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BEFORE THE REAL ESTATE COMMISSION

STATE OF NEVADA

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

Petitioner,

VS.

DONALD R. LAINER,

Respondent.

Case No.: 2021-1209

RESPONDENT
DONALD R. LAINER'S
ANSWER TO COMPLAINT

FILED

MAY 3 1 2023

REAL ESTATE COMMISSION

COMES NOW, Respondent, DONALD R. LAINER ("Respondent"), by and through its attorneys of record, ALVERSON, TAYLOR & SANDERS, and answers Petitioner's Complaint and Notice of Hearing ("Complaint") filed with the Nevada Real Estate Commission ("Commission") on March 31, 2023, as follows:

JURISDICTION ALLEGATIONS

The answering Respondent admits the Jurisdiction Allegations contained in the Complaint, i.e., that at all relevant times mentioned in the Complaint, Respondent was licensed as a Salesperson under license number S.0052842 and held a Property Management Permit under Credential Number PM.0165684, and is therefore subject to the jurisdiction of the Division and the Commission, and the provisions of NRS Chapter 645 and NAC Chapter 645.

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FACTUAL ALLEGATIONS

1. The answering Respondent admits in part and clarifies in part those allegations contained in Paragraph 1 of the Complaint. Respondent admits that he has been associated with Berkshire Hathaway Home Services ("BHHS") since April of 2014 and has been the owner and team leader of the Don Lainer Platinum Elite Group (the "Platinum Elite Group") at all times relevant as stated in this Complaint.

Respondent clarifies that he has been associated with Prudential Americana Group Realtors ("PAGR"), BHHS's brokerage predecessor that was also affiliated with Broker Forest L. Barbee ("Broker Barbee" or "Broker") since June 25, 2002, which entity Respondent believes subsequently changed franchise names to BHHS in April 2014 and has remained as BHHS since. PAGR was originally the Americana Limited Liability Company dba Prudential Americana Group Realtors.

- 2. The answering Respondent admits those allegations contained in Paragraph 2 of the Complaint.
- 3. The answering Respondent admits in part and clarifies in part those allegations contained in Paragraph 3 of the Complaint. Respondent admits that he served as COMPLAINANT'S real estate agent at all times relevant, and in that capacity helped to market certain of COMPLAINANT's properties, including the attempted sale of 582 Blue Lagoon Dr., Las Vegas, NV 89110 (the "Blue Lagoon Property") in April 2020.

Respondent clarifies that he marketed the Blue Lagoon Property in his capacity as COMPLAINANT's real estate agent from April 2020 to February 2022.

4. The answering Respondent admits in part and clarifies in part those allegations contained in paragraph 4 of the Complaint. Respondent admits that the Blue Lagoon Property remained unsold as of January 2022.

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Respondent clarifies that seven (7) offers were presented for the Blue Lagoon Property, with some offers made under list price, some offers made at list price, and one (1) offer made over list price, but asserts that the primary reason the Blue Lagoon Property remained unsold throughout the entire time period described while Respondent was marketing as the Blue Lagoon Property's real estate agent was due to unrealistic demands made by the COMPLAINANT throughout that entire period of time.

- 5. The answering Respondent, upon information and belief based upon the records provided by the Division in this matter as cited, admits those allegations contained in Paragraph 5 of the Complaint.
- 6. The answering Respondent admits those allegations contained in Paragraph 6 of the Complaint.
- 7. The answering Respondent admits those allegations contained in Paragraph 7 of the Complaint.
- 8. The answering Respondent, upon information and belief based upon the records provided by the Division in this matter as cited, admits those allegations contained in Paragraph 8 of the Complaint.
- 9. The answering Respondent admits in part, denies in part, and clarifies in part those allegations contained in Paragraph 9 of the Complaint. Plaintiff admits, upon information and belief based upon the records provided by the Division as cited, that Broker Barbee provided an affidavit and supporting documents in response to the related investigation by the Division. Respondent denies that he conspired with Victoria Kilgore ("Kilgore") and Platinum Portfolio Realty to manage any properties under an arrangement meant to subvert Broker Barbee's directives to Respondent at the time regarding properties then under Respondent's management.

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Respondent clarifies that Broker Barbee has been involved in five (5) situations with Respondent and/or associates of Respondent's Platinum Portfolio Group team ("Team") between 2017 and 2021. In these situations, Broker has exhibited retaliatory behavior towards the Respondent and/or Respondent's Team associates in a given situation based upon various complaints made over time by Respondent/Team associates regarding Broker's inappropriate behavior. The inappropriate behavior exhibited by Broker in these situations includes the use of foul language towards others, the use of demeaning language towards others, and the use of misogynistic comments about others stated in the vicinity of Team and BHHS associates. Broker's behavior, used in this manner, seeks to destroy morale and is also used as an effort to coverup/protect Broker's lack of how-to instruction acumen and his overall working temperament with others.

With regards to Kilgore, outside legal counsel for PAGR/BHHS, attorney Michael E. Stoberski ("Stoberski"), was involved with and had specific knowledge at this time that Respondent was referring out property management options to Respondent's and Respondent's Team's clients to use other management services that might be the best for their needs, including consideration of Kilgore at the Leasing Office LLC brokerage as a property manager, since Kilgore already had prior relationships with Respondent's clients pursuant to a full-service contract which had been previously prepared and designed by Broker Barbee when Kilgore was employed under BHHS as part of the Respondent's Team.

10. The answering Respondent admits in part and clarifies in part those allegations contained in Paragraph 10 of the Complaint. Respondent admits that he formed Leasing Office LLC with the Nevada Secretary of State and listed Entity Solutions LLC, registered in Wyoming, as Leasing Office LLC's sole manager.

Respondent clarifies that the Leasing Office LLC/Entity Solutions LLC entities were initially created with the intention to manage Respondent's personal real property inventory portfolio

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separately from anything to do with BHHS. However, Broker has always retaliated against Respondent without cause. For example, at one point unannounced, Broker physically pulled Respondent's property management permit at the brokerage and delivered it to the Division without notice to Respondent, but Stoberski eventually notified Broker nothing was wrong with Respondent's actions and advised that the permit had to be reactivated with the brokerage.

Moreover, Respondent had contractual obligations under active property management agreements with clients which did not allow him to just walk away from these clients, as abandonment would have made BHHS and Respondent legal targets under these contracts if management services were breached. Notwithstanding, without any prior discussions with Respondent, Broker suddenly made a demand without cause that Respondent was prohibited from engaging in any further property management activities at BHHS in February 2019, whereupon Respondent eventually and reluctantly was forced to refer clients out to other management services. After that unjustified demand was made, BHHS, under the direction of Broker Barbee, thereafter stopped providing the same level of service to Respondent's Team's clients which had been provided previously by BHHS, thus hindering the Respondent's livelihood, Kilgore's livelihood, and the livelihood of the Respondent's Team members as a result.

Specifically, Broker Barbee called Respondent into a conference room meeting to announce an insurance settlement related to a fire coverage incident which had occurred at an 80-unit residential property building back in January 2017 which was part of Respondent's Team portfolio. (The fire was not related to anything Respondent had done, it merely involved the building owner's insurance policy.) At the meeting, Broker Barbee informed Respondent that Respondent would not be able to do property management for BHHS anymore under the terms of the settlement negotiated with the insurance carrier. Respondent asked Broker what the insurer's rationale was in this regard since no depositions or investigations had been conducted for cause yet by the carrier related to the

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incident. Broker replied that the insurer had asked that Respondent's property management prohibition be put in place as part of the terms of settlement, that was it.

To Respondent, the meeting with Broker didn't make sense, and the demanded prohibition came across as a retaliatory action against Respondent and his Team under the circumstances. Accordingly, Respondent contacted BHHS's outside legal counsel, Stoberski, who inquired as to where Respondent had heard that Respondent was not to perform further property management services at BHHS. When Respondent told Stoberski about the property management prohibition informed by Broker, Stoberski immediately informed Respondent that no property management prohibitions had been discussed as part of the insurance settlement agreement, and advised Respondent that Stoberski would call BHHS's in-house legal counsel, attorney Darren J. Welsh, to find out what was going on. At the same time, Stoberski advised Respondent to continue property management services while at BHHS until advised otherwise by legal counsel.

At some point after these described communication were made, Stoberski confirmed to Respondent that no such requirement by the insurance carrier was in place and that such a requirement had never been requested by the insurance carrier. Accordingly, Stoberski communicated to Respondent that Stoberski believed that Broker's prohibition of Respondent's property management service was most likely specific retaliation by Broker against Respondent based upon past complaints which had been made by Respondent to BHHS's ownership on behalf of Team associates regarding Broker's inappropriate and unprofessional behavior. Stoberski also communicated to Respondent that BHHS's outside legal counsel (Stoberski) had subsequently advised Broker Barbee that Broker should not be disallowing Respondent's property management services at BHHS. As a result, Respondent continued property management services as had been instructed to him by Stoberski as BHHS's outside legal counsel.

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Notwithstanding Stoberski's requests that Broker Barbee not prohibit respondent's property management services, Broker continued to make derogatory and demeaning remarks about Respondent in front of BHHS associates, who thereafter advised Respondent of the various verbal threats that were being made by Broker against the Respondent. Based upon the nature of the threats made by Broker, Respondent realized that merely stopping all property management services immediately as directed might lead to claims of abandonment and negligence by clients and lead to potential lawsuits. As a result, Respondent eventually advised his Team that if their property clients wanted to keep the same level of property management service or potentially obtain a better level of service, they would be better off looking at other management options, including potentially retaining property management services from Kilgore as an option, instead of remaining at BHHS.

Accordingly, when Respondent let Kilgore go from Platinum Elite Group to Leasing Office LLC, it was Respondent's intention that these clients go elsewhere to seek the best management services possible, and that if they went to Kilgore, that Kilgore manage these specific properties in a way that Respondent's clients would be protected from any continued retaliatory action by Broker Barbee based upon the recent threats and history of retaliatory actions taken. Respondent believes that Kilgore contacted the Division shortly after this point to make the Division aware that she was setting up the brokerage using the pre-existing Leasing Office LLC entity, and also to seek instructions from the Division on how to do this properly under the circumstances.

11. The answering Respondent admits in part and clarifies in part those allegations contained in Paragraph 11. Respondent admits that Respondent is the sole manager and member of Entity Solutions LLC.

Respondent clarifies that Entity Solutions LLC was set up initially with the intention to provide entity management services for Respondent's personal nationwide real property portfolio. However, due to Broker Barbee's retaliatory actions, the environment for Respondent at BHHS

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became such over time that Respondent was forced to shelter Team associates, staff, and others from the chaos caused by Broker. Eventually, as Broker Barbee desired, Respondent gave in and started referring clients out of BHHS. Clients leaving BHHS had the option to choose Kilgore for management services from among other options. Again, Respondent believes that Kilgore contacted the Division sometime at this point in order to make the Division aware that she was setting up the brokerage using the pre-existing Leasing Office LLC entity, and to seek instructions from the Division on how to do this properly under the circumstances.

12. The answering Respondent admits in part, and clarifies in part those allegations contained in Paragraph 12. Respondent admits that he held a property management permit at BHHS. Respondent also clarifies that he held a property management permit at BHHS, but that his BHHS broker, Forrest Barbee, was not allowing Respondent at one point to operate using brokerage trust accounts while associated with BHHS.

Respondent additionally clarifies as follows. Respondent previously served on several committees as part of the Greater Las Vegas Association of REALTORS (formerly "GLVAR," currently known as "LVR"). This included the Forms Committee, the Grievance Committee, and at different points in time, the Professional Standards Committee, Property Management Committee, and Global Business Committee (the "Committees"). During this time frame, based upon Respondent's simultaneous affiliation with BHHS when he was serving on these various Committees, and to avoid allowing licensees with property management permits from doing trust accounting and having to report trust accounting to the Division, Broker Barbee intentionally used Respondent and Respondent's position while on Forms Committee to get feedback about, and ultimately create, a "no trust account" property management contract to use and put in place with Broker's BHHS's property management permit holding associates in order to avoid doing trust accounting.

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Over the course of time, since 2002 from Respondent's initial affiliation with Broker through PAGR and then through BHHS, Broker had waffled on a number of occasions from requiring Respondent to manage all of Respondent's personally-owned property inventory at PAGR/BHHS, to demanding in later years that Respondent not be the manager under BHHS for these properties. Broker first said that property management associates must get property management software in order to do trust accounting at BHHS, but once the software was acquired, Broker retracted and decided to create a "no trust" property management contract containing owner-managed accounting features for property management income and expense tracking. This continual back-and-forth by Broker Barbee created an environment where Respondent's Team associates never quite knew from one moment to the next whether they should be doing property management (or not) for their clients, since Broker had never provided any rational explanation why Respondent's Team's associates should not be managing their own properties.

For example, Broker first required Respondent and his Team and possibly other BHHS licensees to acquire property management software in order to begin brokerage trust accounting for clients, then eventually discontinued that requirement and instead mandated that only no-trust accounting would be allowed at BHHS. Whenever Respondent questioned this change of position, informing Broker that Respondent was licensed to do trust accounting and that Respondent would reach out to the Division for direction to ensure all accounting was done properly, Respondent was verbally chastised by Broker, forbidden to have any discussion with the Division regarding that issue despite multiple requests, and was also instructed that Respondent was never to mention Broker Barbee's name to the Division.

Due to Broker Barbee's behavior and after being denied trust accounting operations by Broker on multiple occasions, Respondent called the brokerage's current owner at the time, Mark Stark ("Stark" or "Owner"), to discuss Broker's ongoing irrational behavior regarding trust

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accounting; and, to discuss targeted behavior by the Broker against Respondent based upon past complaints; to advise Owner of Respondent's recent discovery of the odd maneuvers being made by Broker regarding Respondent's property management permit. In order to remind Owner Stark of Broker's history of offenses to Respondent's Team's associates, Owner was also made aware of Respondent's knowledge that derogatory remarks had been made by Broker in BHHS manager meetings and other retaliatory methods that had been used by Broker over the course of several years. In addition to providing this particular information to Owner, Respondent also reminded Owner Stark that Broker knew that Respondent was permitted to perform full property management trust accounting and business development services, but considered Broker's collective behavior to be irrational, impulsive, out of control, and dangerous to the BHHS organization for restricting the rights reserved and allowed under Respondent's property management permit without cause. Owner Stark also knew after being advised by Respondent that Broker Barbee would not let Respondent speak to the Division or even mention Broker's name to the Division. Furthermore, Owner was also told by Respondent that Stoberski had informed Respondent there was no insurance settlement involving the Respondent.

In response, Owner Stark advised Respondent that Owner would thereafter be attempting to restrain Broker's unprofessional and inappropriate behavior and any future attacks against the Respondent in the hopes of getting BHHS insurance coverage handled during this time while offers to sell the BHHS brokerage were in play. Respondent acknowledged to Owner Stark during these communications with Stark that Owner's goal was to ultimately get the company sale of BHHS through, that Stark's absence would no longer keep Broker Barbee's behavior at bay, and that as a result, Respondent would thereby allow property management business to go to where clients could be provided the best service, including the option of Kilgore, if Respondent's clients ended up selecting Kilgore/Leasing Office LLC for brokerage services. Respondent ultimately wanted these

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clients to have the same level of service which had been provided for them up to that point at BHHS wherever they went. Respondent also communicated to then-Owner Stark, after realizing there would be no future owner help, that Respondent would help to pacify the Broker by reluctantly giving up property management services, thus allowing any property clients and their tenants leaving BHHS to be sheltered from the unsettling chaos which was being created by Broker Barbee's continued wavering, erratic, and unprofessional behavior at BHHS.

13. The answering Respondent admits in part, denies in part, and clarifies in part those allegations contained in Paragraph 13. Respondent admits that he reluctantly gave in and agreed to release his clients to seek other management arrangements due to a bad environment at BHHS created by Broker Barbee. Respondent denies that he ever formally claimed to his broker, Barbee, that he would cease operating as a property manager.

Respondent clarifies as follows. Respondent, seeing no future owner protections, saw no future owner hope for help and therefore reluctantly agreed to release his clients to seek other management arrangements with no other alternatives allowed based upon the discussion that Respondent had previously with Owner as described in Paragraph 12 of this Answer. Based upon the way Broker Barbee had acted towards Respondent up to this point in time, Respondent had given up any hope at this juncture that Broker would continue to support Respondent and his Team's management efforts based upon Broker's retaliatory actions, and thereby communicated that Respondent would agree to release his and the Team's clients to seek other management arrangements in order to pacify both Broker and Owner, there being no future broker buffer under the circumstances. As noted, Owner had previously communicated to Respondent that Respondent's agreeing to release his management clients to seek other management services was necessary in order to keep the Owner's sale of BHHS moving forward, and also for Owner to pacify Broker Barbee in this regard based upon Broker's recent unprofessional behaviors observed at the brokerage

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until the sale of BHHS was completed. Moreover, as noted in Paragraph 12 to this Answer, Respondent also moved forward in this manner in reliance upon what had been previously communicated to him by BHHS's outside legal counsel, Stoberski, about Broker Barbee's actions.

14. The answering Respondent admits in part and denies in part those allegations contained in Paragraph 14 of the Complaint. Respondent admits that Leasing Office LLC was originally intended to be the Property Management operations for Respondent's personal real property portfolio, but clarifies that he advised all Team associates that Team property clients leaving BHHS should seek out and obtain whatever management services they thought would be best.

Respondent denies that he "recruited" Kilgore to serve as broker of record and designated Property Manager for Leasing Office LLC. Kilgore was never "recruited," Respondent simply gave Kilgore the Property Management portion of the Leasing Office LLC business as a commitment to Kilgore's vision of providing service, to help support Kilgore's livelihood, as an option to shelter Respondent's referred property management clients from Broker Barbee's impulsive service changes and restrictions and retaliatory behaviors, and to shelter any potential Kilgore clients from Broker Barbee's retaliatory behavior. Kilgore was never "recruited," and Kilgore and Respondent never "conspired to subvert Barbee's directives" in any way. Kilgore was merely an innocent bystander who only acted in good faith throughout all of these events and despite the described threats, unprofessional conduct, and retaliatory behaviors exhibited by Broker Barbee throughout the course of these events as described.

The answering Respondent admits in part and clarifies in part those allegations 15. contained in Paragraph 15. Respondent admits that on or about February 2019, Respondent caused an Amended List of Officers to be filed with the Nevada Secretary of State, adding Kilgore as a Manager of Leasing Office LLC based upon the records provided by the Division.

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Respondent clarifies that he gave the Leasing Office LLC entity business to Kilgore, and believes that Kilgore contacted the Division at some point in order to get setup instructions from the Division. Respondent believes Kilgore contacted the Division to discuss exactly how to set up the business as property management service so that clients who decided to choose her services as a result could best be set up and instructed in a way that Kilgore/Leasing Office LLC could provide the best services possible to any property clients leaving BHHS that chose to use her services under the circumstances.

16. The answering Respondent admits in part and clarifies in part those allegations contained in Paragraph 16. Respondent admits that on or about April 2019, a second Amended List of Officers was filed with the Nevada Secretary of State, removing Entity Solutions LLC as a manager and leaving Kilgore as sole Manager of Leasing Office LLC based upon the records provided by the Division.

Respondent again clarifies that he gave the Leasing Office LLC entity to Kilgore to set up a business, and believes that Kilgore contacted the Division to set up the service so that the property management clients who decided to choose her services as a result could be set up in a way that Leasing Office LLC could provide the best services possible to any property clients leaving BHHS that chose to use her services under the circumstances.

17. The answering Respondent admits in part and clarifies in part those allegations contained in Paragraph 17. Respondent admits that Kilgore left employment with BHHS in March of 2019 and registered a new Brokerage Office with the Division named "Leasing Office LLC" on April 1, 2019.

Respondent once more clarifies that he gave the Leasing Office LLC entity to Kilgore to set up a business, and believes that Kilgore contacted the Division to set up the service so that property management clients who decided to choose her services as a result could be set up in a way that

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Leasing Office LLC could provide the best services possible to any property clients leaving BHHS that chose to use her services under the circumstances.

18. The answering Respondent admits in part and clarifies in part those allegations contained in Paragraph 18. Plaintiff admits that Kilgore submitted a name change to the Division, renaming the Brokerage "Platinum Portfolio Realty" dba Leasing Office LLC.

Respondent yet again clarifies that he gave the Leasing Office LLC business to Kilgore, and believes that Kilgore contacted the Division to set up the business dba Platinum Portfolio Realty so that property management clients who decided to choose her services as a result could be set up in a way that Leasing Office LLC could provide the best services possible to any property clients leaving BHHS that chose to use her services under the circumstances.

- 19. The answering Respondent, upon information and belief based upon the records provided by the Division in this matter as cited, admits those allegations contained in Paragraph 19 of the Complaint.
- 20. The answering Respondent, upon information and belief based upon the records provided by the Division in this matter as cited, admits those allegations contained in Paragraph 20 of the Complaint.
- 21. The answering Respondent, upon information and belief based upon the records provided by the Division in this matter as cited, admits those allegations contained in Paragraph 21 of the Complaint.
- 22. The answering Respondent denies in part and clarifies in part those allegations contained in Paragraph 22. Respondent denies that he has played an active role in the management of properties, in cooperation with Kilgore, including Blue Lagoon Drive and Amboy Drive.

Respondent clarifies that BHHS's former Owner (Stark), its inside legal counsel (Darren J. Welsh), its outside legal counsel (Stoberski), and Broker Barbee all know and are aware that

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Respondent has advised BHHS property clients to seek whatever management services they believe are best, including Kilgore's services as a potential option, ever since Broker Barbee advised Respondent in February 2019 that Respondent was not authorized to manage these properties under BHHS. Moreover, Respondent's personal real property inventory portfolio is also currently being managed by Kilgore.

23. The answering Respondent admits in part, denies in part, and clarifies in part those allegations contained in Paragraph 23. Respondent admits that his name, and the name of his BHHS entity (Platinum Elite Group and/or Platinum Elite LLC) have appeared on invoices and receipts for properties under management of the Leasing Office LLC brokerage pursuant to records provided by the Division. Respondent denies that the appearance of his name and/or the name of affiliated entities on invoices and receipts is evidence that Respondent is actively managing any component of Leasing Office LLC Brokerage properties for the reasons that follow.

Respondent clarifies that the appearance of his name and/or the name of affiliated entities on invoices and receipts most likely stems from the fact that, while managing at BHHS, Respondent previously negotiated property management software and vendor account relationships in the names of these entities when initially transferring the software and setting up Leasing Office LLC with Respondent as property manager, Respondent assumes that when Kilgore transferred the software, Kilgore may not have noticed these names being used at various times and/or may have not initially updated all items necessary in this regard to reflect the names of the current, proper entities consistent with the software transfer and pre-existing data carried over on these items from Respondent to Kilgore for Leasing Office LLC.

24. The answering Respondent denies in part and clarifies in part those allegations contained in Paragraph 24. Respondent denies that the "one property management document for the Brokerage" purported by the Division is actually a "property management document."

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Respondent clarifies that the document shown as NRED 0450 does not seem to be a "property management document" as alleged by the Division. Respondent was holding the Blue Lagoon Property listing at the time as a real estate agent, and the tenant placed by the COMPLAINANT/Owner in that property at the time had been uncooperative with attempted showings of the property by the Respondent and had also threatened the COMPLAINANT/Owner verbally and physically. Thus, at the request of the COMPLAINANT/Owner communicated directly to Respondent as her real estate agent due to concerns related to potential damage to the Property by the tenant and other occupants, Respondent verified the condition and status of the property and reported to the property's manager, Kilgore, in his capacity as a listing real estate agent.

25. The answering Respondent admits in part, denies in part, and clarifies in part those allegations contained in Paragraph 25. Respondent admits that he made an appearance at the Clark County Regional Justice Center in an Eviction Hearing ("Eviction Hearing") on behalf of and as the agent of the COMPLAINANT/Owner of the Blue Lagoon Property on or about May 8, 2020, for damage which had occurred at the Property in April 2020. Respondent denies that he made an appearance at the Eviction Hearing in any capacity as the property manager of the Blue Lagoon Property or any other properties.

Respondent clarifies that the COMPLAINANT/Owner had communicated to Respondent several times in a way that Respondent was under the confirmed impression that that the COMPLAINANT/Owner would be attending the Eviction Hearing. Due to the COMPLAINANT/Owner's concerns at the time regarding the tenant based upon previous threats made by the tenant, not knowing what to say, and needing a witness to potentially testify to the court as to the Blue Lagoon Property's condition, COMPLAINANT/Owner pleaded with Respondent to go with her as support and to be a witness regarding the property's condition.

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In response, Respondent advised COMPLAINANT/Owner that if the tenant were to show up to the Eviction Hearing, the likelihood was that the Judge would direct either all or almost all of the necessary questions to the tenant, not the landlord. COMPLAINANT/Owner still plead for Respondent's attendance at the hearing since Respondent was actively marking the Blue Lagoon Property at that time as its real estate agent, had spoken to and gained showing access to the Property through the tenant's occupants on or about April 17, 2020, had seen the damages sustained to the property, and was a witness to the current property conditions. Moreover, just before the Eviction Hearing occurred, COMPLAINANT/Owner assured Respondent that she would be present, but without any notice to the Respondent, did not attend.

As Respondent was physically in attendance at the Court as a potential witness at the time the Eviction hearing was called by the Court, the Respondent informed the Judge that he was there as a witness for the COMPLAINANT/Owner regarding the eviction. Whereupon, the Judge simply advised Respondent and all in attendance that, since the tenant had not shown up to the Eviction Hearing, the eviction was thereby granted by the Court in favor of the COMPLAINANT/Owner.

After leaving the Courtroom, Respondent attempted to contact the COMPLAINANT/Owner but was unable to do so until later that day. COMPLAINANT/Owner admitted to Respondent that she did not attend because she was too scared to show up due to concerns that she might not be able to control her passive/aggressive temperament at the Eviction Hearing, as she generally considers herself to be overly reactive and might have said something to the tenant or to the Judge which would diminish her chance for getting the eviction. The COMPLAINANT/Owner advised Respondent at that time that her reactive personality has gotten her into verbal altercations in the past with others, including Blue Lagoon Property tenants, vendors and other persons in positions of authority. In response, Respondent communicated that he understood her concerns, but did not condone her just not showing up to the Eviction Hearing, as she could have at least given herself the

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opportunity to understand the eviction process in Nevada better.

- 26. The answering Respondent admits those allegations contained in Paragraph 26.
- 27. The answering Respondent denies in part and clarifies in part those allegations contained in Paragraph 27. Respondent denies that Respondent did not have permission to perform Property Management Activities for BHHS, or for any other Broker.

Respondent clarifies that he never claimed he would cease operating as a property manager, merely that he would release his clients to seek other management arrangements. Respondent moved forward in this manner after Broker Barbee asked him to cease property operations for BHHS clients based upon the discussion that Respondent had with Owner as described in Paragraph 12 of this Answer. Based upon the way Broker Barbee had acted towards Respondent up to this point in time, Respondent had given up any hope at this juncture that Broker would continue to support Respondent and his Team's management efforts at BHHS based upon Broker's retaliatory actions, and therefore communicated to Broker that he would agree to release his and the Team's clients to seek other management arrangements in order to pacify both Broker and Owner under the circumstances. In other words, Respondent – realizing there would be no future owner protection or broker support – reluctantly agreed to move forward in this manner under the circumstances in reliance upon what Owner had communicated to Respondent, that Respondent's agreeing not to property manage at BHHS was necessary in order to keep the Owner's sale of BHHS moving forward, and also for Owner to pacify Broker Barbee in this regard based upon Broker's historical and recent unprofessional behaviors observed until the sale of BHHS was completed. Moreover, as noted in Paragraph 12 to this Answer, above, Respondent also moved forward in this manner in reliance upon what had been previously communicated to him by BHHS's outside legal counsel, Stoberski, after Respondent had been advised by Stoberski that Respondent was a client of BHHS for representative purposes.

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28. The answering Respondent admits in part, denies in part, and clarifies in part those allegations contained in Paragraph 28. Respondent admits that he was added as an authorized signer to a bank account in the COMPLAINANT'S name used for the Blue Lagoon and Amboy Properties. Respondent denies that he used his capacity as an authorized signer for the bank account in any way to manage either the Blue Lagoon and/or Amboy Properties.

Respondent clarifies that COMPLAINANT had planned to accept a potential job and/or pursue a job opportunity in Michigan, meaning she would be out of state indefinitely. As a result, COMPLAINANT requested that Respondent, in his capacity as real estate agent for the Blue Lagoon Property, be involved with and authorized to use the account in the event of a future sale in order to ensure that any emergency repairs for the Properties could be paid for while she was out of state.

29. The answering Respondent denies in part and clarifies in part those allegations contained in Paragraph 29. Respondent denies that the COMPLAINANT created the bank account by which to manage her properties at the request of Respondent.

Respondent clarifies that Broker Barbee instructed that owner-managed accounting be implemented when Kilgore worked with Respondent under the umbrella of BHHS. When Kilgore left BHHS to become property manager for the Properties under Leasing Office LLC, Kilgore simply continued the protocol of owner-accounting which had previously been in place at BHHS when Kilgore worked at BHHS with Respondent previously.

The answering Respondent admits in part, denies in part, and clarifies in part those 30. allegations contained in Paragraph 30. Respondent admits that Respondent was issued a debit card for the COMPLAINANT's bank account. After the card was issued, the bank delivered the card to the property manager's office, who apparently activated the card. Respondent did not personally activate the issued debit card, and therefore denies the same.

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Respondent clarifies that COMPLAINANT had planned to accept a potential job and/or pursue a job opportunity in Michigan, meaning she would be out of state indefinitely. As a result, COMPLAINANT requested that Respondent, in his capacity as a trusted friend and real estate agent for the Blue Lagoon Property, be involved with the account as to ensure that any emergency repairs for the Properties could be handled while she was out of state. COMPLAINANT therefore added the Respondent as an authorized signer to the bank account and issued the debit card.

31. The answering Respondent denies in part and clarifies in part those allegations contained in Paragraph 31. Respondent denies that Respondent ever used the issued/activated debit card for any purchases.

Respondent clarifies that, as previously noted, COMPLAINANT had planned to accept a potential job and/or pursue a job opportunity in Michigan, meaning she would be out of state indefinitely. As a result, COMPLAINANT requested that Respondent, in his capacity as a trusted friend and a real estate agent for the Blue Lagoon Property, be involved with the account as to ensure that any emergency repairs for the Properties could be handled while she was out of state. Accordingly, COMPLAINANT therefore added the Respondent as an authorized signer to the bank account and issued the debit card.

32. The answering Respondent denies in part and clarifies in part those allegations contained in Paragraph 32. Upon information and belief, Respondent denies that Kilgore has attempted to conceal Respondent's involvement by submitting altered documents and or omitting documents from the Broker's file in her response.

Respondent clarifies that Respondent believes Kilgore probably realized at some point that the transferred vendor documents were inaccurate and therefore intended to clarify and make necessary account corrections where needed as a result. It is also understandable, too, that the software transfer vendors involved in Respondent's original property management negotiations who LAS VEGAS, NEVADA 89149 702) 384-7000 FAX (702) 385-7000

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were involved in these purchases could have accidentally defaulted to the wrong name from previously established account records for purposes of invoicing showing accrued charges, since BHHS as a company has had this type of vendor information issue occur multiple times between vendors and agents over the course of years.

- 33. The answering Respondent states that it does not have sufficient knowledge or information upon which to base a belief as to the truth of the allegations contained in Paragraphs 33 of the Complaint, and upon said grounds therefore denies each and every allegation contained therein.
- 34. The answering Respondent denies in part and clarifies in part those allegations contained in Paragraph 34. Upon information and belief, Respondent denies that multiple documents which contained references to Respondent or "Platinum Elite" were intentionally altered prior to being submitted by Kilgore in her broker file.

Respondent clarifies that the appearance of his name and/or the name of affiliated entities on any invoices and receipts most likely stems from the fact that Respondent previously negotiated property management software and vendor account relationships when transferring over the Leasing Office LLC Brokerage to Kilgore, and therefore assumes that Kilgore may not have noticed these names at times and/or may not initially updated all items necessary after the transfer of these items and/or transfer of software name retention and/or vendor's software prior name retention from Respondent to Kilgore for Leasing Office LLC.

35. The answering Respondent denies in part and clarifies in part those allegations contained in Paragraph 35. Upon information and belief, Respondent denies that several documents contained in COMPLAINANT's/Owner's portal documents which contained reference to Respondent or "Platinum Elite" were intentionally omitted from Kilgore's file. Respondent again clarifies that the appearance of his name and/or the name of affiliated entities on invoices and

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receipts most likely stems from the fact that Respondent previously negotiated property management software and vendor account relationships when transferring over the Leasing Office LLC Brokerage to Kilgore, and therefore assumes that Kilgore may not have noticed these names at times or did not initially update all items necessary pursuant to the transfer of these items from Respondent to Kilgore for Leasing Office LLC.

36. The answering Respondent admits in part, denies in part, and clarifies in part those allegations contained in Paragraph 36. Respondent admits that Kilgore utilized the services of Acquisition Solutions LLC and/or Handyman Solutions LLC on multiple occasions to perform maintenance and/or repairs on the Blue Lagoon and Amboy properties. Respondent denies that Respondent utilized these services from either entity as a property manager.

Respondent clarifies that Kilgore, on behalf of owners, determines any given vendor servicer to be used for a property through her authorization as a property manager.

37. The answering Respondent admits in part, denies in part, and clarifies in part those allegations contained in Paragraph 37. Respondent admits that he is the sole manager for both Entity Solutions LLC and Acquisition Solutions LLC and/or Handyman Solutions LLC. Respondent denies that he is in violation of any provision for failure to disclose his interest in either of these entities to COMPLAINANT.

Respondent clarifies that Kilgore, not Respondent, is the party that entered into an agreement with COMPLAINANT to be property manager for the Properties. Since Respondent was therefore not under contract with COMPLAINANT as property manager, Respondent therefore had no contractual obligation to disclose his relationship to these entities under the circumstances, as Respondent is not the property manager obligated to do so.

38. The answering Respondent admits those allegations contained in paragraph 38 of the Complaint.

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39. The answering Respondent denies those allegations contained in Paragraph 39. Respondent is not in violation of NRS 645.630(1)(d) because Respondent has never intentionally represented or intentionally attempted to represent a real estate broker other than the broker with whom he has been associated, without the express knowledge and consent of the broker with whom he is associated.

- 40. The answering Respondent denies those allegations contained in Paragraph 40. Respondent has not violated NRS 645.633(1)(i) pursuant to NAC 645.605(11)(C) because Respondent has not engaged in conduct that has impeded or attempted to impede any investigation of the Division. Moreover, Respondent has not supplied false statements in his affidavit, including but not limited to, affirming that he "has never used the account for any purpose whatsoever" and that he has "never written a check, transferred funds or directed any type of activity on the account." Furthermore, Respondent has never used the bank account/debit card for any purpose whatsoever, and has never written a check, transferred funds or directed any type of activity on the account at issue. All such activity has been used/written/transferred/directed solely by Kilgore, in her capacity as property manager for the Properties.
- 41. The answering Respondent denies those allegations contained in Paragraph 41. Respondent has not violated NRS 645.633.1)(i) pursuant to NAC 645.605(1) because he has not engaged in conduct which constitutes deceitful, fraudulent or dishonest dealing by intentionally attempting to conceal his direct involvement with Platinum Portfolio Realty's management of the Blue Lagoon and Amboy properties.
- 42. The answering Respondent denies those allegations contained in Paragraph 42. Respondent has not violated NRS 645.633(1)(i) pursuant to NAC 645.605(4)(a) and (4)(b) because Respondent has not failed to disclose, in writing, his interest or contemplated interest in any property

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with which the licensee was dealing, which includes, but is not limited to, the licensee's affiliation with or financial interest in any person or company that furnishes services related to the properties.

Based upon the above, no discipline is warranted against Respondent based upon any allegations made in the Complaint and/or any records provided by the Division.

DATED this 31st day of May, 2023.

ALVERSON TAYLOR & SANDERS

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Attorneys for Respondent

CERTIFICATE OF SERVICE VIA CM/ECF

I hereby certify that on this 31st day of May, 2023, I did serve a copy of the above and foregoing RESPONDENT DONALD R. LAINER'S ANSWER TO COMPLAINT addressed to:

/s/ Teri Jenks

An Employee of ALVERSON **TAYLOR & SANDERS**

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