

1 BEFORE THE REAL ESTATE COMMISSION
2 STATE OF NEVADA

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

6 Petitioner,

7 vs.

8 CYNTHIA A. HALL,
(S.0045154)

9 Respondent.

Case No. 2021-221

FILED

AUG 28 2023

REAL ESTATE COMMISSION

BY Kelley Valadez

10
11 **STIPULATION AND ORDER FOR SETTLEMENT OF DISCIPLINARY ACTION**

12 This Stipulation for Settlement of Disciplinary Action ("Stipulation") is entered into by and
13 between the State of Nevada, Department of Business and Industry, Real Estate Division ("Division"),
14 through its Administrator Sharath Chandra ("Petitioner"), by and through their attorney of record, Phil
15 W. Su, Esq., and Cynthia A. Hall, ("RESPONDENT") by and through her attorney of record, Roger P.
16 Croteau, Esq. and Christopher L. Benner, Esq.

17 RESPONDENT was at all relevant times mentioned in this Complaint licensed as a Salesperson
18 under license number S.0045154 and is therefore subject to the jurisdiction of the Division and the
19 Commission, and the provisions of NRS chapter 645 and NAC chapter 645.

20 **SUMMARY OF FACTUAL ALLEGATIONS SET FORTH IN THE COMPLAINT**

21 1. On March 10, 2021, the Division received a complaint against RESPONDENT from
22 RESPONDENT's former employee, Echo Wood ("Complainant"), alleging overcharging property
23 owners and commingling funds. **NRED 0012.**

24 2. RESPONDENT is an owner of Southwestern Management And Realty Team
25 ("SMART").

26 3. SMART maintained a Chase Bank Owners Trust Account, ending in 9887, wherein
27 SMART maintained all property owners' monies of properties managed by SMART. **NRED 0031.**
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1 4. SMART also maintained a Bank of Nevada Tenant Trust account, which appears to be
2 another account maintaining the funds of several SMART property owners. **NRED 00250-0329.**

3 5. RESPONDENT owns 3155 Casey Drive #203, Las Vegas, NV 89120 (the "Casey
4 Property"). **NRED 0093-0102.**

5 6. The Residential Property Agreement dated August 1, 2019 (the "RPA") for the Casey
6 Property between RESPONDENT and RESPONDENT's husband, as property owners, and
7 RESPONDENT as broker for SMART, was on a Great Las Vegas Association of Realtors form revised
8 in November 2019. **NRED 0060-0071.**

9 7. RESPONDENT did not provide another property management agreement for the Casey
10 Property.

11 8. RESPONDENT leased the Casey Property to the first tenant from June 3, 2019, to
12 September 30, 2019, and the second tenant from December 27, 2019, to March 31, 2021. **NRED 0080-**
13 **0082.**

14 9. On March 2, 2020, the second tenant of the Casey Property executed SMART's
15 Additional Terms and Conditions Addendum, a SMART's Rent Payments informational form, SMART's
16 Lease Renewals form, and initialed SMART's Tenants House Rules form. **NRED 0085-0091.**

17 10. On May 11, 2020, RESPONDENT received a distribution from SMART's Owner's Trust
18 Account in the amounts of \$1,075.00 and \$1,235.00. **NRED 0014.**

19 11. RESPONDENT's Statement of Account for the Casey Property provide that as of June 3,
20 2019, through March 31, 2021, SMART collected the rental monies for the Casey Property, deposited
21 those funds into SMART's Owners Trust Account, and distributed said funds to RESPONDENT. **NRED**
22 **0030-0031; 0080-0082.**

23 12. RESPONDENT's Trust Account Reconciliations for the Chase Bank Owner Trust
24 Account show RESPONDENT had personal funds in the Owners Trust Account with funds of other
25 property owners. **NRED 0182; 0212; 0243.**

26 13. RESPONDENT's Trust Account Reconciliations for the Nevada Bank Tenant Trust
27 Account show RESPONDENT had personal funds in the account with funds of other property owners.
28 **NRED 0263; 0283; 0303; 0323.**

1 14. On June 17, 2020, the City of Henderson issued a utility refund check made out to SMART
2 for \$210.08. **NRED 0019.**

3 15. On June 22, 2020, RESPONDENT emailed Complainant, regarding a NV Energy Check
4 for the property located at 2912 Ivorybill Way, North Las Vegas, NV 89084, to inform her that “this
5 check came in the mail this morning. We are depositing it to the BON Gen Acct today.” **NRED 0016-**
6 **0019.**

7 16. The NV Energy Check was made out “To The Order of Southwestern Management Team
8 LLC for \$62.80, and was a “CREDIT BALANCE REFUND.” **NRED 0017.**

9 17. On July 10, 2020, Complainant received an email from SMART Admin stating “This
10 refund check came in the mail today from NV Energy. I will be putting it in the General Account here
11 shortly.” **NRED 0018.**

12 18. On March 10, 2021, the Division sent RESPONDENT correspondence, noting that it
13 received a complaint against RESPONDENT and RESPONDENT’s husband, and requested the
14 complete transaction/broker file for the Casey Property and trust account reconciliations due by March
15 24, 2021. **NRED 0010.**

16 19. On April 16, 2021, RESPONDENT, through his attorney, emailed the Division a complete
17 transaction/broker file for the Casey Property, and explained that former employees, including
18 Complainant were responsible for the property owners’ utilities, tenant account balances, owner’s
19 account balances, and financial recordkeeping, among other responsibilities, and because of his disability,
20 i.e. a visual impairment, RESPONDENT relied on former employees and was not aware of any of the
21 financial irregularities or utility accounts. **NRED 0028-0037.**

22 20. Further, RESPONDENT argues she and her husband retained SMART, a separate legal
23 entity, to manage their property; thus RESPONDENT did not commingle any funds, as the funds in the
24 Owner’s Trust Account do not belong to SMART, rather they are RESPONDENT’s personal funds.
25 **NRED 0028-0037.**

26 **SUMMARY OF ALLEGED VIOLATIONS OF LAW**

27 21. RESPONDENT violated NRS 645.310(3) when she commingled his personal funds with
28 those funds of property owners managed by RESPONDENT’s brokerage.

1 22. RESPONDENT violated NRS 645.310(3) when she failed to deposit utility refund checks
2 to the appropriate property owners, and instead deposited the utility refund checks into the
3 RESPONDENT's brokerage general operating account.

4 23. RESPONDENT violated NRS 645.633(1)(i) pursuant to NAC 645.605(11) by engaging
5 in conduct that constitutes deceitful, fraudulent or dishonest by providing the Division with a false RPA
6 for the Casey Property with a date of August 1, 2019, when the RPA Form was revised in November of
7 2019.

8 24. RESPONDENT violated NRS 645.630(1)(e) when she failed to maintain a property
9 management agreement for the Casey Property.

10 25. RESPONDENT violated NRS 645.605(11)(c) and (11)(d) when she acted as a property
11 manager for the Casey Property, by collecting and distributing rental monies from tenants and managing
12 the property, without first obtaining a properly executed property management agreement.

13 **PROPOSED SETTLEMENT**

14 By entering into this settlement agreement, the RESPONDENT does not admit, and opposes those
15 factual and legal assertions as set forth by RESPONDENT's Answer to Complaint filed on June 13, 2023,
16 and does not admit liability in any manner before the Division or before any other entity or in any other
17 capacity, but for the sole purposes of this settlement does not contest, the above violations. Accordingly,
18 in an effort to avoid the time and expense of litigating these issues before the Commission, as well as any
19 possible further legal appeals from any such decision, and the parties desire to compromise and settle the
20 instant controversy upon the following terms and conditions:

21 1. RESPONDENT agrees to pay the Division a total amount of \$14,373.50 ("Amount
22 Due"), consisting of a \$10,000.00 administrative fine imposed by the Division, the Division's pre-hearing
23 costs and fees in the amount of \$380.00, and pre-hearing attorney's fees in the amount of \$3,993.50.

24 a. The Amount Due shall be payable to the Division in full within sixty (60) days of
25 the date of the order approving this settlement.

26 b. No grace period is permitted. If the payment is not actually received by the
27 Division on or before its due date, it shall be construed as an event of default by
28 Respondent.

1 2. RESPONDENT agrees that she will not apply for a Property Management permit with the
2 Division for a period of five (5) years from the date of the order approving this settlement.

3 3. RESPONDENT and the Division agree that by entering into this Stipulation, the Division
4 does not concede any defense or mitigation RESPONDENT may assert and that once this Stipulation is
5 approved and fully performed, the Division will close its file in this matter.

6 4. RESPONDENT and the Division agree that by entering into this Stipulation, the
7 RESPONDENT does not admit liability, or concede any defense or mitigation, as to the claims asserted
8 herein, and that no term of this settlement agreement shall serve as any factual or legal determination in
9 any other matter before the Division, or before any other state or federal entity or be presented as evidence
10 in any state or federal judicial court and/or entity.

11 5. The Division agrees not to pursue any other or greater remedies or fines in connection
12 with RESPONDENT'S alleged conduct referenced herein. The Division further agrees that unless
13 RESPONDENT fails to make timely payment, the Division will not bring any claim or cause directly or
14 indirectly based upon any of the facts, circumstances, or allegations discovered during the Division's
15 investigation and prosecution of this case.

16 6. RESPONDENT agrees and understands that by entering into this Stipulation
17 RESPONDENT is waiving her right to a hearing at which RESPONDENT may present evidence in her
18 defense, her right to a written decision on the merits of the complaint, her rights to reconsideration and/or
19 rehearing, appeal and/or judicial review, and all other rights which may be accorded by the Nevada
20 Administrative Procedure Act, the Nevada Real Estate Brokers and Salespersons statutes and
21 accompanying regulations, and the federal and state Constitutions. RESPONDENT understands that this
22 Agreement and other documentation may be subject to public records laws. The Commission members
23 who review this matter for approval of this Stipulation may be the same members who ultimately hear,
24 consider, and decide the Complaint if this Stipulation is either not approved by the Commission or is not
25 timely performed by RESPONDENT. RESPONDENT fully understands that she has the right to be
26 represented by legal counsel in this matter at her own expense.

27 7. RESPONDENT shall bear her own attorney's fees and costs.
28

1 8. Approval of Stipulation. Once executed, this Stipulation will be filed with the
2 Commission and will be placed on the agenda for approval at its next public meeting. The Division will
3 recommend to the Commission approval of the Stipulation. RESPONDENT agrees that the Commission
4 may approve, reject, or suggest amendments to this Stipulation that must be accepted or rejected by
5 RESPONDENT before any amendment may be considered effective.

6 9. Withdrawal of Stipulation. If the Commission rejects this Stipulation or suggests
7 amendments unacceptable to RESPONDENT, RESPONDENT may withdraw from this Stipulation, and
8 the Division may pursue its Complaint before the Commission.

9 10. Stipulation is Not Evidence. Neither this Stipulation nor any statements made concerning
10 this Stipulation may be discussed or introduced into evidence at any hearing on the Complaint, if the
11 Division must ultimately present its case based on the Complaint filed in this matter.

12 11. Release. In consideration of the execution of this Stipulation, RESPONDENT for herself,
13 her heirs, executors, administrators, successors, and assigns, hereby releases, remises, and forever
14 discharges the State of Nevada, the Department of Business and Industry, and the Division, and each of
15 their respective members, agents, employees, and counsel in their individual and representative
16 capacities, from any and all manner of actions, causes of action, suits, debts, judgments, executions,
17 claims, and demands whatsoever, known and unknown, in law or equity, that RESPONDENT ever had,
18 now has, may have, or claim to have against any or all of the persons or entities named in this section,
19 arising out of or by reason of the Division's investigation of this action, this disciplinary action, and all
20 matters related thereto.

21 12. Indemnification. RESPONDENT hereby agrees to indemnify and hold harmless the State
22 of Nevada, the Department of Business and Industry, Petitioner, the Division, and each of their respective
23 members, agents, employees, and counsel, in their individual and representative capacities, against any
24 and all claims, suits, and actions brought against said persons and/or entities by reason of the Division's
25 investigation, this disciplinary action, and all other matters relating thereto, and against any and all
26 expenses, damages, and costs, including court costs and attorney fees, which may be sustained by the
27 persons and/or entities named in this section as a result of said claims, suits, and actions.

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1 13. Default. In the event of default, RESPONDENT agrees that all of her active licenses and
2 permits issued by the Division shall be immediately suspended, and the unpaid balance of the
3 administrative fine and costs, together with any attorney's fees and costs that may have been assessed,
4 shall be due in full to the Division within ten calendar days of the date of default. Debt collection actions
5 for unpaid monetary assessments in this case may be instituted by the Division or its assignee.
6 RESPONDENT agrees that the foregoing suspensions shall continue until the unpaid monetary
7 assessments are paid in full.

8 14. RESPONDENT confirms that she has signed and dated this Stipulation only after reading
9 and fully understanding all terms herein.

10 DATED this 18th day of August 2023.

DATED this 18 day of August 2023.

NEVADA DEPARTMENT OF BUSINESS AND
INDUSTRY, REAL ESTATE DIVISION

11
12
13 By: Cynthia A. Hall
14 CYNTHIA A. HALL
15 Respondent

By: Sharath Chandra
SHARATH CHANDRA
Administrator

16 Approved as to form:

17 ROGER P. CROTEAU & ASSOCIATES

AARON D. FORD
Attorney General

18
19 By: R. Croteau
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Attorneys for Respondent

By: /s/ Phil W. Su
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Attorneys for Real Estate Division

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ORDER APPROVING STIPULATION

The Stipulation for Settlement of Disciplinary Action having come before the Real Estate Commission, Department of Business and Industry, State of Nevada, during its regular agenda on August 22-24, 2023, and the Commission being fully apprised in the premises, and good cause appearing,

IT IS ORDERED that the above Stipulation for Settlement of Disciplinary Action is approved in full.

Dated: this 28 day of August, 2023.

REAL ESTATE COMMISSION
STATE OF NEVADA

By: David Turner
Vice President, Nevada Real Estate Commission