

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. 2019-1122

Petitioner,

**FILED**

7 vs.

AUG 17 2022

8 PAUL M. WYNN,

REAL ESTATE COMMISSION

9 Respondent.

BY 

10  
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 PAUL M. WYNN  
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 645.633 and/or NRS  
19 645.630 and/or NRS 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, was held a Broker/Salesperson  
22 license number BS. 0143587, and is, therefore, subject to the jurisdiction of the Division and the  
23 Commission, and the provisions of NRS chapter 645 and NAC chapter 645.

24 **FACTUAL ALLEGATIONS**

25 1. The statement of fact filed by COMPLAINANT DANIEL LEON concerns the sale  
26 (“July 2017 Sale”) to him of a mobile home lot (the “Lot”) and attached mobile home (the “Mobile  
27 Home”) (collectively, “the Property”) located at 6255 Bryce Canyon Avenue, Las Vegas, Nevada  
28 89156. [NRED000005 - NRED000007]

1           2.     Joy Haines (“Seller Haines”) was the owner of record and bona fide seller in the July  
2 2017 Sale. [NRED000011]; [NRED000035 - NRED000044]

3           3.     At all relevant times, RONALD POWELL (“POWELL”) owned and controlled RKA  
4 Investment Properties, LLC (“RKA”) as its managing member. [NRED000253-NRED000273]

5           4.     At all relevant times, RESPONDENT PAUL M. WYNN (“RESPONDENT”) owned  
6 and controlled Desert Acquisitions, LLC (“Desert Acquisitions”) as its managing member.  
7 [NRED000580 - NRED000582]

8           5.     RESPONDENT also held an active broker-salesperson real estate license under Wynn  
9 Realty Group at all times relevant to this Complaint. [NRED000003]

10          6.     The COMPLAINANT asserts that English is not his first language and that he relied on  
11 his “contact” for the July 2017 Sale, Pedro Gongora (“Gongora”) to inform him of the nature of  
12 transaction and the documents that he was signing. [NRED000007]; [NRED000425]; [NRED000431];  
13 [NRED000507]

14          7.     At all times relevant, Pedro Gongora (license number S.0179634) was employed as a  
15 real estate salesperson under RESPONDENT’s real estate agency, Wynn Realty Group.  
16 [NRED000593]

17          8.     Notwithstanding the involvement of Gongora on behalf of COMPLAINANT in the July  
18 2017 Sale, RESPONDENT asserted in his affidavit to the Division that “[t]his transaction was between  
19 savvy investors and no party involved was represented by a Real Estate licensee.” [NRED000028 -  
20 NRED000029]

21          9.     Although Gongora served as COMPLAINANT’S “contact” and facilitated  
22 COMPLAINANT’S involvement in the July 2017 Sale, escrow documentation indicates that neither  
23 Gongora nor Wynn Realty Group claimed any commission during escrow from the July 2017 Sale.  
24 [NRED000425]; [NRED000431]; [NRED000507]

25          10.    Instead, payment was made to another entity controlled by RESPONDENT, Desert  
26 Acquisitions, in the form of a fee for transferring its assignment (which was itself subject to a prior  
27 assignment) on the underlying purchase agreement for the Property to COMPLAINANT.  
28 [NRED000352 - NRED000354]; [NRED000355]

1 11. COMPLAINANT claims that he was not informed by Gongora of either intervening  
2 assignments of the underlying purchase agreement, for which he paid fees totaling \$30,000.00.

3 **[NRED000007]**

4 12. COMPLAINANT also claims that he was not informed of registration and title defects  
5 on the Mobile Home at the time of sale, and only learned about those defects when he encountered  
6 difficulties trying to resell the Lot and Mobile Home after the July 2017 sale. **[NRED000007]**

7 13. On July 12, 2017, Seller Haines entered into a Residential Purchase Agreement (“First  
8 Purchase Agreement”) with “RKA Investment Properties, LLC or Assignee” to sell the Property and  
9 Mobile Home to RKA for forty-five thousand dollars (\$45,000.00). **[NRED000035 - NRED000044];**

10 **[NRED000054 - NRED000063]**

11 14. The First Purchase Agreement states, under ‘Additional Terms,’ that “[t]he buyer is  
12 purchasing the property in AS-IS condition, and will not hold the seller liable for and [sic] repairs or  
13 condition of the property. Escrow will be handeled [sic] with Kelly Lobeck at Ticor Title... The seller  
14 understands the buyer is a discount home buyer, and may unilaterally buy, sell or Assign the property.  
15 The Manufactured home is not attached on record to the physical land, however will be included in the  
16 transaction of the property and will be deeded over to the buyer.” **[NRED000043]; [NRED000062]**

17 15. Meanwhile, Gongora presented to COMPLAINANT a July 14, 2017 Residential  
18 Property Agreement (the “Gongora Purchase Agreement”) created through his Wynn Realty Group  
19 InstanetForms account, which stated that the purchase price of the Property was seventy-five thousand  
20 dollars (\$75,000.00) and did not include the ‘Additional Terms’ that were in the First Purchase  
21 Agreement. **[NRED000569 - NRED000578]**

22 16. The Gongora Purchase Agreement, which COMPLAINANT signed, was never counter-  
23 signed by Seller Haines or any other party and therefore had no operative effect on the July 2017 sale.

24 **[NRED000569 - NRED000578]**

25 17. Instead, the First Purchase Agreement was the operative Purchase Agreement for the  
26 July 2017 sale, and was subject to two intervening assignments of right:

- 27 a. POWELL’S entity RKA entered into a July 14, 2017 agreement (“First  
28 Assignment”) to assign its rights under the First Purchase Agreement to

1                   RESPONDENT’S entity Desert Acquisitions, LLC (“Desert Acquisitions”) for  
2                   fourteen thousand dollars (\$14,000.00). [NRED000074]; and

- 3                   b.     Desert Acquisitions entered into a July 14, 2017 agreement (the “Second  
4                   Assignment”) to assign its rights under the First Assignment to COMPLAINANT  
5                   for seventeen thousand dollars (\$17,000.00). [NRED000353 - NRED000354]

6                   18.     POWELL asserts he only entered into the First Purchase Agreement with Seller Haines  
7                   and, at the time of the July 2017 sale, “did not know Daniel Leon or even that the property was again  
8                   assigned to this gentleman.” [NRED000564]

9                   19.     However, escrow instructions signed by POWELL and email communications sent to  
10                  and from POWELL in July 2017 show that he was in fact aware the second assignment and was in  
11                  communication with Pedro Gongora to ensure that COMPLAINANT completed his purchase of the  
12                  Property and Mobile Home. [NRED000425 – NRED000427]; [NRED000462 - NRED000463]

13                 20.     At all relevant times, both RESPONDENT and POWELL were franchise operators of  
14                  the HomeVestors real estate investing franchising system. [NRED000008 - NRED000009];  
15                  [NRED000556 - NRED000557]; [NRED000564]

16                 21.     On August 1, 2017, RKA and Desert Acquisitions agreed to amend their July 14, 2017  
17                  First Assignment to reduce Desert Acquisition’s assignment fee from \$14,000.00 to \$13,000.00. This  
18                  change was made in order to facilitate a \$493.75 payment to HomeVestors, which included a \$368.75  
19                  Transaction fee and a \$125.00 marketing fee. The remaining balance was paid to RKA as an “EMD”  
20                  refund. [NRED000352]; [NRED000438]; [NRED000465]; [NRED000563]

21                 22.     During the escrow process, POWELL and RESPONDENT also coordinated to facilitate  
22                  the July 2017 sale, such as by communicating that they were willing to "split" the withholding of  
23                  \$1,500.00 on their assignment fees for a lien owed by Seller Haines/prior owner Fred Toomey in order  
24                  to keep a credit on the account for that lien. [NRED000425 - NRED000428]

25                 23.     POWELL was also aware that the Mobile Home had defective title and registration,  
26                  stating that it was his understanding that RESPONDENT and Desert Acquisitions would “try to afix  
27                  [sic] the manufactured home to the land and sell it after [the original Assignment] was completed.”  
28                  [NRED000564]

1           24.     The Mobile Home was registered to an address in Pahrump, Nevada, that was the  
2 residence of the prior owner of the Mobile Home. Although the Mobile Home was relocated to the  
3 6255 Bryce Canyon Avenue address, the Mobile Home registration was never properly transferred.

4 **[NRED000586]**

5           25.     RESPONDENT stated, in his responsive Affidavit to the Division’s subpoena, that  
6 “[a]fter reading Mr. Leon’s complaint I have made several attempts to contact him and help solve his  
7 issues but have not heard back from him. Please feel free to give Mr. Leon my contact information and  
8 I would be happy to help.” **[NRED000529]**

9           26.     The defective Mobile Home registration became a known issue during the escrow  
10 process, as demonstrated by the existence of two drafts of the First Purchase Agreement and the  
11 preliminary title inspection report: a draft of each that included the Mobile Home in the transaction and  
12 an additional (final) draft that does not. **[NRED000035 - NRED000044, and, specifically,**  
13 **NRED000043]; [NRED000064 - NRED000073, and, specifically, NRED000072]; [NRED000129 -**  
14 **NRED000149, and, specifically, NRED000131]; [NRED000231 - NRED000251, and, specifically,**  
15 **NRED 000233]**

16           27.     Because there were apparent concerns that the improperly affixed mobile home would  
17 present a problem during the escrow process, the escrow company was instructed to draft an August 1,  
18 2017 “Instruction to Escrow” indicating that, for the purposes of this escrow, the value of the mobile  
19 home would be \$-0-, that “the policy of title insurance which shall be issued at the close of escrow shall  
20 be in the amount of \$45,000.00 which is the value of the real property only,” and that the transfer of the  
21 Mobile Home would occur “outside of escrow”. Buyer Haines and COMPLAINANT signed this  
22 “Instruction to Escrow.” **[NRED000568]**

23           28.     Nevertheless, it appears that the escrow company did, in fact, provide COMPLAINANT  
24 with documentation regarding sale of the Mobile Home on August 3, 2017, when it conveyed a copy of  
25 Seller Haines’ July 28, 2017 Bill of Sale for the Mobile Home along with the rest of  
26 COMPLAINANT’S closing documents. **[NRED000621 - NRED000674, and, specifically,**  
27 **NRED000624]**

28 / / /



1 or place conditions on the license of RESPONDENT. The Commission may impose any combination of  
2 those actions.

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

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

### 8 **NOTICE OF HEARING**

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

12 **THE HEARING WILL TAKE PLACE on September 27, 2022 commencing at**  
13 **9:00 a.m., or as soon thereafter as the Commission is able to hear the matter, and**  
14 **each day thereafter commencing at 9:00 a.m. through September 29, 2022 or**  
15 **earlier if the business of the Commission is concluded. The Commission meeting**  
16 **will be held on September 27, 2022, at the Nevada State Business Center, 3300**  
17 **West Sahara Avenue, 4<sup>th</sup> Floor – Nevada Room, Las Vegas, Nevada 89102. The**  
18 **meeting will continue on September 28, 2022 at the Nevada State Business**  
19 **Center, 3300 West Sahara Avenue, 4<sup>th</sup> Floor – Nevada Room, Las Vegas, Nevada**  
20 **89102, commencing at 9:00 a.m., and on September 29, 2022, should business not**  
21 **be concluded, starting at 9:00 a.m. at the Nevada State Business Center, 3300 West**  
22 **Sahara Avenue, 4<sup>th</sup> Floor – Nevada Room, Las Vegas, Nevada 89102**

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

1 **default may be entered against you and the Commission may decide the case as**  
2 **if all allegations in the complaint were true. If you have any questions please**  
3 **call Shareece Bates, Administration Section Manager (702) 486-4036.**

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

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

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

20 ///

21 ///

22 ///

23 ///

24

25

26

27

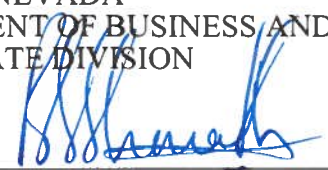
28



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 11th, 2022.

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

9 By:   
10 SHARATH CHANDRA, Administrator  
11 3300 West Sahara Avenue, Suite 350  
12 Las Vegas, Nevada 89102

13 AARON D. FORD  
14 Attorney General

15 By: /s/ Louis V. Csoka  
16 LOUIS V. CSOKA (Bar No. 7667)  
17 Senior Deputy Attorney General  
18 555 E. Washington Ave., Ste. 3900  
19 Las Vegas, Nevada 89101  
20 (702) 486-3184  
21 Attorneys for Real Estate Division  
22  
23  
24  
25  
26  
27  
28