

BEFORE THE REAL ESTATE COMMISSION

STATE OF NEVADA

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

Case No. 2021-1217

FILED

JUL 20 2023

REAL ESTATE COMMISSION

BY *Kelley Valadez*

Petitioner,

vs.

MICHAEL SLOANE,

Respondent.

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 MICHAEL SLOANE, (“RESPONDENT”) of an administrative hearing before the STATE OF NEVADA REAL ESTATE COMMISSION (“Commission”). The hearing will be held pursuant to Chapter 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 Michael Sloane was licensed as a Nevada real estate salesperson (S.0177565) at all relevant times mentioned in this Complaint and is therefore subject to the jurisdiction of the Division and the Commission, and the provisions of NRS chapter 645 and NAC chapter 645.

FACTUAL ALLEGATIONS

1. At all relevant times mentioned in this Complaint, Michael Sloane (“RESPONDENT”) was licensed as a Nevada real estate salesperson under license number S.0177565. [NRED0001-0002]

2. RESPONDENT’S license expired on August 31, 2022 and was not renewed. [NRED0003]

1 3. At all relevant times mentioned in this Complaint, RESPONDENT’S broker of record was
2 COMPLAINANT Nicole Lazarski, a Nevada real estate broker under license number B.1001821.CORP.
3 **[NRED0004]**

4 4. RESPONDENT’S most recent broker of record was Damon Caldwell, a Nevada real
5 estate broker under license number B.0143673.CORP. **[NRED0004]**

6 5. On December 20, 2021, COMPLAINANT Nicole Lazarski (“COMPLAINANT” or
7 “Lazarski”) provided the Division with a signed Statement of Fact and supporting documents alleging
8 that RESPONDENT, while working under Lazarski’s supervision as a Redfin sales agent, requested from
9 his assigned clients that they issue direct payments to RESPONDENT via wire transfer/Western Union
10 to cover incidental expenses and/or to provide incentivizing funds directly to listing agents. **[NRED0005-**
11 **0010]**

12 6. COMPLAINANT further noted in her complaint/statement of fact that Redfin covers its
13 agents’ general expenses; that on the rare occasion that Redfin does receive a commission or outside
14 funds, those funds are to go directly to an escrow company; and that, as a result, “[a] Redfin agent should
15 never seek direct payment of funds from a customer for any real estate activity.” **[Id.]**

16 **Frank and Sheila Modrejewski**

17 7. Upon being assigned to assist Frank and Sheila Modrejewski (“the Modrejewskis”) in
18 identifying and pursuing a property for purchase, RESPONDENT asked the Modrejewskis to wire him
19 \$1,500.00, which he characterized as a ‘fully refundable servicing fee at close of escrow for inspections,
20 gas, and any other incidentals.’ **[NRED0089-0090]**

21 8. The Modrejewskis agreed to wire RESPONDENT the \$1,500.00 via Western Union, and
22 subsequently did so. **[Id.]**

23 9. On August 10, 2021, RESPONDENT drafted and submitted a residential purchase
24 agreement on behalf of the Modrejewskis for the property at 5277 Crooked Valley Drive, Las Vegas, NV
25 89149, which stated that the seller needed to respond by 5:00 p.m. on August 11, 2021 or the offer would
26 lapse. (“5277 Crooked Valley Dr”) **[NRED0050-0061]**

27 10. On August 12, 2021, (after already submitting an offer on behalf of the Modrejewskis)
28 RESPONDENT obtained a signed Duties Owed form from Frank Modrejewski. **[NRED0062-0063]**

1 **Olexa and Vitalie Stavila**

2 11. Upon being assigned to assist Olexa and Frank Stavila (“the Stavilas”) in identifying and
3 pursuing a property for purchase, RESPONDENT asked the Stavilas to wire him \$2,500.00, which he
4 characterized as a ‘fully refundable servicing fee at close of escrow for inspections, gas, and any other
5 incidentals.’ [NRED0089-0090]

6 12. On or about July 22, 2021, the Stavilas wired RESPONDENT the \$2,500.00 via Western
7 Union. [NRED0036-0042]

8 13. On July 28, 2021, the day after RESPONDENT submitted a \$215,000.00 offer on behalf
9 of the Stavilas for an unidentified residential property, Vitalie Stavila emailed RESPONDENT at 4:38
10 p.m. asking “for the escrow, is there a reason we are not depositing a check?” [NRED0047]

11 14. On July 29, 2021, at 8:22 a.m., the Stavilas emailed RESPONDENT to convey their
12 willingness to give the seller a credit for \$2,500.00 per his suggestion, but that they were “not fully
13 comfortable with the cash transactions [sic],” that they had already transferred \$2,500.00 in cash, and
14 that that they would provide the additional \$2,500.00 for seller’s credit in the form of a personal check.
15 [NRED0048-0049]

16 **Hitesh Kanani**

17 15. On or about August 6, 2021, RESPONDENT conducted a property tour of 2808 Mellow
18 Breeze St, Las Vegas, NV (“2808 Mellow Breeze St.”) with assigned client Hitesh Kanani. [NRED0083-
19 0084]

20 16. Via text chain later that day, RESPONDENT suggested that Kanani add \$3,000.00 in cash
21 to give to seller on top of the seller’s \$565,000.00 asking price to make the offer more competitive.
22 [NRED0083-0084; 0032-0035]

23 17. Per Kanani, RESPONDENT assured him that if the offer was not ultimately accepted, the
24 \$3,000.00 would be returned to Kanani. [NRED0083-0084]

25 18. On August 7, 2021, RESPONDENT personally picked up the \$3,000.00 from Kanani at
26 Kanani’s residence and, later that afternoon, signed offer papers for 2808 Mellow Breeze St. [*Id.*]

27 19. Kanani’s offer was ultimately rejected by the sellers of 2808 Mellow Breeze St., and when
28 Kanani asked RESPONDENT to return the \$3,000.00, RESPONDENT claimed that the money was

1 deposited into an escrow account and that he would need a few days to withdraw it. As of December 3,
2 2021, the funds had not been returned to Kanani. [NRED0083]

3 **RESPONDENT'S RESPONSE**

4 20. On December 27, 2021, the Division informed RESPONDENT that it was opening an
5 investigation against him based upon the receipt of the complaint/statement of fact, and requested from
6 him any documents in his possession related to these matters, as well as a signed, notarized affidavit with
7 his response to the allegations, by January 11, 2022. [NRED0085]

8 21. Also on December 27, 2021, the Division informed RESPONDENT'S then-current
9 broker, Damon Caldwell, that it was opening an investigation against RESPONDENT based upon the
10 receipt of the complaint/statement of fact, and notified Caldwell of his obligation to appear at any
11 subsequent disciplinary hearing against RESPONDENT, pursuant to NAC 645.855. [NRED0086]

12 22. On or about January 18, 2022, RESPONDENT provided the Division with his responsive
13 affidavit. [NRED0087-0092]

14 23. RESPONDENT conceded that the factual events occurred but contends that his actions
15 were based upon a misunderstanding: he thought he was given leads by Redfin to establish his own
16 personal clients, when in fact he was a Redfin employee, and those clients were clients of the Redfin
17 corporation. [NRED0087].

18 24. RESPONDENT stated that because the Modrejewskis and Stavilas were out-of-state
19 buyers, he proposed that they wire funds directly to him to "streamline the process" at close of escrow
20 for inspection, gas, and any other incidentals, to ensure that they had the best chance to secure a deal in
21 a competitive real estate market. [NRED0087-0088]

22 25. RESPONDENT states that after his employment was terminated by Redfin, he reached
23 out to the Modrejewskis and Stavilas to advise them of his termination and, because they remained as
24 Redfin clients, for him to arrange for the return of the wired funds to those parties. [*Id.*]

25 26. RESPONDENT claims he ultimately did return the wired funds to the Modrejewskis and
26 Stavilas. [*Id.*]

1 27. Lastly, RESPONDENT, in his affidavit to the Division, requested permission to contact
2 Hitesh to set up a payment plan for return of the \$3,000.00 servicing fee that Hitesh paid to
3 RESPONDENT. [*Id.*]

4 28. Out of concern that it could be directly interfering with an active investigation, the
5 Division did not respond to RESPONDENT'S request for leave to contact Hitesh to set up a payment
6 plan.

7 29. The Division is presently unable to confirm if RESPONDENT has ever repaid Hitesh
8 Kanani the \$3,000.00.

9 30. On June 9, 2022, the Division completed its investigation and issued an NRS 233B letter
10 to RESPONDENT, wherein it determined that it obtained sufficient evidence to commence disciplinary
11 charges against him and to seek a formal hearing before the Real Estate Commission. [NRED0093-0094]

12 **VIOLATIONS OF LAW**

13 RESPONDENT has committed the following violations of law:

14 31. RESPONDENT violated NRS 645.630(1)(h) pursuant to NAC 645.605(6) on three (3)
15 occasions by commingling his clients' money with his own and converting the money of others to his
16 own use when he requested, and accepted funds via wire transfer or in cash, from the three above-
17 mentioned transactions.

18 32. RESPONDENT violated NRS 645.630(1)(f) pursuant to NRS 645.310(2) on three (3)
19 occasions when he failed to account for or remit to his broker, promptly and/or within a reasonable time,
20 funds that came into his possession and that belonged to others.

21 33. RESPONDENT violated NRS 645.633(1)(h) pursuant to NAC 645.637 when he failed to
22 obtain a signed Duties Owed form prior to submitting a Residential Purchase Agreement on behalf of his
23 clients for 5277 Crooked Valley Drive.

24 **DISCIPLINE AUTHORIZED**

25 Pursuant to NRS 645.630 and NRS 645.633, the Commission is empowered to impose an
26 administrative fine of up to \$10,000 per violation against RESPONDENT and, further, to suspend, revoke
27 or place conditions on the license of RESPONDENT.

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

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

6 NOTICE OF HEARING

7 **PLEASE TAKE NOTICE**, that a disciplinary hearing has been set to consider the
8 Administrative Complaint against the above-named Respondent in accordance with Chapters 233B and
9 645 of the Nevada Revised Statutes and Chapter 645 of the Nevada Administrative Code.

10 **THE HEARING WILL TAKE PLACE** on August 22, 2023, commencing at 9:00 a.m., or as
11 soon thereafter as the Commission is able to hear the matter, and each day thereafter commencing
12 at 9:00 a.m. through August 24, 2023, or earlier if the business of the Commission is concluded.
13 The Commission meeting will be held on August 22, 2023, at the Nevada Division of Insurance,
14 1818 E. College Parkway, Suite 103, Carson City, Nevada 89706, with video conference to Nevada
15 State Business Center, 3300 West Sahara Avenue, 4th Floor – Nevada Room, Las Vegas, Nevada
16 89102. The meeting will continue on each day thereafter commencing at 9:00 a.m. through August
17 24, 2023 until the business of the Commission is concluded.

18 **STACKED CALENDAR:** Your hearing is one of several hearings scheduled at the same
19 time as part of a regular meeting of the Commission that is expected to last from August 22, 2023
20 through August 24, 2023, or earlier if the business of the Commission is concluded. Thus, your
21 hearing may be continued until later in the day or from day to day. It is your responsibility to be
22 present when your case is called. If you are not present when your hearing is called, a default may
23 be entered against you and the Commission may decide the case as if all allegations in the complaint
24 were true. If you have any questions please call Kelly Valadez, Commission Coordinator (702)
25 486-4606.

26 **YOUR RIGHTS AT THE HEARING:** except as mentioned below, the hearing is an open meeting
27 under Nevada's open meeting law, and may be attended by the public. After the evidence and arguments,
28 the commission may conduct a closed meeting to discuss your alleged misconduct or professional

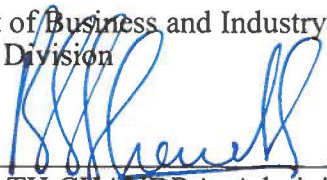
1 competence. You are entitled to a copy of the transcript of the open and closed portions of the meeting,
2 although you must pay for the transcription.

3 As the Respondent, you are specifically informed that you have the right to appear and be heard in your
4 defense, either personally or through your counsel of choice. At the hearing, the Division has the burden
5 of proving the allegations in the complaint and will call witnesses and present evidence against you. You
6 have the right to respond and to present relevant evidence and argument on all issues involved. You have
7 the right to call and examine witnesses, introduce exhibits, and cross-examine opposing witnesses on any
8 matter relevant to the issues involved.

9 You have the right to request that the Commission issue subpoenas to compel witnesses to testify
10 and/or evidence to be offered on your behalf. In making the request, you may be required to demonstrate
11 the relevance of the witness' testimony and/or evidence. Other important rights you have are listed in
12 NRS 645.680 through 645.990, NRS Chapter 233B, and NAC 645.810 through 645.875.

13 The purpose of the hearing is to determine if the Respondent has violated NRS 645 and/or NAC
14 645 and if the allegations contained herein are substantially proven by the evidence presented and
15 to further determine what administrative penalty is to be assessed against the RESPONDENT, if any,
16 pursuant to NRS 645.235, 645.633 and or 645.630.

17 DATED this 18 day of July, 2023.

18 State of Nevada
19 Department of Business and Industry
20 Real Estate Division
21 By: 
22 SHARATH CHANDRA, Administrator
23 3300 West Sahara Avenue, Suite 350
24 Las Vegas, Nevada 89102

25 AARON D. FORD
26 Attorney General

27 By: /s/ Phil W. Su
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