

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 CHELSEA SCHEPPMANN,

9 Respondent.

Case No. 2021-580

FILED

FEB 28 2023

REAL ESTATE COMMISSION
BY 

10 **STIPULATION FOR SETTLEMENT OF DISCIPLINARY ACTION**

11 This Stipulation for Settlement of Disciplinary Action (“Stipulation”) is entered into by and
12 between the State of Nevada, Department of Business and Industry, Real Estate Division (“Division”),
13 through its Administrator Sharath Chandra (“Petitioner”), by and through their attorney of record, Deputy
14 Attorney General Matthew Feeley and CHELSEA SCHEPPMANN (“RESPONDENT”).

15 **JURISDICTION**

16 RESPONDENT, at the time of the alleged violation, was licensed by the Division as a Broker,
17 Broker/Salesperson, and held a Property Management permit. RESPONDENT is therefore subject to the
18 jurisdiction of the Division and the Commission, and the provisions of NRS chapter 645 and NAC chapter
19 645.

20 **FACTUAL ALLEGATIONS**

21 1. RESPONDENT was licensed with the Division as a Broker under license
22 B.0143576.LLC, and Property Manager under permit PM.0164592 with the brokerage Plaza Realty from
23 May 23, 2016 to February 18, 2021.

24 2. RESPONDENT is currently licensed with the Division as a Broker/Salesperson and
25 Property Manager under license BS.0143576 and permit PM.016459 with the brokerage Keller Williams
26 Southern Nevada.

27 3. Fei Zhong, along with husband Ray Zhong, the COMPLAINANTS herein, own at least
28 two residential rental properties located in Boulder City, Nevada, specifically: (1) 1520 Mancha Drive,

1 Boulder City, NV, 89005 (MANCHA PROPERTY), and (2) 1312 Marita Drive, Boulder City, NV,
2 89005 (MARITA PROPERTY).

3 4. COMPLAINANTS have owned the MANCHA PROPERTY since 2013 and have had the
4 same tenant since September 1, 2018. COMPLAINANTS have owned the MARITA PROPERTY since
5 2015 and have had the same tenants since March 1, 2015.

6 5. COMPLAINANT, entered into a Residential Property Management Agreement with
7 RESPONDENT wherein the parties agreed RESPONDENT would act at the Property Manager for the
8 MANCHA PROPERTY and the MARITA PROPERTY.

9 6. RESPONDENT failed to renew the Lease Agreement for the MARITA PROPERTY for
10 the period from March 1, 2019, to September 30, 2020.

11 7. RESPONDENT failed to renew the Lease Agreement for the MANCHA PROPERTY for
12 the period from August 31, 2019, to October 12, 2019.

13 8. On September 1, 2019, RESPONDENT, on behalf of COMPLAINANT, but without the
14 knowledge or consent of COMPLAINANT, entered into a Residential Lease Agreement (“Lease
15 Agreement”) for the MANCHA PROPERTY with five tenants.

16 9. On October 1, 2019, RESPONDENT, on behalf of COMPLAINANT, but without the
17 knowledge or consent of COMPLAINANT, entered into a Residential Lease Agreement (“Lease
18 Agreement”) for the MARITA PROPERTY with one tenant.

19 10. RESPONDENT entered into the above discussed Lease Agreements without informing
20 COMPLAINANTS of the renewal or discussing the renewal terms.

21 11. The Lease Agreement for the MARITA PROPERTY expired on July 31, 2020.
22 RESPONDENT failed to have the tenant enter into a new Lease Agreement.

23 12. The Lease Agreement for the MANCHA PROPERTY expired on August 31, 2020.
24 RESPONDENT failed to have the tenant enter into a new Lease Agreement.

25 13. COMPLAINANT alleged RESPONDENT failed to submit his rental income in a timely
26 manner. The Owner Statement for the MARITA PROPERTY shows missing owner funds due to a
27 misdirected ACH payment on 02/20/2020 and 04/30/2020 in the amount of \$1,200.00 dollars. The
28 statement shows RESPONDENT collected rents in the amount of \$1,200 dollars on 09/01/2020,

1 10/15/2020 and 11/01/2020. The statement shows owner payments in the amount of \$2,208.00 dollars
2 for the months in October and November 2020. Payment for September 2020 in the amount of \$1,564.00
3 dollars was not distributed. The statement showed February missing owner funds due to misdirected
4 ACH payment from the owner account in the amount of \$1,104.00 dollars.

5 14. The Owner Statement for the MANCHA PROPERTY shows missing owner funds due to
6 ACH theft, diverted funds missing, Appfolio. ACH payment on 04/03/2020 in the amount of \$1,564.00
7 dollars. The statement shows respondent collected rents in the amount of \$1,700.00 dollars on 08/01/2020
8 was distributed on 09/17/2020. Rents in the amount of \$1,700.00 dollars on 09/01/2020 were not
9 distributed. Rents in the amount of \$1,700.00 dollars on 10/01/2020 and 11/01/2020 were distributed on
10 11/02/2020. September's rent was distributed on 11/05/2020. The funds for April 2020 were never
11 distributed.

12 15. On November 30, 2020, COMPLAINANT and RESPONDENT entered an Agreement
13 for Termination of Residential Property Management Agreement. RESPONDENT agreed to provide
14 certain documents to COMPLAINANT by 4:00 pm on December 1, 2020.

15 16. COMPLAINANT alleged he requested his Residential Lease Agreements on 11/21/2020,
16 11/23/2020 and 11/25/2020 but he did not receive a response from RESPONDENT. On 11/30/2020,
17 COMPLAINANT alleged he drove to Las Vegas, met with RESPONDENT and she provided the lease
18 agreements. COMPLAINANT requested the applications, inspections and 1099's for the above-
19 mentioned properties. COMPLAINANT stated respondent eventually provided some of the documents.
20 To date, respondent still has not provided the 1099's and his February 2020 owner distribution.

21 17. On June 2, 2021, the Division sent RESPONDENT via both email and U.S. postal service,
22 a letter notifying RESPONDENT of the complaint and requesting a response to the allegations by June
23 17, 2021.

24 18. On October 12, 2021, the Division sent RESPONDENT a follow up letter (as there was
25 no response to the June 2, letter), requesting a response within 10 days.

26 19. RESPONDENT did not respond to either letter.
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20. On November 16, 2021, the Division sent RESPONDENT a letter informing her that the Division has obtained sufficient evidence to commence disciplinary action and intends to do so by filing a Complaint before the Real Estate Commission.

ALLEGED VIOLATIONS

The Division alleges that RESPONDENT has committed the following violations of law:

21. RESPONDENT is in violation of NRS 645.633(1)(h) pursuant to NAC 645.605(11)(b) for failing to provide a written response including supporting documentation to the NRED as requested.

22. RESPONDENT is in violation of NRS 645.635(6) as she failed to respond or provide the Broker's file to the NRED as requested.

23. RESPONDENT is in violation of NRS 645.633(1)(f) as RESPONDENT failed to provide a copy of the Residential Listing Agreements in a reasonable amount of time to COMPLAINANT.

24. RESPONDENT failed to Account/Remit complainant's rents within a reasonable time which came into her possession which belonged to others and is therefore in violation of NRS 645.630(1)(f)

25. Respondent is in violation of commingling the money belonging her clients with her own or converting the money for her own use. Respondent is in violation of NRS 645.630(1)(h).

PROPOSED STIPULATION AGREEMENT

26. In an effort to avoid the time and expense of litigating these issues before the Commission, the parties desire to compromise and settle the instant controversy upon the following terms and conditions:

- a. RESPONDENT agrees to pay the Division a fine in the amount of \$7,500 and the Division's fees and costs in the amount of \$2,685.40 for a total payment of \$10,185.40. RESPONDENT shall pay to the Division the total payment amount within thirty (30) days of the entry of Order Approving this Stipulation. RESPONDENT shall be permitted to pay off the amount sooner if she so chooses.
- b. RESPONDENT must take nine (9) hours of continuing education classes in Property Management. These classes are in addition to any required classes RESPONDENT may have to take and will not count towards those requirements.

1 These classes must be live instruction and must be completed within sixty (60)
2 days of the entry of Order Approving this Stipulation

3 27. 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. Nothing herein prevents proof
6 and giving consideration to acts complained of in this matter in determining or penalizing a future
7 violation by RESPONDENT of any provision of NRS Chapter 645 or NAC Chapter 645.

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

19 29. Each party shall bear its or her own attorney's fees and costs, except as provided above.

20 30. Approval of Stipulation. Once executed, this Stipulation will be filed with the
21 Commission and will be placed on the agenda for approval at its next public meeting. The Division will
22 recommend to the Commission approval of the Stipulation. RESPONDENT agrees that the Commission
23 may approve, reject, or suggest amendments to this Stipulation that must be accepted or rejected by
24 RESPONDENT before any amendment is effective.

25 31. Withdrawal of Stipulation. If the Commission rejects this Stipulation or suggests
26 amendments unacceptable to RESPONDENT, RESPONDENT may withdraw from this Stipulation, and
27 the Division may pursue its Complaint before the Commission. This Stipulation then shall become null
28 and void and unenforceable in any manner against either party.

1 32. Release. In consideration of the execution of this Stipulation, RESPONDENT for herself,
2 her heirs, executors, administrators, successors, and assigns, hereby releases, remises, and forever
3 discharges the State of Nevada, the Department of Business and Industry, and the Division, and each of
4 their respective members, agents, employees, and counsel in their individual and representative
5 capacities, from any and all manner of actions, causes of action, suits, debts, judgments, executions,
6 claims, and demands whatsoever, known and unknown, in law or equity, that RESPONDENT ever had,
7 now has, may have, or claim to have against any or all of the persons or entities named in this section,
8 arising out of or by reason of the Division’s investigation, this disciplinary action, and all other matters
9 relating thereto.

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

17 34. Default. In the event of default, RESPONDENT agrees that her license shall be
18 immediately suspended, and the unpaid balance of the administrative fine and costs, together with any
19 attorney’s fees and costs that may have been assessed, shall be due in full to the Division within ten
20 calendar days of the date of default. Debt collection actions for unpaid monetary assessments in this case
21 may be instituted by the Division or its assignee.

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1 35. RESPONDENT has signed and dated this Stipulation only after reading and
2 understanding all terms herein.

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4 DATED this 18th day of February, 2023

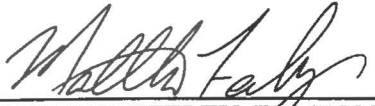
DATED this ____ day of February, 2023.

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7 By: 
8 CHELSEA SCHEPPMANN

NEVADA DEPARTMENT OF BUSINESS
& INDUSTRY, REAL ESTATE DIVISION
By: _____
SHARATH CHANDRA
Administrator

9
10 Approved as to form:

11 AARON D. FORD
12 Attorney General

13 By: 
14 MATTHEW FEELEY (Bar #13336)
15 Deputy Attorney General
16 555 E. Washington Avenue, Suite 3900
Las Vegas, NV 89101

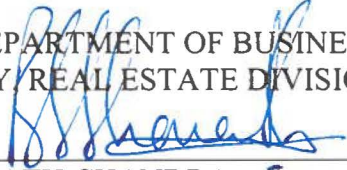
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1 35. RESPONDENT has signed and dated this Stipulation only after reading and
2 understanding all terms herein.

3
4 DATED this ____ day of February, 2023

DATED this 16 day of February, 2023.

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6
7 By: _____
8 CHELSEA SCHEPPMANN

NEVADA DEPARTMENT OF BUSINESS
& INDUSTRY REAL ESTATE DIVISION
By:  _____
SHARATH CHANDRA
Administrator

9
10 Approved as to form:

11 AARON D. FORD
12 Attorney General

13
14 By: _____
15 MATTHEW FEELEY (Bar #13336)
16 Deputy Attorney General
17 555 E. Washington Avenue, Suite 3900
18 Las Vegas, NV 89101
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2 STATE OF NEVADA

3 SHARATH CHANDRA, Administrator,
4 REAL ESTATE DIVISION, DEPARTMENT
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Case No. 2021-580

7 Petitioner,

8 vs.

9 CHELSEA SCHEPPMANN,

10 Respondent.

11 **ORDER APPROVING STIPULATION**

12 The Stipulation for Settlement of Disciplinary Action having come before the Real Estate
13 Commission, Department of Business and Industry, State of Nevada, during its regular agenda on
14 February 21, 2023, and the Commission being fully apprised of the terms and good cause appearing,

15 IT IS ORDERED that the Stipulation for Settlement of Disciplinary Action in this matter is
16 approved in full.

17 This Order shall become effective on the 28th day of February, 2023.

18 Dated this 21st day of February, 2023.

19 NEVADA REAL ESTATE COMMISSION

20 By: 

21 [Print Name] Spiridon Filios

22 Commission President