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BEFORE THE REAL ESTATE COMMISSION
STATE OF NEVADA

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

Petitioner,

vs.

ALLAN N. ROTHSTEIN,

Respondent.

Case No. 2020-359

FILED

APR 21 2023

REAL ESTATE COMMISSION

BY Kelley Valadez

FINDINGS OF FACT, CONCLUSIONS OF LAW, AND ORDER

This matter came on for hearing before the Real Estate Commission, Department of Business and Industry, State of Nevada (the "Commission"), during a regular agenda on February 23, 2023, at the Nevada State Business Center, 3300 W. Sahara Avenue, Nevada Room, Suite 400, Las Vegas, Nevada 89102 (the "Hearing"). The RESPONDENT, ALLAN N. ROTHSTEIN (hereinafter, "RESPONDENT" or "ROTHSTEIN") appeared on his own behalf. Phil W. Su, Esq., Senior Deputy Attorney General with the Nevada Attorney General's Office, appeared on behalf of the Real Estate Division of the Department of Business and Industry, State of Nevada (the "Division").

A prior hearing on this matter occurred on March 29, 2022, where RESPONDENT failed to make an appearance and a default judgment was taken against him. RESPONDENT submitted a petition for rehearing on June 10, 2022 by and through his retained counsel, Andrew Wasielewski, Esq., which the Division opposed. The Commission considered the petition at its September 27, 2022 meeting and voted 4-1 in favor of granting the rehearing. The hearing was rescheduled for December 13-15, 2022, but RESPONDENT requested, and was granted, a second continuance over the objection of then-Division Counsel Michelle Briggs, Esq., because RESPONDENT requested addition time to obtain new counsel after the Nevada State Bar temporarily suspended the license of RESPONDENT'S then-counsel on October 31, 2022. On January 5, 2023, the Division filed a First Amended Complaint

1 against the RESPONDENT, to which the RESPONDENT filed an answer on his own behalf on
2 February 6, 2023.

3 At the hearing, Attorney Su, representing the Division, moved, during discussion of prehearing
4 matters, to admit the Division's disclosed documentary records into evidence. The RESPONDENT did
5 not object and the Commission admitted those records into evidence. The RESPONDENT then moved
6 to admit documents that he had compiled into evidence. Attorney Su objected, noting that
7 RESPONDENT had emailed those records to Division staff the previous evening, on February 22,
8 2023, and that he did not have an opportunity to review those records in advance of the hearing. After
9 further discussion, the Commission ruled that it would consider, on an exhibit-by-exhibit basis, and
10 subject to Attorney Su's objection, whether to admit the RESPONDENT's proposed exhibits.

11 During the Division's case-in-chief, Investigator Maria Martin was called to testify regarding
12 the investigation she undertook of RESPONDENT on behalf of the Division, and the documents that
13 were obtained from that investigation. During RESPONDENT's case-in-chief, he testified on his own
14 behalf and moved to admit various exhibits into evidence. The Commission granted his request to
15 admit RESPONDENT's exhibits 2, 3, 4, 6, 7, 8, 10, 17, and 19, admitted in part/denied in part
16 RESPONDENT's exhibit 3,¹ and denied the RESPONDENT's exhibits 14, 15, 16 and 18.
17 RESPONDENT thereafter moved to recall Investigator Martin for re-examination; the Commission
18 denied the recall request.

19 After hearing testimony and reviewing the documents presented in this matter and for good
20 cause appearing, the Commission now enters its Findings of Fact, Conclusions of Law, and Order as
21 follows:
22

23 FINDINGS OF FACT

24 The Commission, by unanimous vote, based upon the evidence presented during the Hearing,
25 finds that by a preponderance of the evidence in the record the following facts, as presented in the
26 Amended Complaint, have been proven:
27

28 ¹ Pages 1-15 of RESPONDENT's Exhibit 3 were admitted; pages 16-19 of RESPONDENT's Exhibit 3 were denied.

1 2. At all relevant times mentioned in this complaint, RESPONDENT'S real estate broker
2 license and property manager permit issued by the Division were in "active" status.

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

4 4. On or about July 30, 2010, Kyle Puntney (the "owner") executed a residential property
5 management agreement with the RESPONDENT'S brokerage at that time, RX Realty, for 11893
6 Wedgebrook, Las Vegas Nevada 89183 (the "property").

7 5. In 2012, the owner was transferred out of state for work and tasked the RESPONDENT
8 with finding a tenant for the property.

9 6. RESPONDENT left RX Realty and worked on his own after he received his real estate
10 broker license on March 25, 2013.

11 7. After becoming a broker on March 25, 2013, RESPONDENT did not execute new
12 agreements with the owner for property management services but continued providing property
13 management services to the owner for the property.

14 8. On or about April 23, 2020, the owner filed a Statement of Fact with the Division against
15 RESPONDENT in which he alleged that RESPONDENT sexually harassed his tenant, Candy Torres,
16 failed to communicate repairs and was deceitful and dishonest in collection of fees, and that such conduct
17 caused him to be sued by the tenant in federal District Court.

18 9. The allegations concerned a lease that commenced in 2018.

19 10. At that time, RESPONDENT was operating under his broker's license which listed the
20 address for his brokerage at 755 W. Sunset Road, in Henderson Nevada 89011.

21 12. RESPONDENT transacted business with clients out of his personal residence in Las
22 Vegas or a nearby Burger King.

23 13. In September of 2018, RESPONDENT found a tenant for the property, Candy Torres ("the
24 tenant"), a single mother of five children who was living in a weekly rental at the time.

25 14. To accommodate the tenant, RESPONDENT and the owner applied for and obtained
26 Section 8 status for the property.

27 15. According to the Housing Assistance Payment Contract, the rent was \$1,475, with \$1,330
28 paid by voucher from the Southern Nevada Regional Housing Authority (SNRHA) and \$145 paid by the

1 tenant, and the lease commenced on November 17, 2018.

2 16. The SNRHA documents provide as follows:

3 The owner may not accept any other monies from the client. Requiring extra ("side")
4 payments in excess of the family's share of rent as listed above is considered program
fraud.

5 17. According to the SNRHA contract, tenant was responsible to pay for air conditioning and
6 electric, and landlord was responsible for all other utilities, including water, sewer, and trash.

7 18. On or about November 23, 2018, at his residence, RESPONDENT had tenant sign a
8 Residential Lease Agreement, a Hold Harmless Agreement, Consent to Act, Lease Addendum for Illegal
9 Activity, Smoke Detector Agreement, Standard Sign Placement Agreement, Rent Receipt Agreement
10 and Direct Consent for Sexual Intercourse and or Fellatio or Cunnilingus (the "sex contract").

11 19. RESPONDENT included the sex contract with the lease documents for tenant to sign.

12 20. RESPONDENT also had the tenant sign a Duties Owed form.

13 21. The lease agreement provides for a late fee of \$85, plus \$75 per day, with no grace period
14 and that such amounts shall be considered rent.

15 22. RESPONDENT left a "For Rent" sign on the property during the lease term in exchange
16 for a one-day grace period according to the Standard Sign Placement Agreement.

17 23. RESPONDENT had tenant sign an Addendum to the lease agreement dated November
18 23, 2018 which states that the tenant agrees to pay for all utilities, including, without limitation, gas,
19 water, and sewer.

20 24. On or about December 13, 2018 and without notifying the owner, RESPONDENT sent
21 the tenant an email saying rent and signed lease for the property has not been received and he threatened
22 to serve an eviction notice.

23 25. On or about December 28, 2018, RESPONDENT sent an email to the tenant stating late
24 charges in the amount of \$1,285 were due.

25 26. On or about December 31, 2018, RESPONDENT sent an email to the tenant with water
26 bills for her to pay for the months of November and December.

27 27. On or about January 18, 2019, the tenant sent RESPONDENT an email stating "I found
28 the power bill Nov/Dec... it was for \$171.03 you made me pay 300+ \$ why ?"

1 28. The tenant also questioned RESPONDENT for billing her \$55 per month for trash service
2 when the service cost is \$44.73 every three months.

3 29. On or about February 8, 2019, RESPONDENT emailed the tenant that late fees are
4 additional rent per the lease agreement and billed her for water, sewer, and trash.

5 30. RESPONDENT pursued eviction proceedings against tenant stating over a \$1,000 in rent
6 is due for January and February.

7 31. Tenant answered an eviction proceeding in February saying RESPONDENT'S attitude
8 toward her changed when she refused to be with him sexually.

9 32. Tenant sought legal advice from Nevada Legal Services regarding the eviction.

10 33. By email dated March 2, 2019, tenant wrote to RESPONDENT that she was writing as
11 she was standing outside his home. She wrote that she "came to pay the rent for March 2019 and the
12 1,051.00 that you say I owed you. Allan you did not want to take my payment and I asked you to please
13 give me a document stating that you didn't want to take that amount – unless I payed [sic] you \$ 4485. I
14 asked you to explain to me one by one how you came to this absurd amount -and again you did not want
15 to write anything because this way, there would be no proof that I came... I tried to come to a settlement
16 and your words were *IF YOU DON'T HAVE THE 4485.00 GET THE [F***] OUT OF MY HOUSE."

17 34. The five-day notices served on or about February 12th and 13th, 2019 stated \$1,007 and
18 \$1,057 was due respectively.

19 35. RESPONDENT by email apologized for raising his voice to the tenant, but never explains
20 how the amount due came to \$4,485.

21 36. RESPONDENT never notified the owner of his efforts to evict the tenant, that he had her
22 sign a sex contract or that he was charging her for utilities prohibited by the SNRHA contract.

23 37. RESPONDENT told owner rental payments were delayed at times due to clerical errors.

24 38. On April 8, 2019, tenant sued RESPONDENT and the owner alleging multiple violations
25 of law including the federal Fair Housing Act, the Nevada Fair Housing Law, wrongful eviction,
26 deceptive trade practices, and invasion of privacy.

27 39. The owner was forced to hire an attorney to defend himself in the lawsuit and ultimately
28 settled with tenant.

1 1. RESPONDENT violated NRS 645.633(1)(i) through NAC 645.605(6) by breaching his
2 obligation of absolute fidelity to his principal's interest when he directed tenant to sign the sex contract
3 as part of the lease agreement documents.

4 2. RESPONDENT violated NRS 645.633(1)(i) through NAC 645.605(6) by breaching his
5 obligation of absolute fidelity to his principal's interest by violating the terms of the SNRHA contract
6 regarding tenant's responsibility for payment of utilities.

7 3. RESPONDENT violated NRS 645.633(1)(i) through NAC 645.605(6) by breaching his
8 obligation of absolute fidelity to his principal's interest by violating the terms of the SNRHA contract by
9 charging late fees as additional rent.

10 4. RESPONDENT violated NRS 645.633(1)(i) through NAC 645.605(6) by breaching his
11 obligation of absolute fidelity to his principal's interest by pursuing eviction proceedings without notice
12 to the owner and for amounts exceeding the amount of rent due from tenant pursuant to the SNRHA
13 contract.

14 5. RESPONDENT violated NRS 645.633(1)(h) through NAC 645.605(1) by failing to protect
15 the public against fraud, misrepresentation or unethical practices related to the lease transaction with
16 tenant when he directed tenant to sign the sex contract as part of the lease agreement documents.

17 6. RESPONDENT violated NRS 645.633(1)(h) through NAC 645.605(1) by failing to protect
18 the public against fraud, misrepresentation or unethical practices related to the lease transaction with
19 tenant by violating the terms of the SNRHA contract when he charged the tenant additional rent through
20 late fees.

21 7. RESPONDENT violated NRS 645.633(1)(h) through NAC 645.605(1) by failing to protect
22 the public against fraud, misrepresentation or unethical practices related to the lease transaction with
23 tenant by violating the terms of the SNRHA contract when he charged the tenant for water, trash and
24 sewer utility services.

25 8. RESPONDENT violated NRS 645.633(1)(h) for failing to have a complete copy of the lease
26 agreement for the property in his transaction file provided to the Division which amounts to gross
27 negligence or incompetence in performing his property management responsibilities.

28 9. RESPONDENT violated NRS 645.633(1)(i) through NAC 645.605(6) by breaching his

1 obligation to deal fairly with all parties to a real estate transaction by directing tenant to sign the sex
2 contract as part of the lease agreement documents.

3 10. RESPONDENT violated NRS 645.633(1)(i) through NAC 645.605(6) by breaching his
4 obligation to deal fairly with all parties to a real estate transaction by demanding payment of utilities
5 from tenant in violation of the SNRHA contract.

6 11. RESPONDENT violated NRS 645.633(1)(i) through NAC 645.605(6) by breaching his
7 obligation to deal fairly with all parties to a real estate transaction by demanding payment for late fees as
8 additional rent from tenant in violation of the SNRHA contract.

9 13. RESPONDENT violated NRS 645.633(1)(i) through NAC 645.605(6) by breaching his
10 obligation to deal fairly with all parties to a real estate transaction when he pursued eviction proceedings
11 for amounts exceeding the amount of rent due from tenant pursuant to the SNRHA contract.

12 15. RESPONDENT violated NRS 645.633(1)(h) and NRS 645.510 by conducting real estate
13 management activities from a place of business other than his designated place of business according to
14 his real estate broker license issued by the Division, when he had tenant sign the lease documents at his
15 personal residence, which amounts to gross negligence or incompetence in performing acts for which the
16 person is required to hold a license pursuant to NRS 645.

17 16. RESPONDENT violated NRS 645.252(2) when he failed to exercise reasonable skill and care
18 with respect to all parties in a real estate transaction when he pursued eviction proceedings against Tenant
19 claiming rent due was more than allowed under SNRHA contract.

20 17. RESPONDENT violated NRS 645.252(2) when he failed to exercise reasonable skill and care
21 with respect to all parties in a real estate transaction when he refused to accept rent and demanded
22 additional rent when tenant tried to pay rent after eviction notices were served.

23 18. RESPONDENT violated NRS 645.252(2) when he failed to exercise reasonable skill and care
24 with respect to all parties in a real estate transaction when he directed tenant to sign the sex contract as
25 part of the lease agreement documents.

26 19. RESPONDENT violated NRS 645.633(1)(h) and NRS 645.3205 by dealing with a party to a
27 real estate transaction in a manner that is deceitful, fraudulent or dishonest.

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6. This Order shall become effective on the 22nd day of May, 2023.

DATED this 19 day of APRIL, 2023.

REAL ESTATE COMMISSION
STATE OF NEVADA

By: 
Vice President, Nevada Real Estate Commission

Submitted by:
AARON D. FORD
Attorney General

By: /s/ Phil W. Su
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