

FILED

FEB 25 2022

REAL ESTATE COMMISSION
BY *Emily Patten*

BEFORE THE REAL ESTATE COMMISSION

STATE OF NEVADA

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

Petitioner,

vs.

STEPHEN CONNOLLY,
(B. 1000794.INDV)

Respondent.

Case No. 2021-759

**COMPLAINT AND NOTICE OF
HEARING**

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 Alexander Quagge, Deputy Attorney General, hereby notifies RESPONDENT STEPHEN CONNOLLY ("RESPONDENT") of the instant Complaint and Notice of Hearing. An administrative hearing will be held before the STATE OF NEVADA REAL ESTATE COMMISSION ("Commission") to allow the Respondent to present his case. The hearing will be held pursuant to Chapters 233B and 645 of the Nevada Revised Statutes ("NRS") as well as 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 645.633 and/or NAC 622.400, if violations of law are proven.

JURISDICTION

RESPONDENT engaged in activities which require a license as a real estate broker, real estate broker-salesperson, or real estate salesperson, and/or a permit to engage in property management, issued by the Division and is therefore subject to the jurisdiction of the Division and the Commission, and provisions of NRS and NAC 645.

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1 **FACTUAL ALLEGATIONS**

2 1. At all times relevant, RESPONDENT held a Nevada Broker License, B.
3 1000794.INDV, issued by the Division on March 29, 2011.

4 2. On or about July 14, 2021, the Division received a complaint/statement of fact
5 from Reza Bayati (Complainant).

6 3. The complaint alleged that RESPONDENT wrongfully purchased property,
7 located at 3300 Graham Road, Silver Springs, NV 89429 ("subject property"), for
8 RESPONDENT's personal gain while functioning as Complainant's agent and broker for
9 the subject property.

10 4. On or about May 21, 2021, Complainant and RESPONDENT entered into a
11 broker-client relationship regarding properties located in Hawthorne, Nevada.

12 5. Between May 21, 2021, and May 30, 2021, Complainant and RESPONDENT
13 communicated about multiple properties located throughout rural towns in northern
14 Nevada.

15 6. Between May 21, 2021, and May 30, 2021, RESPONDENT contacted different
16 agents and property owners on Complainant's behalf.

17 7. On May 30, 2021, Complainant and RESPONDENT met in Hawthorne,
18 Nevada, to view different properties in the area.

19 8. On May 31, 2021, Complainant asked RESPONDENT to submit an offer on a
20 property.

21 9. On June 1, 2021, RESPONDENT and Complainant texted several times
22 discussing one or more properties the Complainant was interested in purchasing.

23 10. On June 2, 2021, RESPONDENT and Complainant texted several times
24 discussing one or more properties the Complainant was interested in purchasing.

25 11. On June 3, 2021, RESPONDENT and Complainant texted several times
26 discussing one or more properties the Complainant was interested in purchasing.

27 12. On June 4, 2021, RESPONDENT and Complainant texted several times
28 discussing one or more properties the Complainant was interested in purchasing.

1 13. On June 5, 2021, RESPONDENT and Complainant texted several times
2 discussing one or more properties the Complainant was interested in purchasing.

3 14. On June 6, 2021, Complainant texted RESPONDENT and asked when he
4 could view property located at 440 G Street.

5 15. On June 7, 2021, RESPONDENT and Complainant discussed where
6 Complainant could obtain financing for a real estate purchase.

7 16. On June 8, 2021, Complainant signed a Duties Owed by a Nevada Real Estate
8 Licensee that identified RESPONDENT as the licensee representing Complainant.

9 17. On June 8, 2021, RESPONDENT and Complainant texted several times
10 discussing multiple properties and submitting an offer on one of the properties.

11 18. On June 8, 2021, RESPONDENT submitted a Residential Offer and
12 Acceptance Agreement to purchase the subject property on behalf of Complainant.

13 19. The June 8, 2021, Residential Offer and Acceptance Agreement listed
14 RESPONDENT as Complainant's representation.

15 20. The Lyon County Public Administrator rejected the June 8, 2021, offer.

16 21. On June 10, 2021, RESPONDENT and Complainant texted several times
17 discussing one or more properties.

18 22. On June 12, 2021, RESPONDENT and Complainant discussed meeting to
19 view one or more properties.

20 23. On June 24, 2021, the listing agent for the subject property emailed
21 RESPONDENT to inform him the court would accept bids to purchase the subject property
22 on July 12, 2021.

23 24. On June 24, 2021, RESPONDENT emailed Complainant regarding the court
24 date to bid on the subject property.

25 25. On June 25, 2021, Complainant emailed RESPONDENT and asked him to
26 notify the listing agent that they would be attending the court hearing to bid on the subject
27 property.

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1 26. On June 28, 2021, Complainant texted RESPONDENT to add walkthrough
2 provisions to a purchase agreement.

3 27. On June 29, 2021, Complainant and RESPONDENT discussed purchasing the
4 subject property.

5 28. On June 29, 2021, RESPONDENT advised Complainant how much cash was
6 needed to purchase the property, and Complainant noted he would attend the court hearing
7 regarding the subject property on July 12, 2021.

8 29. On July 11, 2021, Complainant texted RESPONDENT that he planned to look
9 at the properties before going to the court.

10 30. For nearly two months prior to July 12, 2021, RESPONDENT represented
11 Complainant as his real estate broker, and RESPONDENT had contacted numerous real
12 estate agents and property owners on behalf of Complainant.

13 31. Before, during, and after the court hearing on July 12, 2021, Complainant
14 understood RESPONDENT to be his broker regarding the subject property.

15 32. On July 12, 2021, RESPONDENT appeared at the hearing and represented
16 Complainant to bid for the subject property.

17 33. On July 12, 2021, Complainant appeared with RESPONDENT at the hearing.

18 34. On July 12, 2021, at the conclusion of the auction, the judge announced
19 RESPONDENT as the winning bidder for the subject property.

20 35. On July 12, 2021, at the conclusion of the hearing, RESPONDENT and
21 Complainant met with the listing agent, Laurie Mookini (S.0177525), and provided the
22 listing agent with Complainant's proof of funds to purchase the subject property.

23 36. On July 12, 2021, at the conclusion of the hearing, RESPONDENT stated to
24 the listing agent that he wanted to "give his winning bid" to Complainant.

25 37. On July 12, 2021, Complainant texted RESPONDENT and asked if he would
26 write the offer to purchase the subject property or if the listing agent would prepare the
27 contract.

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1 38. On July 12, 2021, RESPONDENT emailed the listing agent and notified her
2 that he was the high bidder for the subject property.

3 39. The listing agent responded to the July 12, 2021, email and needed
4 clarification that RESPONDENT was the buyer rather than Complainant.

5 40. On July 12, 2021, RESPONDENT verified with the listing agent that
6 RESPONDENT was the buyer.

7 41. On July 13, 2021, Complainant texted RESPONDENT and asked him to write
8 the offer for the subject property so they “can start escrow.”

9 42. After realizing that RESPONDENT was purchasing the subject property for
10 himself, Complainant texted RESPONDENT and told him he believed RESPONDENT was
11 breaking his client’s relationship for personal gain. RESPONDENT responded and stated
12 that they did not have a buyer/broker agreement.

13 43. On July 26, 2021, the Division sent RESPONDENT a letter notifying him of
14 the complaint and open investigation.

15 44. In the July 26, 2021, letter, the Division requested a complete copy of the
16 broker’s transaction file for the subject property, including copies of all emails, text
17 messages, or other written communication.

18 45. In response to the Division’s investigation, RESPONDENT submitted an
19 affidavit to the Division that was sworn on July 28, 2021.

20 46. In RESPONDENT’s July 28, 2021, affidavit, RESPONDENT swore that he
21 “had not been communicating with Reza Bayati for at least three to four weeks other than
22 informing him of the probate court date.”

23 47. In RESPONDENT’s July 28, 2021, affidavit, RESPONDENT swore that he
24 went to the July 12, 2021, court hearing “alone to attend a probate sale.”

25 48. During the course of the investigation, in October 2021, the Division contacted
26 the listing agent for the subject property, Laurie Mookini. Ms. Mookini provided the
27 Division with additional correspondence from RESPONDENT regarding the subject
28 property that RESPONDENT did not previously disclose to the Division.

1 **VIOLATIONS ALLEGED**

2 49. RESPONDENT violated NRS 645.633(1)(i), as defined by NAC 645.605(11)(c),
3 by supplying false information to an investigator of the Division, namely, that
4 RESPONDENT “had not been communicating with Reza Bayati for at least three to four
5 weeks other than informing him of the probate court date.”

6 50. RESPONDENT violated NRS 645.633(1)(i), as defined by NAC 645.605(11)(c),
7 by supplying false information to an investigator of the Division, namely, that
8 RESPONDENT went to the July 12, 2021, court hearing “alone to attend a probate sale.”

9 51. RESPONDENT violated NRS 645.633(1)(i), as defined by NAC 645.605(11)(a),
10 by failing to provide the Division with all documents and communication related to the sale
11 of the subject property.

12 52. RESPONDENT violated NRS 645.3205 and NRS 645.633(1)(i) for his
13 dishonest dealings with the listing agent of the subject property on July 12, 2021.

14 53. RESPONDENT violated NRS 645.633(1)(h) and/or NRS 645.633(1)(i), as
15 defined by NAC 645.605(4), by failing to disclose to Complainant, in writing, his interest or
16 contemplated interest in the subject property.

17 54. RESPONDENT violated NRS 645.633(1)(h), as defined by NAC 645.605(6), by
18 purchasing the subject property for his personal benefit; thereby not representing the
19 Complainant with absolute fidelity.

20 55. RESPONDENT violated NRS 645.633(1)(i) by leading Complainant to believe
21 that RESPONDENT was his broker during the court hearing held on July 12, 2021,
22 regarding the subject property; thereby, deceitfully, fraudulently, or dishonestly dealing
23 with Complainant.

24 **DISCIPLINE AUTHORIZED**

25 56. Pursuant to NRS 645.630 and NRS 645.633, the Commission is empowered to
26 impose an administrative fine of up to \$10,000 per violation against RESPONDENT and
27 further to suspend, revoke or place conditions on the license of RESPONDENT. The
28 Commission may impose any combination of those actions.

1 **WEDNESDAY, MARCH 30, 2022 MEETING NUMBER ACCESS CODE: 2487 420**
2 **4399**

3 **MEETING PASSWORD: Kmmix976v52 (56649976852 from phones and video**
4 **systems)**

5 **THURSDAY, MARCH 31, 2022 MEETING NUMBER ACCESS CODE: 2486 415**
6 **0596**

7 **MEETING PASSWORD: MjPpJCFs723 (65775237723 from phones and video**
8 **systems)**

9 **STACKED CALENDAR: Your hearing is one of several hearings scheduled**
10 **at the same time as part of a regular meeting of the Commission that is expected**
11 **to last from March 29, 2022, through March 31, 2022, or earlier if the business of**
12 **the Commission is concluded. Thus, your hearing may be continued until later**
13 **in the day or from day to day. It is your responsibility to be present when your**
14 **case is called. If you are not present when your hearing is called, a default may**
15 **be entered against you and the Commission may decide the case as if all**
16 **allegations in the complaint were true. If you have any questions please call**
17 **Evelyn Pattee, Commission Coordinator (702) 486-4074.**

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

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

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


6 The purpose of the hearing is to determine if the RESPONDENT has violated NRS
7 645 and/or NAC 645 and if the allegations contained herein are substantially proven by
8 the evidence presented and to further determine what administrative penalty, if any, is to
9 be assessed against the RESPONDENT.

10 DATED this 24 day of February, 2022.

DATED this 24th day of February, 2022.

11 STATE OF NEVADA,
12 Department of Business & Industry
Real Estate Division

AARON D. FORD
Attorney General

13 By: 
14 SHARATH CHANDRA
15 Administrator
16 3300 W. Sahara Avenue, Ste. 350
Las Vegas, Nevada 89102

By: /s/ Alexander E. Quagge
ALEXANDER E. QUAGGE
Deputy Attorney General
Bar No. 13938
100 North Carson Street
Carson City, Nevada 89701
Tel: (775) 684-1223

Attorneys for the Real Estate Division