

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,

7 Petitioner,

8 vs.

9 RONALD M. POWELL,

10 Respondent.

Case No. 2020-401

FILED

AUG 17 2022

REAL ESTATE COMMISSION
BY [Signature]

11 **FIRST AMENDED COMPLAINT AND NOTICE OF HEARING**

12 The REAL ESTATE DIVISION OF THE DEPARTMENT OF BUSINESS AND INDUSTRY
13 OF THE STATE OF NEVADA (“Division”) hereby notifies RESPONDENT RONALD M. POWELL
14 (“RESPONDENT”) of an administrative hearing before the STATE OF NEVADA REAL ESTATE
15 COMMISSION (“Commission”). The hearing will be held pursuant to Chapters 233B and Chapter 645
16 of the Nevada Revised Statutes (“NRS”) and Chapter 645 of the Nevada Administrative Code (“NAC”).
17 The purpose of the hearing is to consider the allegations stated below and to determine if the
18 RESPONDENT should be subject to an administrative penalty as set forth in NRS 645.235 and/or NRS
19 622.400, and the discipline to be imposed, if violations of law are proven.

20 **JURISDICTION**

21 RESPONDENT, at all relevant times mentioned in this Complaint, held himself out and acted as
22 a person licensed as a Broker/Salesperson and was previously licensed as an Appraiser under license
23 number A.0206349-CR, and is, therefore, subject to the jurisdiction of the Division and the Commission,
24 and the provisions of NRS chapter 645 and NAC chapter 645.

25 **FACTUAL ALLEGATIONS**

26 1. RESPONDENT, along with Paul M. Wynn (“WYNN”), who is a named “respondent” in
27 a related Complaint before this Commission (Case No. 2019-1122), devised a purported real property
28 assignment scheme whereby they have, in effect, acted as “marketing intermediaries” between an actual
bona fide buyer and an actual bona fide seller, pocketing a windfall in a matter of days from their roles

1 as such intermediaries and selling a substantially defective residential property in that process without
2 the requisite disclosures of its defects or of the true nature of the transaction.

3 2. Since February 3, 2017, Joy Haines (“Seller”) was the owner of the real property located
4 at 6255 Bryce Canyon Avenue, Las Vegas, Nevada 89156 (the “Property”).

5 3. Sometime thereafter, Seller marketed the Property as a “For Sale By Owner.”

6 4. On or about July 8, 2017, Seller executed as Residential Purchase Agreement for the
7 Property (the “Purported Purchase Agreement”) with RKA Investment Properties, LLC (“RKA”) for the
8 total purchase price of \$ 45,000.00 (the “Purchase Price”).

9 5. At all relevant times, RESPONDENT owned and controlled RKA as its managing
10 member.¹

11 6. On or about July 13, 2017, RKA assigned its rights under the Purported Purchase
12 Agreement to Desert Acquisitions, LLC (“Desert”) for an “assignment fee” of \$ 14,000.00 (which,
13 shortly thereafter,² was reduced to \$ 13,000.00) (the “First Assignment”).

14 7. At all relevant times, WYNN owned and controlled Desert³ as its managing member.

15 8. On or about July 14, 2017, Desert assigned its rights under the Purported Purchase
16 Agreement to Daniel Leon (“Complainant” or the “Buyer”) for an “assignment fee” of \$ 17,000.00 (the
17 “Second Assignment” or the “Actual Bona Fide Sale of the Property”).

18 9. Unlike WYNN or the RESPONDENT, the Buyer intended to complete and did complete
19 the purchase and sale of the Property, by going through the requisite escrow and recordation process,
20 wherein the Property was ultimately recorded in Buyer’s name.

21 10. Therefore, as a practical matter, it took only about six (6) days, following the execution
22 of the Purported Purchase Agreement, that the Actual Bona Fide Sale of the Property had then occurred.

23 11. However, to now complete his purchase of the Property, the Buyer had to pay \$ 75,000.00
24 as follows:

- 25 (1) the Purchase Price of \$ 45,000.00 to the Seller for the Property, pursuant to the Purported
26 Purchase Agreement;

27 ¹ Since these events, RESPONDENT has sold RKA.

28 ² On or about August 1, 2017.

³ An affiliate/franchisee of HomeVestors.

1 (2) RKA's assignment fee of \$ 13,000.00 to RKA, under the First Assignment; and

2 (3) Desert's assignment fee of \$ 17,000.00 to Desert, under the Second Assignment.

3 12. In short, in less than one week, RESPONDENT and WYNN, through RKA and Desert,
4 have "arbitrated" \$ 30,000.00 in "assignment fees" from a property that RESPONDENT and WYNN
5 did not plan to own whatsoever but had instead planned to market and sell, while the Seller still remained
6 the title owner of the Property.

7 13. Once Seller understood the true nature of the transaction, she exclaimed "I got screwed!"
8 by RESPONDENT and that she was not aware of any assignments whatsoever.

9 14. Once Buyer/Complainant understood the true nature of the transactions, he explained that
10 WYNN and his agents did not disclose or explain to Buyer that the Property was not marketed and sold
11 for \$75,000.00, but that Buyer, in substantial part, would be paying for RKA's and Desert's "assignment
12 fees" instead.

13 15. Even more importantly, RESPONDENT, as well as WYNN and his agents,⁴ failed to
14 disclose the defect with the Property, specifically, that there was no proper title to the mobile home on
15 the Property, as the Mobile Home had not been legally affixed to the Property.

16 16. Indeed, RESPONDENT and WYNN knew that the improperly affixed mobile home
17 would present a problem during the escrow process, whereby WYNN requested of the Title Company⁵
18 that (1) the Title Company process reflect the land value at \$ 45,000.000 and the mobile home value at \$
19 0.00, and (2) the transfer of that mobile home should only occur outside the Title Company's escrow
20 process.

21 17. In sharp contrast to their careful and planned statements to the Title Company, WYNN
22 and his agents specifically represented to Buyer that he was purchasing both the mobile home and the
23 land with marketable title.

24 VIOLATIONS OF LAW

25 1. RESPONDENT violated NRS 645.230(a) as he acted as a real estate Broker/Salesperson
26 without an appropriate license when he entered into the assignment scheme with Wynn to sell, and

27
28 ⁴ Pedro Gongola and Jeff Lysen assisted WYNN on the transaction.

⁵ Ticor Title Company.

1 received compensation for his role in the sale of, the substantially defective Property.

2 **DISCIPLINE AUTHORIZED**

3 Pursuant to NRS 645.235, the Commission is empowered to impose an administrative fine of up
4 to the amount of any gain or economic benefit that RESPONDENT derived or \$5,000 per violation,
5 whichever is greater.

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**
16 **9:00 a.m., or as soon thereafter as the Commission is able to hear the matter, and**
17 **each day thereafter commencing at 9:00 a.m. through September 29, 2022 or**
18 **earlier if the business of the Commission is concluded. The Commission meeting**
19 **will be held on September 27, 2022, at the Nevada State Business Center, 3300**
20 **West Sahara Avenue, 4th Floor – Nevada Room, Las Vegas, Nevada 89102. The**
21 **meeting will continue on September 28, 2022 at the Nevada State Business**
22 **Center, 3300 West Sahara Avenue, 4th Floor – Nevada Room, Las Vegas, Nevada**
23 **89102, commencing at 9:00 a.m., and on September 29, 2022, should business not**
24 **be concluded, starting at 9:00 a.m. at the Nevada State Business Center, 3300 West**
25 **Sahara Avenue, 4th Floor – Nevada Room, Las Vegas, Nevada 89102**

26 **STACKED CALENDAR: Your hearing is one of several hearings scheduled at**
27 **the same time as part of a regular meeting of the Commission that is expected to**
28 **last from September 27, 2022, through September 29, 2022, or earlier if the**

1 **business of the Commission is concluded. Thus, your hearing may be continued**
2 **until later in the day or from day to day. It is your responsibility to be present**
3 **when your case is called. If you are not present when your hearing is called, a**
4 **default may be entered against you and the Commission may decide the case as**
5 **if all allegations in the complaint were true. If you have any questions please**
6 **call Shareece Bates, Administration Section Manager (702) 486-4036.**

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

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

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

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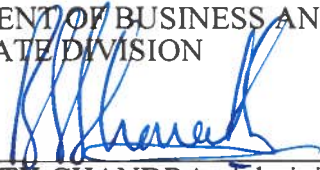
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1 The purpose of the hearing is to determine if the Respondent has violated NRS 645 and/or NAC
2 645 and if the allegations contained herein are substantially proven by the evidence presented and to
3 further determine what administrative penalty is to be assessed against the RESPONDENT, if any,
4 pursuant to NRS 645.235, 645.633 and or 645.630.

5 DATED: August 11, 2022.

6 STATE OF NEVADA
7 DEPARTMENT OF BUSINESS AND INDUSTRY
8 REAL ESTATE DIVISION

9 By: 
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13 AARON D. FORD
14 Attorney General

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