1 2 3 SHARATH CHANDRA, Administrator, REAL ESTATE DIVISION, DEPARTMENT 4 OF BUSINESS & INDUSTRY, STATE OF NEVADA, 5 Petitioner, 6 VS. 7 MARK A. HALL, 8 Respondent. 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 1. 25 26 owners and commingling funds. NRED 0012. 27 28

BEFORE THE REAL ESTATE COMMISSION STATE OF NEVADA

Case No. 2021-220

FILED

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REAL ESTATE COMMISSION BY Kully Valad

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COMPLAINT AND NOTICE OF HEARING

The REAL ESTATE DIVISION OF THE DEPARTMENT OF BUSINESS AND INDUSTRY OF THE STATE OF NEVADA ("Division") hereby notifies RESPONDENT MARK A. HALL ("RESPONDENT") of an administrative hearing before the STATE OF NEVADA REAL ESTATE COMMISSION ("Commission"). The hearing will be held pursuant to Chapters 233B and Chapter 645 of the Nevada Revised Statutes ("NRS") and Chapter 645 of the Nevada Administrative Code ("NAC"). The purpose of the hearing is to consider the allegations stated below and to determine if the RESPONDENT should be subject to an administrative penalty as set forth in NRS 645.630 and/or NRS 622.400, and the discipline to be imposed, if violations of law are proven.

JURISDICTION

RESPONDENT was at all relevant times mentioned in this Complaint licensed as a Broker under license number B.0042782.LLC and holds a Property Management Permit under Credential Number PM.0142782.BRK and is therefore subject to the jurisdiction of the Division and the Commission, and the provisions of NRS chapter 645 and NAC chapter 645. **NRED 0001-0002.**

FACTUAL ALLEGATIONS

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

- 12. RESPONDENT's Trust Account Reconciliations for the Chase Bank Owner Trust Account show RESPONDENT had personal funds in the Owners Trust Account with funds of other property owners. NRED 0182; 0212; 0243.
- 13. RESPONDENT's Trust Account Reconciliations for the Nevada Bank Tenant Trust Account show RESPONDENT had personal funds in the account with funds of other property owners.

 NRED 0263; 0283; 0303; 0323.
- 14. On June 17, 2020, the City of Henderson issued a utility refund check made out to SMART for \$210.08. **NRED 0019.**
- 15. On June 22, 2020, RESPONDENT emailed Complainant, regarding a NV Energy Check for the property located at 2912 Ivorybill Way, North Las Vegas, NV 89084, to inform her that "this check came in the mail this morning. We are depositing it to the BON Gen Acct today." **NRED 0016-0019.**
- 16. The NV Energy Check was made out "To The Order of Southwestern Management Team LLC for \$62.80, and was a "CREDIT BALANCE REFUND." **NRED 0017.**
- 17. On July 10, 2020, Complainant received an email from SMART Admin stating "This refund check came in the mail today from NV Energy. I will be putting it in the General Account here shortly." NRED 0018.
- 18. On March 10, 2021, the Division sent RESPONDENT correspondence, noting that it received a complaint against RESPONDENT and RESPONDENT's wife, and requested the complete transaction/broker file for the Casey Property and trust account reconciliations due by March 24, 2021.

 NRED 0010.
- 19. On April 16, 2021, RESPONDENT, through his attorney, emailed the Division a complete transaction/broker file for the Casey Property, and explained that former employees, including Complainant were responsible for the property owners' utilities, tenant account balances, owner's account balances, and financial recordkeeping, among other responsibilities, and because of his disability, i.e. a visual impairment, RESPONDENT relied on former employees and was not aware of any of the financial irregularities or utility accounts. NRED 0028-0037.

20. Further, RESPONDENT argues he and his wife retained SMART, a separate legal entity, to manage their property; thus RESPONDENT did not commingle any funds, as the funds in the Owner's Trust Account do not belong to SMART, rather they are RESPONDENT's personal funds. **NRED 0028-0037.**

VIOLATIONS OF LAW

- 21. RESPONDENT violated NRS 645.310(3) when he commingled his personal funds with those funds of property owners managed by RESPONDENT's brokerage.
- 22. RESPONDENT violated NRS 645.310(4) when he failed to deposit utility refund checks to the appropriate property owners, and instead deposited the utility refund checks into the RESPONDENT's brokerage general operating account.
- 23. RESPONDENT violated NRS 645.633(1)(i) pursuant to NAC 645.605(11)(c) and (11)(d) by engaging in conduct that constitutes deceitful, fraudulent or dishonest by providing the Division with a false RPA for the Casey Property with a date of August 1, 2019, when the RPA Form was revised in November of 2019.
- 24. RESPONDENT violated NRS 645.630(1)(e) when he failed to maintain a property management agreement for the Casey Property.
- 25. RESPONDENT violated NRS 645.6056(1)(a) when RESPONDENT acted as a property manager for the Casey Property, by collecting and distributing rental monies from tenants and managing the property, without first obtaining a properly executed property management agreement.

DISCIPLINE AUTHORIZED

Pursuant to NRS 645.630 and NRS 645.633, the Commission is empowered to impose an administrative fine up to \$10,000 per violation and suspend, revoke or place conditions on your license if warranted.

Additionally, under NRS 622.400, the Commission is authorized to impose costs of the proceeding upon RESPONDENT, including investigative costs and attorney's fees if the Commission otherwise imposes discipline on RESPONDENT.

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

NOTICE OF HEARING

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

THE HEARING WILL TAKE PLACE on May 2, 2023, commencing at 9:00 a.m., or as soon thereafter as the Commission is able to hear the matter, and each day thereafter commencing at 9:00 a.m. through May 4, 2023, or earlier if the business of the Commission is concluded. The Commission meeting will be held on May 2, 2023, at the Nevada State Business Center, 3300 West Sahara Avenue, 4th Floor – Nevada Room, Las Vegas, Nevada 89102. The meeting will continue on each day thereafter commencing at 9:00 a.m. through May 4, 2023, at the Nevada State Business Center, 3300 West Sahara Avenue, 4th Floor – Nevada Room, Las Vegas, Nevada 89102, until the business of the Commission is concluded.

STACKED CALENDAR: Your hearing is one of several hearings scheduled at the same time as part of a regular meeting of the Commission that is expected to last from May 2, 2023 through May 4, 2023, or earlier if the business of the Commission is concluded. Thus, your hearing may be continued until later in the day or from day to day. It is your responsibility to be present when your case is called. If you are not present when your hearing is called, a default may be entered against you and the Commission may decide the case as if all allegations in the complaint were true. If you have any questions please call Kelly Valadez, Commission Coordinator (702) 486-4606.

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

As the Respondent, you are specifically informed that you have the right to appear and be heard in your defense, either personally or through your counsel of choice. At the hearing, the Division has the burden of proving the allegations in the complaint and will call witnesses and present evidence against

1 you. You have the right to respond and to present relevant evidence and argument on all issues involved. 2 You have the right to call and examine witnesses, introduce exhibits, and cross-examine opposing 3 witnesses on any matter relevant to the issues involved. 4 You have the right to request that the Commission issue subpoenas to compel witnesses to testify and/or evidence to be offered on your behalf. In making the request, you may be required to demonstrate 5 6 the relevance of the witness' testimony and/or evidence. Other important rights you have are listed in 7 NRS 645.680 through 645.990, NRS Chapter 233B, and NAC 645.810 through 645.875. 8 The purpose of the hearing is to determine if the Respondent has violated NRS 645 and/or NAC 9 645 and if the allegations contained herein are substantially proven by the evidence presented and 10 to further determine what administrative penalty is to be assessed against the RESPONDENT, if any, 11 pursuant to NRS 645.235, 645.633 and or 645.630. DATED this 30 day of March, 2023. 12 13 State of Nevada Department of Business and Industry 14 Real Estate Division 15 By: 16 SHARATH CHANDRA, Administrator 3300 West Sahara Avenue, Suite 350 17 Las Vegas, Nevada 89102 18 19 AARON D. FORD Attorney General 20 21 By: /s/ Phil W. Su PHIL W. SU (Bar No. 15300) 22 Senior Deputy Attorney General 23 555 E. Washington Ave. #3900 Las Vegas, Nevada 89101 24 (702) 486-3655 Attorneys for Real Estate Division 25 26 27 28