

BEFORE THE REAL ESTATE COMMISSION
STATE OF NEVADA

FILED

FEB 24 2022

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

Case No. 2020-359

REAL ESTATE COMMISSION

BY *Emily Patten*

Petitioner,

vs.

ALLAN N. ROTHSTEIN,

Respondent.

COMPLAINT AND NOTICE OF HEARING

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

JURISDICTION

1. At all relevant times, RESPONDENT was licensed by the Division as a real estate broker (B.1001142.INDV) and a property manager (PM. 0164222.BKR) from the Division and is therefore subject to the jurisdiction of the Division and the Commission, and the provisions of NRS chapter 645 and NAC chapter 645.

FACTUAL ALLEGATIONS

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

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

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

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

2 6. The RESPONDENT's salesperson license is currently in "closed" status.

3 7. Prior to March 25, 2013, the RESPONDENT's brokers were RX Realty, Pulse Realty
4 Group, LLC and Encore Realty Group.

5 8. On or about July 30, 2010, Kyle Puntney executed a residential property management
6 agreement with the RESPONDENT's prior brokerage RX Realty for 11893 Wedgebrook, Las Vegas
7 Nevada 89183 ("the property").

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

10 10. On or about April 23, 2020, complainant Kyle Puntney ("Mr. Puntney"), filed a complaint
11 with the Division against RESPONDENT in which he alleged that the RESPONDENT sexually harassed
12 one of complainant's tenants Ms. Candy Torres, failed to communicate repairs and was deceitful and
13 dishonest in collection of fees.

14 11. At the time of the allegations in this Complaint, the RESPONDENT was operating under
15 his broker's license and listed the address for his brokerage with the Division at 755 W. Sunset Road, in
16 Henderson Nevada 89011.

17 12. However, an investigation by the Division on April 30, 2020, showed that an "Any and
18 All Auto Parts" shop was located at that address, and not the RESPONDENT's brokerage.

19 13. Mr. Puntney was transferred out of state for work and tasked the RESPONDENT with
20 finding a tenant for the property.

21 14. After becoming a broker, the RESPONDENT did not execute:

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

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

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

25 15. On or about September 21, 2018, the MLS for the property showed that the rental amount
26 was \$1,550.00.

27 16. In September of 2018, the RESPONDENT found a new tenant Candy Torres ("the
28 tenant") for the property.

1 17. The RESPONDENT allowed the tenant to move into the property, prior to her executing
2 a residential lease agreement.

3 18. The RESPONDENT was using a Section 8 voucher to rent the property.

4 19. The RESPONDENT did not communicate the needed repairs for the property to the
5 complainant.

6 20. The RESPONDENT did not maintain the property.

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

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

11 23. The tenant made several trips to the RESPONDENT's home to sign paperwork and get
12 documents for the property.

13 24. On more than one occasion during her trips to the RESPONDENT's property, the
14 RESPONDENT made unwanted sexual advances towards the tenant.

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

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

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

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

27 29. There was no commencement date or ending date in the lease agreement.

28 30. The monthly rental amount was in the amount of \$1,475.00 dollars.

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

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

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

7 34. The RESPONDENT admitted on two separate occasions to the Division that he had the
8 tenant sign the sex consent document.

9 35. The residential, property management and Section 8 agreements differed in terms of
10 responsibility for utilities and fees.

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

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

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

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

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

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

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

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

1 44. The tenant told the RESPONDENT that she was going to be returning to Nevada Legal
2 Services to show them what happened at his home.

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

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

8 47. Specifically, the Complaint stated that the RESPONDENT asked the tenant to give him a
9 “hand job” in exchange for a good start.

10 48. After the tenant refused the RESPONDENT’s sexual advances, he commenced eviction
11 proceedings, which he subsequently stopped.

12 49. The complainant was a party to the complaint solely because he was the owner of the
13 property when the violations occurred involving the tenant.

14 50. The RESPONDENT did not notify the complainant of the pending lawsuit in federal court.

15 51. On or about August 6, 2019, SWAT team came to the property looking for one of the
16 tenant’s friends.

17 52. On or about August 9, 2019, despite not having a lease brokerage and property
18 management agreements with Mr. Puntney for the property, the RESPONDENT represented himself as
19 the property manager for the property.

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

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

24 55. The federal litigation is still ongoing.

25 56. The complainant was aware that the tenant was late on her rent twice during the 12 months
26 of her lease.

27 57. However, the RESPONDENT did not inform the complainant that the tenant was late on
28 her rent and that he had started and stopped eviction proceedings.

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

3 59. On or about April 24, 2020, the Division sent correspondence to the RESPONDENT,
4 notifying him that a complaint has been filed against him and that the Division has opened an
5 investigation against him.

6 60. In that same correspondence, the Division requested that the RESPONDENT provide the
7 transaction file for the property.

8 61. The Division also requested that the RESPONDENT provide a response to the allegations
9 in the complaint no later than May 15, 2020.

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

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

15 64. The RESPONDENT did not respond.

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

18 **VIOLATIONS OF LAW**

19 RESPONDENT committed the following violations of law:

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

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

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

1 **NOTICE OF HEARING**

2 **PLEASE TAKE NOTICE**, that a disciplinary hearing has been set to consider the
3 Administrative Complaint against the above-named Respondent in accordance with Chapters 233B and
4 645 of the Nevada Revised Statutes and Chapter 645 of the Nevada Administrative Code.

5 **THE HEARING WILL TAKE PLACE** on March 29, 2022, commencing at 9:00 a.m., or as
6 soon thereafter as the Commission is able to hear the matter, and each day thereafter commencing
7 at 9:00 a.m. through March 31, 2022, or earlier if the business of the Commission is concluded.
8 The Commission meeting will be held on March 29, 2022, at the Nevada State Business Center,
9 3300 West Sahara Avenue, 4th Floor – Tahoe Room, Las Vegas, Nevada 89102. The meeting will
10 continue on March 30, 2022, at the Nevada State Business Center, 3300 West Sahara Avenue, 4th
11 Floor – Tahoe Room, Las Vegas, Nevada 89102, commencing at 9:00 a.m., and on March 31, 2022,
12 should business not be concluded, starting at 9:00 a.m. at the Nevada State Business Center, 3300
13 West Sahara Avenue, 4th Floor – Tahoe Room, Las Vegas, Nevada 89102

14 If the meeting will not be conducted in person, then you will be notified by known email or
15 mail as soon as possible that the Commission will conduct a virtual meeting using Webex.com with
16 the meeting information as follows:

17 **DIAL-IN NUMBER: (844) 621-3956 or Webex.com**

18 **TUESDAY, MARCH 29, 2022 MEETING NUMBER ACCESS CODE: 2492 043 1496**

19 **MEETING PASSWORD: 38YerzTWmU3 (38937989683 from phones and video systems)**

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

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

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

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

24 **STACKED CALENDAR:** Your hearing is one of several hearings scheduled at the same
25 time as part of a regular meeting of the Commission that is expected to last from March 29, 2022,
26 through March 31, 2022, or earlier if the business of the Commission is concluded. Thus, your
27 hearing may be continued until later in the day or from day to day. It is your responsibility to be
28 present when your case is called. If you are not present when your hearing is called, a default may
be entered against you and the Commission may decide the case as if all allegations in the complaint

1 were true. If you have any questions please call Evelyn Pattee, Commission Coordinator (702) 486-
2 4074.

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

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

13 You have the right to call and examine witnesses, introduce exhibits, and cross-examine opposing
14 witnesses on any matter relevant to the issues involved.

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

19 The purpose of the hearing is to determine if the Respondent has violated NRS 645 and/or NAC
20 645 and if the allegations contained herein are substantially proven by the evidence presented and

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1 to further determine what administrative penalty is to be assessed against the RESPONDENT, if any,
2 pursuant to NRS 645.235, 645.633 and or 645.630.

3 DATED this 23 day of February, 2022.

4 State of Nevada
5 Department of Business and Industry
6 Real Estate Division

7 By: 
8 SHARATH CHANDRA, Administrator
9 3300 West Sahara Avenue, Suite 350
10 Las Vegas, Nevada 89102

11 AARON D. FORD
12 Attorney General

13 By: /s/ Virginia T. Tomova
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