

1 BEFORE THE REAL ESTATE COMMISSION

2 STATE OF NEVADA

3 SHARATH CHANDRA, Administrator,
4 REAL ESTATE DIVISION, DEPARTMENT
5 OF BUSINESS & INDUSTRY,
6 STATE OF NEVADA,

Petitioner,

7 vs.

8 THELMA FRANCO-YOUNG,

9 Respondent.

Case No. 2018-377

FILED

MAR 13 2023

REAL ESTATE COMMISSION

BY *Kelley Valadez*

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 Hearing, 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 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 _____
28 ¹ Around the same time, Complainant also had RESPONDENT assist her in leasing out Complainant's real property located
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.

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

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

6 10. RESPONDENT's files contained a copy of a money order for \$ 500.00 payable to
7 RESPONDENT, associated with the Property, with no proof that it was ever deposited into
8 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 _____
25 ² Even if an ultimate deadline as to the same would be contested, the Nevada Supreme Court has recognized the implied
26 covenant of good faith and fair dealing normally attaches to all contracts. *See Hilton Hotels Corporation v. Butch Lewis*
27 *Productions, Inc.* 107 Nev. 226, 808 P.2d 919 (1991) (stating that the "reasonable expectations of the dependent party is
28 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.

³ 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’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 contractor’s license 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;

22 (b) The work is of a type performed by a plumbing, electrical, refrigeration, heating
or air-conditioning contractor;

23 (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;

24 (d) **The work is performed as a part of a larger project:**

25 (1) **The value of which is \$500 or more; or**

26 (2) **For which contracts of less than \$500 have been awarded to evade the
provisions of this chapter; or**

27 (e) The work is performed by a person who is licensed pursuant to this chapter or by
an employee of that person.

28 (emphasis added).

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

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

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

10 28. October 14, 2017, RESPONDENT’s Tenant Ledger reflected an invoice from JPC for
11 \$510.92 for parts for a stove and power cord for Unit B at the Property, but the associated Lowe’s receipt
12 showed an actual cost of \$462.31.

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

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

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

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

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

23 (B) information relative to RESPONDENT’s response to the investigator that she has “the permit
24 to manage properties.”

25
26 _____
27 ⁴ While the Division does not oversee NRS Chapter 624, a violation of another chapter of law constitutes a violation of NRS
28 645.633(1)(h) for gross negligence or incompetence. Here, RESPONDENT entered into contracts, as well as a series of
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
NRS Chapter 624, if it does not reach the statutory threshold alone nor in a series of related transactions).

