real estate
17 salesperson license.

18 9. On or about April 23, 2020, complainant Kyle Puntney (“Mr. Puntney”), filed a complaint
19 with the Division against RESPONDENT in which he alleged that the RESPONDENT sexually harassed
20 one of complainant’s tenants Ms. Candy Torres, failed to communicate repairs and was deceitful and
21 dishonest in collection of fees.

22 10. At the time of the allegations in this Complaint, the RESPONDENT was operating under
23 his broker’s license and listed the address for his brokerage with the Division at 755 W. Sunset Road, in
24 Henderson Nevada 89011.

25 11. However, an investigation by the Division on April 30, 2020, showed that an “Any and
26 All Auto Parts” shop was located at that address, and not the RESPONDENT’s brokerage.

27 12. Mr. Puntney was transferred out of state for work and tasked the RESPONDENT with
28 finding a tenant for the property.

1 13. After becoming a broker, the RESPONDENT did not execute:

2 a. a lease brokerage listing agreement for the property with Mr. Puntney;

3 b. a property management agreement with Mr. Puntney for the property; and

4 c. the duties owed by a Nevada real estate licensee.

5 14. On or about September 21, 2018, the MLS for the property showed that the rental amount
6 was \$1,550.00.

7 15. In September of 2018, the RESPONDENT found a new tenant Candy Torres (“the
8 tenant”) for the property.

9 16. The RESPONDENT allowed the tenant to move into the property, prior to her executing
10 a residential lease agreement.

11 17. The RESPONDENT was using a Section 8 voucher to rent the property.

12 18. The RESPONDENT did not communicate the needed repairs for the property to the
13 complainant.

14 19. The RESPONDENT did not maintain the property.

15 20. Instead, the RESPONDENT had the tenant fix the property with her out of pocket
16 expenses if she was assured an approval for the home through Section 8.

17 21. The items that the tenant fixed prior to moving in was to install a toilet, change the carpet
18 on the first floor, paint and install smoke detectors.

19 22. The tenant made several trips to the RESPONDENT’s home to sign paperwork and get
20 documents for the property.

21 23. On more than one occasion during her trips to the RESPONDENT’s property, the
22 RESPONDENT made unwanted sexual advances towards the tenant.

23 24. On or about September 9, 2018, the RESPONDENT had the tenant, who was a residential
24 lease, sign an “Exclusive Broker Representation Agreement for Buyer, Seller, Leasee, Lessor”
25 agreement, which commenced on September 27, 2018.

26 25. On or about October 24, 2018, Wayneisha Thomas from Southern Nevada Housing
27 Authority sent an email to the RESPONDENT stating the tenant’s rent could not be more than \$1,350.00
28 per month due to her income.

1 26. On or about November 17, 2018, according to the Southern Nevada Regional Housing
2 Authority-Notice of Rent Payment and Program Abuse Warning Information, an owner may not accept
3 any other monies from a tenant and any extra payment more than the family's share of rent is considered
4 fraud.

5 27. On or about November 23, 2018, a Residential Lease Agreement ("the lease agreement")
6 was executed between Mr. Puntney and the tenant for the property.

7 28. There was no commencement date or ending date in the lease agreement.

8 29. The monthly rental amount was in the amount of \$1,475.00 dollars.

9 30. In addition, a security deposit in the amount of \$1,475.00 was also listed in the lease
10 agreement.

11 31. On or about November 23, 2018, a rent receipt regarding the property showed that a
12 balance of \$1,882.00 was paid.

13 32. On or about November 23, 2018, the RESPONDENT had the tenant execute "Direct
14 Consent for Sexual Intercourse and or Fellatio or Cunnilingus" ("the sex consent document").

15 33. The RESPONDENT admitted on two separate occasions to the Division that he had the
16 tenant sign the sex consent document.

17 34. The residential, property management and Section 8 agreements differed in terms of
18 responsibility for utilities and fees.

19 35. A rent receipt dated December 30, 2018, for the property showed that \$500.00 were paid.
20 There was also a note stating, "owes \$325.00 dollars eviction fee-Take from my Security Deposit."
21 "Candy paid rent, Dec power bill, trash."

22 36. On or about January 18, 2019, a communication from the tenant to the RESPONDENT
23 stated that she found the power bill for November/December and that the bill was for \$171.03 but the
24 RESPONDENT made her pay \$300.00.

25 37. The tenant also found out that the trash bill was \$44.76 for every three months, however
26 the RESPONDENT charged her \$55.00.

27 38. The tenant also stated that "as of Tuesday" the water was put under someone else's name.
28

1 39. On or about February 4, 2019, a communication from the tenant to the RESPONDENT
2 stated that the lady from Nevada Energy was correct and that the RESPONDENT overcharged her and
3 claimed that she still owed \$39.00.

4 40. On or about March 3, 2019, a communication from the tenant to the RESPONDENT
5 showed that the tenant went to the RESPONDENT's home to pay her rent for March 2019 in the amount
6 of \$1,051.00 that the RESPONDENT said she owed.

7 41. The RESPONDENT refused to accept the rent unless the tenant paid \$4,485.00.

8 42. THE RESPONDENT threatened the tenant that if she did not pay the \$4,485.00, she was
9 to "Get the f... out of the house."

10 43. The tenant told the RESPONDENT that she was going to be returning to Nevada Legal
11 Services to show them what happened at his home.

12 44. On or about March 3, 2019, tenant told RESPONDENT that she had money orders and
13 asked how the amount from \$1,056.00 went up to \$4,458.00.

14 45. On or about April 8, 2019, the tenant filed a Complaint against the complainant and the
15 RESPONDENT with the United States District Court, District of Nevada, Case #2:19-cv-00594, in which
16 she alleged discrimination and harassment causes of action in violation of the Federal Fair Housing Act.

17 46. Specifically, the Complaint stated that the RESPONDENT asked the tenant to give him a
18 "hand job" in exchange for a good start.

19 47. After the tenant refused the RESPONDENT's sexual advances, he commenced eviction
20 proceedings, which he subsequently stopped.

21 48. The complainant was a party to the complaint solely because he was the owner of the
22 property when the violations occurred involving the tenant.

23 49. The RESPONDENT did not notify the complainant of the pending lawsuit in federal court.

24 50. On or about August 6, 2019, SWAT team came to the property looking for one of the
25 tenant's friends.

26 51. On or about August 9, 2019, despite not having a lease brokerage and property
27 management agreements with Mr. Puntney for the property, the RESPONDENT represented himself as
28 the property manager for the property.

1 52. On September 18, 2019, the complainant informed the RESPONDENT, that he would not
2 be renewing the lease with the tenant and the RESPONDENT needed to inform her that was her 60-day
3 notice to move out of the property at the end of the lease.

4 53. The lease expired on November 23, 2019, and the tenant moved out.

5 54. The federal litigation is still ongoing.

6 55. The complainant was aware that the tenant was late on her rent twice during the 12 months
7 of her lease.

8 56. However, the RESPONDENT did not inform the complainant that the tenant was late on
9 her rent and that he had started and stopped eviction proceedings.

10 57. Instead, the RESPONDENT told the complainant that he was getting the rent late due to
11 an assistant's clerical error at his office.

12 58. On or about April 24, 2020, the Division sent correspondence to the RESPONDENT,
13 notifying him that a complaint has been filed against him and that the Division has opened an
14 investigation against him.

15 59. In that same correspondence, the Division requested that the RESPONDENT provide the
16 transaction file for the property.

17 60. The Division also requested that the RESPONDENT provide a response to the allegations
18 in the complaint no later than May 15, 2020.

19 61. On or about October 4, 2021, the RESPONDENT informed the Division that he was
20 working out of his home, he met his clients either at his home or Burger King across the street and that
21 he asked the tenant to sign the sex consent document.

22 62. On or about October 4, 2021, the Division sent a follow up correspondence in which it
23 gave the RESPONDENT until October 19, 2021, to respond to the allegations in the complaint.

24 63. The RESPONDENT did not respond.

25 64. On or about October 18, 2021, RESPONDENT was properly notified by the Division that
26 it was bringing a complaint for disciplinary action before the Commission.

27 **VIOLATIONS OF LAW**

28 RESPONDENT committed the following violations of law:

1 1. RESPONDENT violated NRS 645.633(1)(h) for allowing the tenant to move into the
2 property prior to signing the residential lease agreement, which amounts to gross negligence or
3 incompetence in performing his property management responsibilities.

4 2. RESPONDENT violated NRS 645.633(1)(h) pursuant to NRS 645.510 for allowing the
5 tenant to sign the lease at his personal residence instead of the place of business, that is listed on his
6 Broker's license issued by the Nevada Real Estate Division.

7 3. RESPONDENT violated NRS 645.633(1)(i) by engaging in conduct that was deceitful,
8 fraudulent, or dishonest by asking the tenant to sign the Direct Consent for Sexual Intercourse and/or
9 Fellatio or Cunnilingus and admitting on October 4, 2021, that he asked the tenant to sign the document.

10 4. RESPONDENT admitted to violating NRS 645.633(1)(i) during a phone call with the
11 Division on May 20, 2021.

12 5. RESPONDENT violated NRS 645.252(1) for failing to exercise reasonable skill and care
13 with respect to all parties in a real estate transaction when he:

14 a. Tried to evict the tenant without just cause; and

15 b. Failed to protect the owner (complainant) of the property and subjected him to a
16 civil lawsuit in federal court because of his unethical and disgraceful behavior.

17 6. RESPONDENT violated NRS 645.6056(1) when he acted as a property manager for the
18 property without having obtained a property management agreement signed by the owner of the property.

19 7. RESPONDENT violated NRS 645.6056(1) when the tenant signed the Exclusive Broker
20 Representation Agreement for Buyer, Seller, Lessee, Lessor, and not the owner of the property.

21 8. RESPONDENT violated NRS 645.633(1)(i), when he failed to protect the owner of the
22 property, who spent thousands of dollars in attorney's fees due to the RESPONDENT's misconduct and
23 unethical practices.

24 9. RESPONDENT violated NRS 645.633(3)(b)(2) pursuant to NAC 645.605(6), when he
25 breached his obligation to absolute fidelity to his principal's interest or his obligation to deal fairly with
26 all parties to a real estate transaction when he failed to notify the complainant, who was the owner of the
27 property of the federal civil lawsuit filed against him.

28 ...

1 **ORDER**

2 1. RESPONDENT shall pay an administrative fine to the Division in the amount of \$90,000.00
3 along with the Division's costs in the amount \$4,039.76, for a total amount of \$94,039.76 due to the
4 Division ("Amount Due"). The Amount Due shall be payable to the Division within 90 days from the
5 effective date of this Order.

6 2. All real estate licenses and property management permits issued by the Division to
7 RESPONDENT are hereby revoked.

8 3. If payment is not actually received by the Division on or before its due date, it shall be a
9 default by RESPONDENT. In the event of default, any licenses not revoked under this order held by
10 RESPONDENT shall be immediately suspended, and the unpaid balance of the administrative fine and
11 costs, together with any attorney's fees and costs that may have been assessed, shall be due in full to the
12 Division within ten calendar days of the date of default, and the Division may obtain a judgment for the
13 amount owed, including collection fees and costs.

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

16 5. This Order shall become effective on the 12th day of May 2022.
17 DATED this 12th day of April, 2022.

18 REAL ESTATE COMMISSION
19 STATE OF NEVADA

20
21 By: 
22 President, Nevada Real Estate Commission

22 Submitted by:
23 AARON D. FORD
24 Attorney General

24 By: */s/ Virginia T. Tomova*

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