

1 BEFORE THE REAL ESTATE COMMISSION

2 STATE OF NEVADA

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

Case No. 2021-32

6 Petitioner,

FILED

7 vs.

AUG 17 2022

8 GEORGE L. ANDERSON III,

REAL ESTATE COMMISSION
BY 

9 Respondent.

10 **COMPLAINT AND NOTICE OF HEARING**

11 The REAL ESTATE DIVISION OF THE DEPARTMENT OF BUSINESS AND INDUSTRY
12 OF THE STATE OF NEVADA ("Division") hereby notifies GEORGE L. ANDERSON III
13 ("ANDERSON" AND/OR "RESPONDENT"), of an administrative hearing before the STATE OF
14 NEVADA REAL ESTATE COMMISSION ("Commission"). The hearing will be held pursuant to
15 Chapters 233B and Chapter 645 of the Nevada Revised Statutes ("NRS") and Chapter 645 of the Nevada
16 Administrative Code ("NAC"). The purpose of the hearing is to consider the allegations stated below
17 and to determine if RESPONDENT should be subject to an administrative penalty as set forth in NRS
18 645.633 and/or NRS 645.630 and/or NRS 622.400, and the discipline to be imposed, if violations of law
19 are proven.

20 **JURISDICTION**

21 RESPONDENT was at all relevant times mentioned in this Complaint, licensed as a broker with
22 the Division and previously held a property management permit and is therefore subject to the jurisdiction
23 of the Division and the Commission, and the provisions of NRS chapter 645 and NAC chapter 645.

24 **FACTUAL ALLEGATIONS**

25 1. RESPONDENT is licensed by the Division as a broker with the Division under licenses
26 B.1001398.LLC and B.1001399.INDV. [Ex. A, Bates No. NRED 3].
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1 2. RESPONDENT also held property management permits from the Division, however, said
2 property management permits were revoked by the Commission's order effective August 5, 2021. [Ex B,
3 NRED Bates No. 12-15].

4 3. At all relevant times, RESPONDENT was a manager and broker for Addicted Realty LLC, a
5 Nevada limited liability company ("Addicted Realty"). [Ex. A, Bates No. NRED 3; Ex. C, Bates No.17-
6 19].

7 4. Kenneth Calder ("Calder") is also listed as a manager of Addicted Realty according to the
8 Nevada Secretary of State's records. [Ex. C, Bates No. NRED 17-19].

9 5. Calder is licensed as a broker with the Division and holds a property management permit. [Ex.
10 D, NRED Bates No. 21].

11 6. Addicted Realty is a real estate brokerage and provides property management services.

12 7. The Division began its investigation after RESPONDENT failed to submit his trust account
13 reconciliations to the Division for 2019, 2020, and 2021.

14 8. On August 1, 2019, the Division notified RESPONDENT that he had failed to submit his 2019
15 trust account reconciliations to the Division as required by NRS 645.310(5) pursuant to NAC 645.805(3),
16 and requested that RESPONDENT pay a fine in the amount of \$1,000.00 ("Fine") and remit his trust
17 account reconciliations to the Division by September 3, 2019. [See Ex. B, Bates No. NRED 12-13].

18 9. On September 3, 2019, RESPONDENT paid the Fine but failed to submit his 2019 trust
19 account reconciliations to the Division. [See Ex. B, Bates No. NRED 12-13].

20 10. The Division then filed a complaint on November 6, 2020, regarding RESPONDENT's
21 failure to submit his 2019 trust account reconciliations to the Division, set to be heard by the Commission
22 at its December 2020 meeting.

23 11. Despite the Commission's continuing RESPONDENT's hearing multiple times and
24 RESPONDENT's retaining legal counsel, RESPONDENT failed to appear either personally, or through
25 legal counsel, such that the Commission entered its Findings of Fact, Conclusions of Law, and Order by
26 default ("Default Order") against RESPONDENT on July 6, 2021. [See Ex. B, Bates No. 12-15].
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1 12. The Default Order fined RESPONDENT \$10,000.00, ordered RESPONDENT to pay the
2 Division's costs in the amount of \$738.72, and ordered that all property management permits held by
3 RESPONDENT be revoked. [Ex. B, Bates No. NRED 14].

4 13. On June 14, 2021, the Division properly notified RESPONDENT that it had opened an
5 investigation against him for failure to submit his trust account reconciliations to the Division and
6 requested that RESPONDENT provide copies of documents from April 2020 to June of 2020 including
7 the following: (1) residential management agreements, (2) owners statements, (3) residential lease
8 agreements, (4) tenant ledgers, and (5) his sworn response ("Requested Documents"). [Ex. A, Bates No.
9 NRED 6-7].

10 14. After not receiving any response from RESPONDENT, on or around June 29, 2021, the
11 Division sent a subsequent letter to RESPONDENT, again asking for the Requested Documents. [Ex.
12 A, Bates No. NRED 8-9].

13 15. RESPONDENT failed to respond to the Division.

14 16. As part of its investigation, the Division subpoenaed RESPONDENT's and/or Addicted
15 Realty's bank account records from Bank of America. [Ex. E, Bates No. NRED 31-33].

16 17. Bank of America produced certain bank records responsive to the Division's subpoena
17 [See, e.g., Ex. E].

18 18. Bank records were produced for an account ending in 8424, which is one of Addicted
19 Realty's brokerage accounts. [See, e.g., Ex. E].

20 19. Bank records were produced for an account ending in 8780, which is also one of Addicted
21 Realty's brokerage accounts. [See, e.g., Ex. E].

22 20. Bank records were produced for an account ending in 9663, which is Addicted Realty's
23 short-term rental trust account ("Short-term Rental Trust Account"). [See, e.g., Ex. E].

24 21. Bank records were produced for an account ending in 8437, which is Addicted Realty's
25 property management operating rental trust account ("Operating Rental Trust Account"). [See, e.g., Ex.
26 E].

27 22. Bank records were produced for an account ending in 8440, which is Addicted Realty's
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1 property management security deposit trust account (“Security Deposit Trust Account”). [See, e.g., Ex.
2 E].

3 23. Both RESPONDENT and Calder are the only signatories on the accounts set forth in
4 Paragraphs 18-22. [See, e.g., Ex E].

5 24. Addicted Realty’s bank account records showed that in April, May, and June of 2020,
6 approximately \$18,095.00 was transferred from Addicted Realty’s brokerage account ending in 8780
7 into the Short-term Rental Trust Account. [See, e.g., Ex. E].

8 25. By transferring money and/or permitting the transfer from Addicted Realty’s brokerage
9 account into the Short-term Rental Trust Account, RESPONDENT improperly co-mingled money.

10 26. In June of 2020, approximately \$5,667.67 was transferred from Addicted Realty’s Operating
11 Rental Trust Account into the Short-term Rental Trust Account. [See, e.g., Ex. E].

12 27. By transferring money/and or permitting the transfer from Addicted Realty’s Operating Rental
13 Trust Account into Addicted Realty’s Short-term Rental Trust Account, RESPONDENT improperly co-
14 mingled money.

15 28. In June of 2020, approximately \$3,000.00 was transferred from Addicted Realty’s Short-term
16 Rental Trust Account into its business brokerage account ending in 8780. [See, e.g., Ex. E].

17 29. By transferring this money and/or permitting the transfer, RESPONDENT improperly co-
18 mingled money between Addicted Realty’s Short-Term Rental Trust Account and its business brokerage
19 account.

20 30. In June of 2020, approximately \$5,000.00 was transferred from Addicted Realty’s business
21 brokerage account ending in 8780 into the Operating Rental Trust Account. [See, e.g., Ex. E].

22 31. By transferring these funds and/or permitting the transfer, RESPONDENT improperly co-
23 mingled money between Addicted Realty’s business brokerage account and its Operating Rental Trust
24 Account.

25 32. In April, May and June of 2020, approximately \$64,000.00 was transferred from Addicted
26 Realty’s business brokerage account ending in 8780 to its Operational Rental Trust Account. [See, e.g.,
27 Ex. E].

28 33. By transferring this money and/or permitting the transfer, RESPONDENT improperly co-

1 mingled money between Addicted Realty's business brokerage account and its Operational Rental Trust
2 Account.

3 34. In April and May of 2020, approximately \$55,000.00 was transferred from its Operating Rental
4 Trust Account to its business brokerage account ending in 8780. [See, e.g., Ex. E].

5 35. By transferring said money and/or permitting its transfer, RESPONDENT improperly co-
6 mingled money between Addicted Realty's Operating Rental Trust Account and its business brokerage
7 account.

8 36. On June 12, 2020, approximately \$2,200.00 in cash was withdrawn from Addicted
9 Realty's Operating Rental Trust Account. [See, e.g., Ex. E].

10 37. By making a cash withdrawal and/or permitting it, RESPONDENT co-mingled Addicted
11 Realty's Operating Rental Trust Account with personal funds.

12 38. In April of 2020, approximately \$3,000.00 was transferred from Addicted Realty's Security
13 Deposit Trust Account to its business brokerage account ending in 8780. [See, e.g., Ex. E].

14 39. By transferring this money and/or permitting the transfer, RESPONDENT improperly co-
15 mingled money between Addicted Realty's Security Deposit Trust Account and its business brokerage
16 account.

17 40. On or around July 14, 2021, the Division properly notified RESPONDENT that it was bringing
18 a complaint against him for disciplinary action to be heard by the Commission. [Ex. A, Bates No. NRED
19 4-5].

20 VIOLATIONS OF LAW

21 1. RESPONDENT violated NRS 645.310(3) by comingling and/or permitting the co-mingling of
22 money of a client on multiple occasions by improperly transferring and/or permitting the transfer of
23 money from the accounts as set forth in Paragraphs 24 to 39 of this Complaint.

24 2. RESPONDENT violated NRS 645.630(1)(h) by comingling and/or permitting the co-mingling
25 of money with his own, or converting the money of others to his own, on multiple occasions by
26 improperly transferring and/or permitting the transfer of money from the accounts as set forth in
27 Paragraphs 24 to 39 of this Complaint.

28 3. RESPONDENT violated NRS 645.630(1)(f) by failing, within a reasonable time, to account

1 for or to remit any money which comes into his possession which belongs to others.

2 4. RESPONDENT violated NRS 645.630(1)(e) by failing to maintain for review and audit by the
3 Division, each brokerage agreement and property management agreement.

4 5. RESPONDENT violated NRS 645.630(1)(g) by failing to balance the trust account at least
5 monthly and by failing to submit to the Division an annual accounting of the trust accounts.

6 6. RESPONDENT violated NRS 645.633(1)(h) pursuant to NAC 645.605(6) by breaching his
7 obligation of absolute fidelity to his principal's interest.

8 7. RESPONDENT violated NAC 645.655(2) by failing to produce documents which a broker is
9 required to keep complete real estate transaction and property management records for.

10 8. RESPONDENT violated NAC 645.806(1) by failing to turn his annual trust account
11 reconciliations into the Division on multiple occasions.

12 **DISCIPLINE AUTHORIZED**

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

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

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

21 **NOTICE OF HEARING**

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

25 **THE HEARING WILL TAKE PLACE on September 27, 2022, commencing at 9:00 a.m.,**
26 **or as soon thereafter as the Commission is able to hear the matter, and each day thereafter**
27 **commencing at 9:00 a.m. through September 29, 2022, or earlier if the business of the Commission**
28 **is concluded. The Commission meeting will be held on September 27, 2022, at the Nevada State**

1 **Business Center, 3300 West Sahara Avenue, 4th Floor – Nevada Room, Las Vegas, Nevada 89102.**
2 **The meeting will continue on September 28, 2022, at the Nevada State Business Center, 3300 West**
3 **Sahara Avenue, 4th Floor – Nevada Room, Las Vegas, Nevada 89102, commencing at 9:00 a.m.,**
4 **and on September 29, 2022, should business not be concluded, starting at 9:00 a.m. at the Nevada**
5 **State Business Center, 3300 West Sahara Avenue, 4th Floor – Nevada Room, Las Vegas, Nevada**
6 **89102.**

7 **STACKED CALENDAR: Your hearing is one of several hearings scheduled at the same**
8 **time as part of a regular meeting of the Commission that is expected to last from September 27,**
9 **2022 through September 29, 2022, or earlier if the business of the Commission is concluded. Thus,**
10 **your hearing may be continued until later in the day or from day to day. It is your responsibility**
11 **to be present when your case is called. If you are not present when your hearing is called, a default**
12 **may be entered against you and the Commission may decide the case as if all allegations in the**
13 **complaint were true. If you have any questions please call Shareece Bates, Administration Section**
14 **Manager at (702) 486-4036.**

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

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


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

3 The purpose of the hearing is to determine if the Respondent has violated NRS 645 and/or NAC
4 645 and if the allegations contained herein are substantially proven by the evidence presented and
5 to further determine what administrative penalty is to be assessed against the RESPONDENT, if any,
6 pursuant to NRS 645.235, 645.633 and or 645.630.

7 DATED this 15th day of August, 2022.

8 State of Nevada
9 Department of Business and Industry
10 Real Estate Division

11 By: 
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15 AARON D. FORD
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