

1 BEFORE THE REAL ESTATE COMMISSION

2 STATE OF NEVADA

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

Case No. 2020-86

Petitioner,

FILED

7 vs.

AUG 16 2022

8 SHERRY LYNN MATZDORFF,

REAL ESTATE COMMISSION

9 Respondent.

BY 

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 RESPONDENT SHERRY LYNN
13 MATZDORFF ("RESPONDENT") of an administrative hearing before the STATE OF NEVADA
14 REAL ESTATE COMMISSION ("Commission"). The hearing will be held pursuant to Chapters 233B
15 and Chapter 645 of the Nevada Revised Statutes ("NRS") and Chapter 645 of the Nevada Administrative
16 Code ("NAC"). The purpose of the hearing is to consider the allegations stated below and to determine
17 if the RESPONDENT should be subject to an administrative penalty as set forth in NRS 645.633 and/or
18 NRS 645.630 and/or NRS 622.400, and the discipline to be imposed, if violations of law are proven.

19 **JURISDICTION**

20 RESPONDENT was at all relevant times mentioned in this Complaint licensed as a Salesperson
21 under license number S.0176939, and is therefore subject to the jurisdiction of the Division and the
22 Commission, and the provisions of NRS chapter 645 and NAC chapter 645.

23 **FACTUAL ALLEGATIONS**

- 24 1. At all times relevant, RESPONDENT SHERRY LYNN MATZDORFF held a Nevada
25 Salesperson license, S.0176939, first issued by the Division on May 19, 2015.
- 26 2. RESPONDENT also held a Salesperson license in Arizona.
- 27 3. At all relevant times, the broker of record for RESPONDENT was Jeff Sommers of
28 Wardley Real Estate, duly licensed by the Division as a real estate broker (B.0052648.LLC).

1 4. On or about July 2017, a grand jury indictment charged RESPONDENT with three counts
2 of forgery, three counts of theft and one count of fraudulent schemes in Mohave County Superior Court
3 in Arizona. *See* NRED 0034.

4 5. The indictment was in connection with RESPONDENT's construction business based in
5 Lake Havasu City, Arizona. *See* NRED 0026.

6 6. On or about September 16, 2019, a Change of Plea Hearing was held at which the court
7 was presented with a Felony Plea Agreement (*North Carolina v. Alford*). *See* NRED 0042-43.

8 7. Under the plea agreement RESPONDENT plead guilty to three counts of felony theft and
9 agreed to pay restitution to all three victims on all counts, including the dismissed counts and specifically
10 waived the right to a trial. *See* NRED 0001-04, and 0026.

11 8. The court found RESPONDENT knowingly, intelligently, and voluntarily pled guilty and
12 set the matter for Judgment and Sentencing on November 14, 2019. *See* NRED 0043.

13 9. On or about November 14, 2019, at the Judgment and Sentencing Hearing, the court
14 entered judgment against RESPONDENT as guilty of three counts of theft and sentenced
15 RESPONDENT to three years' probation. *See* NRED 0009-11.

16 10. Shortly after the hearing on November 14, 2019, RESPONDENT informed her broker in
17 Las Vegas, Jeff L. Sommers, about what had transpired in Arizona and he expressed his concern to her
18 regarding the criminal conviction on her license in Nevada. *See* NRED 0036-38.

19 11. Despite RESPONDENT's awareness of her own broker's concerns about the effect on
20 RESPONDENT's salesperson license, RESPONDENT failed to inform the Division of the conviction.

21 12. On or about January 20, 2020, the Division received an anonymous "tip" regarding
22 RESPONDENT's criminal conviction. *See* NRED 0039-43.

23 13. The "tip" consisted of an envelope mailed to the Division, containing a copy of minutes
24 from the Change of Plea Hearing filed with the Superior Court of Mohave County, Arizona where
25 RESPONDENT plead "Guilty" to three counts of Class Six Felony Theft. *See* NRED 0039-43.

26 14. The Division opened an investigation into RESPONDENT.

27 15. On or about February 6, 2020, the Division sent correspondence to RESPONDENT,
28 notifying her of the investigation and requesting that she provide an explanation of the charges and a

1 signed copy of the plea agreement no later than February 20, 2020. *See* NRED 0044.

2 16. In February 2020, RESPONDENT returned an affidavit saying she was being harassed by
3 a prior business partner, was forced to take the plea deal, had incompetent counsel, and did not understand
4 the ramifications of the plea. She offered to provide evidence to show “it was the corporation that went
5 bankrupt and not just me taking someone’s money.” *See* NRED 0047-50.

6 17. RESPONDENT informed the Division that the upcoming hearing would somehow
7 exonerate her of the charges or that the charges could be reduced to misdemeanors. *See* NRED 0050.

8 18. The Division’s investigator requested the outcome of the hearing referred to by
9 RESPONDENT. *See* NRED 0103.

10 19. RESPONDENT misinformed the Division’s investigator on October 26, 2020 that the
11 hearing was postponed due to Covid. *See* NRED 0102.

12 20. In fact, the court held a restitution hearing in July 2020, and on or about August 28, 2020,
13 the court entered an order against RESPONDENT to pay \$281,044.84 in restitution to the victims. *See*
14 NRED 0032, 0026.

15 21. In September 2020, RESPONDENT sought post-conviction relief regarding the award of
16 restitution to the victims claiming payments she received as commissions and overhead should not have
17 been part of the restitution order. *See* NRED 0032, 0026.

18 22. On May 10, 2021, RESPONDENT again misinformed the Division’s investigator that the
19 *trial* was still not scheduled. *See* NRED 0091-93.

20 23. On June 13, 2021, after repeated requests from the investigator, RESPONDENT
21 forwarded the investigator an acceptance of appeal to the Appellate Court which does not explain the
22 purpose for the appeal. *See* NRED 0082-90.

23 24. On August 25, 2021, RESPONDENT represented to the investigator that a decision from
24 the court was about 3 to 4 weeks away and “that then we can proceed with ending everything.” *See* NRED
25 0080-81.

26 25. On September 30, 2021, RESPONDENT represented to the investigator that she was
27 waiting to hear back from her attorney regarding the status and would meet with him in October. *See*
28 NRED 0079.

1 **DISCIPLINE AUTHORIZED**

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

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

9 Therefore, the Division requests that the Commission take such disciplinary action as it deems
10 appropriate under the circumstances.

11 **NOTICE OF HEARING**

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

15 **THE HEARING WILL TAKE PLACE on September 27, 2022 commencing at 9:00 a.m.,**
16 **or as soon thereafter as the Commission is able to hear the matter, and each day thereafter**
17 **commencing at 9:00 a.m. through September 29, 2022 or earlier if the business of the Commission**
18 **is concluded. The Commission meeting will be held at the Nevada State Business Center, 3300**
19 **West Sahara Avenue, 4th Floor – Nevada Room, Las Vegas, Nevada 89102.**

20 **STACKED CALENDAR: Your hearing is one of several hearings scheduled at the same**
21 **time as part of a regular meeting of the Commission that is expected to last from September 27,**
22 **2022 through September 29, 2022, or earlier if the business of the Commission is concluded. Thus,**
23 **your hearing may be continued until later in the day or from day to day. It is your responsibility**
24 **to be present when your case is called. If you are not present when your hearing is called, a default**
25 **may be entered against you and the Commission may decide the case as if all allegations in the**
26 **complaint were true. If you have any questions please call Shareece Bates, Administration Section**
27 **Manager at (702) 486-4036.**

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

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

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

16 The purpose of the hearing is to determine if the Respondent has violated NRS 645 and/or NAC
17 645 and if the allegations contained herein are substantially proven by the evidence presented and to
18 further determine what administrative penalty is to be assessed against the RESPONDENT, if any,
19 pursuant to NRS 645.235, 645.633 and or 645.630.

20 DATED: August 9, 2022.

21 STATE OF NEVADA
22 DEPARTMENT OF BUSINESS AND INDUSTRY
23 REAL ESTATE DIVISION

24 By: 
25 SHARATH CHANDRA, Administrator
26 3300 West Sahara Avenue, Suite 350
27 Las Vegas, Nevada 89102

28 AARON D. FORD
Attorney General

By: /s/ Michelle Briggs
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