1	BEFORE THE REAL I	BEFORE THE REAL ESTATE COMMISSION		
2	STATE O	STATE OF NEVADA		
3	SHARATH CHANDRA, Administrator,			
4	REAL ESTATE DIVISION, DEPARTMENT OF BUSINESS & INDUSTRY,	Case No. 2018-377		
5	STATE OF NEVADA,	FILED		
6	Petitioner,			
7	VS.	MAR 1 3 2023 REAL ESTATE COMMISSION		
8	THELMA FRANCO-YOUNG,	By Kully Valader		
9	Respondent.			
10	FINDING OF FACT, CONCLUSIONS OF LAW, AND ORDER			
11	This matter came on for hearing before the Real Estate Commission, Department of Business and			
12	Industry, State of Nevada (the "Commission"), during a regular agenda set for a three-day stack			
13	commencing on February 21, 2023 (the "Hearing"). RESPONDENT Thelma Franco-Young			
14	("RESPONDENT") did not appear at the Hearing. Louis V. Csoka, Esq., Deputy Attorney General with			
15	the Nevada Attorney General's Office, appeared on behalf of the Real Estate Division of the Department			
16	of Business and Industry, State of Nevada (the "Division"). After hearing testimony presented in this			
17	matter and for good cause appearing, the Commission now enters its Findings of Fact, Conclusions of			
18	Law, and Order against RESPONDENT as follows:			
19	JURISDICTION			
20	RESPONDENT, at all relevant times mentioned in this Complaint, held herself out and acted as			
21	a person licensed as a Broker-Salesperson under license number B.0029095.LLC, and is therefore subject			
22	to the jurisdiction of the Division and the Commission, and the provisions of NRS chapter 645 and NAC			
23	chapter 645.			
24	FINDING OF DEFAULT			
25	1. On January 13, 2023, the Division	served its Notice of Complaint and Obligation to		
26	Respond on RESPONDENT, at RESPONDENT's	address on file with the Division. Notwithstanding		
27	such notice, RESPONDENT failed to respond.			
28	2. On February 17, 2023, the Division	served its Notice of Default on RESPONDENT, at		

1	RESPONDENT's address on file with the Division. Notwithstanding such notice, RESPONDENT again		
2	failed to respond. RESPONDENT also failed to appear at the associated Hearing.		
3	3.	Given RESPONDENT's failure to respond to the Division's Complaint or to appear at the	
4	associated He	aring, the Division requested that the Commission enter a finding of default against	
5	RESPONDENT in accordance with NAC 645.810(13).		
6	4.	Therefore, finding proper service of the Complaint and proper service of the associated	
7	Notices on RESPONDENT, the Commission entered a finding of default against RESPONDENT.		
8		FACTUAL ALLEGATIONS	
9	1.	On or about January 4, 2013, RESPONDENT submitted a License Change Form to the	
10	Division, which downgraded her license with the Division from a Broker to a Broker-Salesperson.		
11	2.	Contemporaneously, RESPONDENT also surrendered her Property Management Permit	
12	to the Division.		
13	3.	On or about October 1, 2016, RESPONDENT entered into a Residential Property	
14	Management	Agreement (the "Agreement") with Nicole Shinavar ("Complainant"), to manage	
15	Complainant's real property located at 6241 Bellota Drive, Units A, B, C, and D, Las Vegas, Nevada (the		
16	"Property").		
17	4.	The purpose of the Agreement was for RESPONDENT to manage Complainant's	
18	Property. ¹		
19	5.	At all relevant times, RESPONDENT was not licensed to enter into the Agreement, to	
20	manage Complainant's Property.		
21	6.	Notwithstanding the absence of such proper licensure, RESPONDENT included her	
22	Nevada Broker-Salesman license number as an alleged "Property Management License Number" on the		
23	Agreement.		
24	7.	Under the Agreement, RESPONDENT was to receive a \$220.00 rental fee for each of the	
25	four (4) units a	at the Property, a \$75.00 advertising fee, a thirty percent (30%) leasing fee, a \$200.00 set-	
26	up fee, a \$250.00 referral fee, and a \$50.00 renewal fee for her services at the Property.		
27	¹ Around the same time, Complainant also had RESPONDENT assist her in leasing out Complainant's real property located		
28	at 213 Sierra Breeze Ave, Las Vegas, Nevada (the "Sierra Breeze Property"). However, RESPONDENT did not have a formal agreement with Complainant, to manage the Sierra Breeze Property.		

8. The Agreement required that RESPONDENT deposit all rents and security deposits
 collected into Complainant's bank account and notify Complainant of all work that needs to be done at
 the Property along with a monthly accounting of receipts and invoices.

9. The Agreement required that all repairs exceeding \$250 have the owner's approval except in an emergency.

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10. RESPONDENT's files contained a copy of a money order for \$ 500.00 payable to RESPONDENT, associated with the Property, with no proof that it was ever deposited into Complainant's account.

9 11. RESPONDENT's files also contained a copy of a Bank of America deposit slip for \$
10 1,225.00, dated June 7, 2017, with a note on the slip that it represents Security Deposit \$ 675.00 for Unit
11 D and \$ 550 for Unit C of the Property, deposited into Complainant's account.

12 12. Under the Agreement, "rents collected" and "[a]ll security deposits . . . [are to be]
13 deposited [in]to the owners . . . [Bank of America] account "²

14 13. Yet, there is no uncontroverted and reliable proof that any of the same was actually paid
15 over to Complainant, as required under the Agreement.³

16 14. RESPONDENT used her husband, an unlicensed contractor, operating under JayPC
17 Investments, LLC ("JPC"), to undertake repairs at the Property.

18 15. At all relevant times, RESPONDENT and her husband served as JPC's managing
19 members, but did not have contractors' licenses.

20 16. On September 8, 2017, JPC invoiced Complainant's Property, Unit C, for \$536.00 and
21 \$335.00, on the same day for contractor services, including, without limitation, repairing garbage
22 disposal, installing new range hood, cutting a hole for installation of dishwasher, and installing
23 dishwasher.

 ²⁴ Even if an ultimate deadline as to the same would be contested, the Nevada Supreme Court has recognized the implied covenant of good faith and fair dealing normally attaches to all contracts. *See Hilton Hotels Corporation v. Butch Lewis Productions*, Inc. 107 Nev. 226, 808 P.2d 919 (1991) (stating that the "reasonable expectations of the dependent party is determined by the various factors and general circumstances"). Here, with the contemporaneous requirement for monthly accounting of receipts and invoices, a failure to remit any such funds to RESPONDENT for years would clearly not be within the reasonable expectations of the parties.

While RESPONDENT provided ex post facto reconciliation records to the Division purporting to absorb such tenant revenues into certain repair expenses, Complainant had disavowed having received or having been credited for any of the same.

1	17.	Gee Tel Services ("GTS"), a sole proprietorship of Giaonne Laidler, also provided	
2	contractor services at the Property without a contractor's license.		
3	18.	On August 16, 2017, on August 20, 2017, and on August 22, 2017, GTS invoiced	
4	Complainant ³	s Property \$880.00, \$950.00, and \$ 1,193.65, respectively, for work done on Unit C at the	
5	Property.		
6	19.	The three invoices were part of a larger project to paint the interior of Unit C, patch walls,	
7	remove carpeting and install new flooring.		
8	20.	On October 9, 2017 and October 11, 2017, GTS invoiced \$ 1,030.00 and \$502.00,	
9	respectively, for Unit B at the Property.		
10	21.	These invoices were all part of a larger project regarding Unit B, including, without	
11	limitation, to patch holes, paint unit, install window blinds, replace light fixture in bathroom, repair door		
12	frames, and install switches.		
13	22.	On October 12, 2017, JPC also invoiced Complainant's Property, Unit B, for \$870.00 for	
14	replacing doors, repairing door casings, replace water valve, install new range hood, install new light		
15	fixture over mini bar, and repair cabinet under kitchen sink.		
16	23.	There is also a close affiliation between GTS and JPC, as reflected in GTS's Facebook	
17	post that advertises JPC.		
18	24.	NRS 624.031(6) allows for the so called "handyman exemption" from having a	
19		icense and provides as follows:	
20	6. Any work to repair or maintain property the value of which is less than \$1,000, including labor and materials, unless:		
21	 (a) A building permit is required to perform the work; (b) The work is of a type performed by a plumbing, electrical, refrigeration, heating or air-conditioning contractor; (c) The work is of a type performed by a contractor licensed in a classification prescribed by the Board that significantly affects the health, safety and welfare of members of the general public; (d) The work is performed as a part of a larger project: (1) The value of which is \$500 or more; or (2) For which contracts of less than \$500 have been awarded to evade the provisions of this chapter; or (e) The work is performed by a person who is licensed pursuant to this chapter or by an employee of that person. 		
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27	(emph	asis added).	
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1 25. As noted above, RESPONDENT entered into contracts, as well as a series of contracts, 2 for repairs with unlicensed contractors in excess of \$ 1,000.00, thereby failing to meet such handyman 3 exemption from having a licensed contractor.⁴

While RESPONDENT stated in Court documents (Summary Eviction proceedings) that 26. tenant Caren Dickson ("Dickson") moved into Unit D at the Property on June 1, 2017, in the Tenant Ledger, RESPONDENT provided a move in date of June 15, 2017 and only had accounted for a prorated rent of \$ 338.00 to the Complainant.

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27. In October 2017, the Tenant Ledger for Unit D reflected an invoice of \$361.63 for a refrigerator, but RESPONDENT had not provided an associated receipt for the same.

28. October 14, 2017, RESPONDENT's Tenant Ledger reflected an invoice from JPC for \$510.92 for parts for a stove and power cord for Unit B at the Property, but the associated Lowe's receipt showed an actual cost of \$462.31. 12

29. On October 29, 2017, RESPONDENT's Tenant Ledger reflected an invoice from JPC for 13 14 \$344.24 for parts for a replacement dryer for Unit B at the Property, but the associated Lowe's receipt showed an actual cost of \$300.00. 15

30. On or about November 15, 2017, Complainant gave her 30-day termination notice to 16 RESPONDENT, after she discovered Unit D was rented to a previously evicted tenant. 17

31. Shortly thereafter a tenant in Unit B, placed by RESPONDENT and not noticed to 18 Complainant, caused a fire that gutted Unit B and made two adjacent units uninhabitable. 19

32. During the Division's investigation, RESPONDENT failed to produce her entire file upon the Division's request, which included:

(A) the lease for tenant Dickson, so the Division could verify Dickson's move in dates, and

(B) information relative to RESPONDENT's response to the investigator that she has "the permit to manage properties."

²⁶ ⁴ While the Division does not oversee NRS Chapter 624, a violation of another chapter of law constitutes a violation of NRS 645.633(1)(h) for gross negligence or incompetence. Here, RESPONDENT entered into contracts, as well as a series of 27 contracts, for repairs with unlicensed contractors in excess of \$ 1,000.00, thereby failing to meet the relevant exemption in NRS 624.031(6)(d) relative to contractor activity that is otherwise de minimis (i.e., does not normally require licensure, under 28 NRS Chapter 624, if it does not reach the statutory threshold alone nor in a series of related transactions).

33. Respondent reinstated her Property Management Permit with the Division, on or about 1 April 16, 2018, only after the Division noticed RESPONDENT of its investigation. 2 VIOLATIONS OF LAW 3 RESPONDENT violated NRS 645.230(1)(b), by engaging in property management, 1. 4 without the requisite licensure from the Division. 5 2. RESPONDENT violated NRS 645.310(4), by failing to maintain a trust account for 6 7 Complainant's funds, including rent. 3. RESPONDENT violated NRS 645.630(1)(g), by failing to submit to the Division an 8 annual accounting of the trust account as required in NRS 645.310. 9 4. RESPONDENT violated NRS 645.630(1)(h), by commingling the moneys of 10 Complainant with her own, as well as by otherwise converting the same for her own personal use. 11 5. RESPONDENT violated NRS 645.633(1)(h), by engaging in gross negligence or 12 incompetence, specifically, RESPONDENT failed to utilize a properly licensed contractor at the 13 Property, consistent with NRS Chapter 624, or otherwise meet the sole relevant exemptions in NRS 14 624.031(6)(d), in her contracting practices with unlicensed contractors at the Property. 15 6. RESPONDENT violated NRS 645.633(1)(b), by violating NAC 645.680(3), when she 16 failed to disclose all facts and documents pertinent to the investigation to the members of the Division's 17 staff conducting the investigation. 18 19 ORDER 20 1. RESPONDENT shall pay to the Division: (A) a fine of \$75,000.00 and (B) the Division's 21 costs in this matter in the amount of \$7,592.41, which is a total amount of \$82,592.41 ("Amount Due"). 22 The Amount Due shall be payable to the Division, within 90 days of the effective date of this Order. 2. Any and all licenses, permits, and certificates that RESPONDENT holds through the 23 Division are hereby revoked, including RESPONDENT's Broker-Salesperson and Property Management 24 Licenses. 25 If RESPONDENT fails to comply with the terms of this Order, including with regard to 26 3. her payment of the administrative fine, RESPONDENT shall be in default of this Order. 27 28 6

1	4. The Division may institute debt collection proceedings for failure to timely pay the total			
2	fine, including action to reduce this Order to a judgment. Further, if collection goes through the State of			
3	Nevada, then RESPONDENT shall also pay the costs associated with collection.			
4	5. The Commission retains jurisdiction for correcting any errors that may have occurred in			
5	the drafting and issuance of this document.			
6	6. This Order shall become effective on the <u>12</u> day of April, 2023.			
7	DATED this 13th day of, 2023.			
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9	REAL ESTATE COMMISSION STATE OF NEVADA			
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11	By: Spiridon Filios President, Nevada Real Estate Commission			
12	Submitted by:			
13				
14	AARON D. FORD Attorney General			
15				
16	By: /s/ Louis V. Csoka			
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21	Attorneys for Nevada Real Estate Division			
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