

BEFORE THE REAL ESTATE COMMISSION

STATE OF NEVADA

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

Petitioner,

vs.

MICHAEL SLOANE,

Respondent.

Case No. 2021-1217

FILED

SEP 05 2023

REAL ESTATE COMMISSION

BY *Kelly Valadez*

FINDINGS OF FACT, CONCLUSIONS OF LAW, AND ORDER

This matter came on for hearing before the REAL ESTATE DIVISION OF THE DEPARTMENT OF BUSINESS AND INDUSTRY OF THE STATE OF NEVADA ("Division") during a regular agenda, set for three days, beginning on August 22, 2023 (the "Hearing"). RESPONDENT MICHAEL SLOANE (hereinafter, "RESPONDENT") did not appear in person, through counsel, or otherwise, nor did he answer the complaint. Phil W. Su, Esq., Senior Deputy Attorney General with the Nevada Attorney General's Office, appeared on behalf of the Real Estate Division of the Department of Business and Industry, State of Nevada (the "Division").

Section Coordinator Kelly Valadez testified regarding documents and notice of the hearing that were sent via Certified Mail to the RESPONDENT'S address on record with the Division. The Commission found appropriate service of the notice of the Hearing, the Complaint, Notice of the Complaint, and Notice of Documents, and all bates-stamped evidentiary documents submitted by the Division.

After hearing testimony presented in this matter and for good cause appearing, the Commission now enters its Findings of Fact, Conclusions of Law, and Order by default against RESPONDENT as follows:

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

1 the jurisdiction of the Division and the Commission, and the provisions of NRS chapter 645
2 and NAC chapter 645.

3 **FINDINGS OF FACT**

4 The Commission, by unanimous vote, based upon evidence presented during the
5 Hearing, enters a finding of the following facts by default:

6 1. At all relevant times mentioned in this Complaint, Michael Sloane
7 (“RESPONDENT”) was licensed as a Nevada real estate salesperson under license number
8 S.0177565.

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

10 3. At all relevant times mentioned in this Complaint, RESPONDENT’S broker
11 of record was COMPLAINANT Nicole Lazarski, a Nevada real estate broker under license
12 number B.1001821.CORP.

13 4. RESPONDENT’S most recent broker of record was Damon Caldwell, a
14 Nevada real estate broker under license number B.0143673.CORP.

15 5. On December 20, 2021, COMPLAINANT Nicole Lazarski (“COMPLAINANT”
16 or “Lazarski”) provided the Division with a signed Statement of Fact and supporting
17 documents alleging that RESPONDENT, while working under Lazarski’s supervision as a
18 Redfin sales agent, requested from his assigned clients that they issue direct payments to
19 RESPONDENT via wire transfer/Western Union to cover incidental expenses and/or to
20 provide incentivizing funds directly to listing agents.

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

26 **Frank and Sheila Modrejewski**

27 7. Upon being assigned to assist Frank and Sheila Modrejewski (“the
28 Modrejewskis”) in identifying and pursuing a property for purchase, RESPONDENT asked

1 the Modrejewskis to wire him \$1,500.00, which he characterized as a 'fully refundable
2 servicing fee at close of escrow for inspections, gas, and any other incidentals.'

3 8. The Modrejewskis agreed to wire RESPONDENT the \$1,500.00 via Western
4 Union, and subsequently did so.

5 9. On August 10, 2021, RESPONDENT drafted and submitted a residential
6 purchase agreement on behalf of the Modrejewskis for the property at 5277 Crooked Valley
7 Drive, Las Vegas, NV 89149, which stated that the seller needed to respond by 5:00 p.m.
8 on August 11, 2021 or the offer would lapse. ("5277 Crooked Valley Dr")

9 10. On August 12, 2021, (after already submitting an offer on behalf of the
10 Modrejewskis) RESPONDENT obtained a signed Duties Owed form from Frank
11 Modrejewski.

12 **Olexa and Vitalie Stavila**

13 11. Upon being assigned to assist Olexa and Frank Stavila ("the Stavilas") in
14 identifying and pursuing a property for purchase, RESPONDENT asked the Stavilas to
15 wire him \$2,500.00, which he characterized as a 'fully refundable servicing fee at close of
16 escrow for inspections, gas, and any other incidentals.'

17 12. On or about July 22, 2021, the Stavilas wired RESPONDENT the \$2,500.00
18 via Western Union.

19 13. On July 28, 2021, the day after RESPONDENT submitted a \$215,000.00 offer
20 on behalf of the Stavilas for an unidentified residential property, Vitalie Stavila emailed
21 RESPONDENT at 4:38 p.m. asking "for the escrow, is there a reason we are not depositing
22 a check?"

23 14. On July 29, 2021, at 8:22 a.m., the Stavilas emailed RESPONDENT to convey
24 their willingness to give the seller a credit for \$2,500.00 per his suggestion, but that they
25 were "not fully comfortable with the cash transactions [sic]," that they had already
26 transferred \$2,500.00 in cash, and that that they would provide the additional \$2,500.00
27 for seller's credit in the form of a personal check.

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1 **Hitesh Kanani**

2 15. On or about August 6, 2021, RESPONDENT conducted a property tour of 2808
3 Mellow Breeze St, Las Vegas, NV ("2808 Mellow Breeze St.") with assigned client Hitesh
4 Kanani.

5 16. Via text chain later that day, RESPONDENT suggested that Kanani add
6 \$3,000.00 in cash to give to seller on top of the seller's \$565,000.00 asking price to make
7 the offer more competitive.

8 17. Per Kanani, RESPONDENT assured him that if the offer was not ultimately
9 accepted, the \$3,000.00 would be returned to Kanani.

10 18. On August 7, 2021, RESPONDENT personally picked up the \$3,000.00 from
11 Kanani at Kanani's residence and, later that afternoon, signed offer papers for 2808 Mellow
12 Breeze St.

13 19. Kanani's offer was ultimately rejected by the sellers of 2808 Mellow Breeze St.,
14 and when Kanani asked RESPONDENT to return the \$3,000.00, RESPONDENT claimed
15 that the money was deposited into an escrow account and that he would need a few days to
16 withdraw it. As of December 3, 2021, the funds had not been returned to Kanani.

17 **RESPONDENT'S RESPONSE**

18 20. On December 27, 2021, the Division informed RESPONDENT that it was
19 opening an investigation against him based upon the receipt of the complaint/statement of
20 fact, and requested from him any documents in his possession related to these matters, as
21 well as a signed, notarized affidavit with his response to the allegations, by January 11,
22 2022.

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

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1 22. On or about January 18, 2022, RESPONDENT provided the Division with his
2 responsive affidavit.

3 23. RESPONDENT conceded that the factual events occurred but contends that
4 his actions were based upon a misunderstanding: he thought he was given leads by Redfin
5 to establish his own personal clients, when in fact he was a Redfin employee, and those
6 clients were clients of the Redfin corporation.

7 24. RESPONDENT stated that because the Modrejewskis and Stavilas were out-
8 of-state buyers, he proposed that they wire funds directly to him to “streamline the process”
9 at close of escrow for inspection, gas, and any other incidentals, to ensure that they had the
10 best chance to secure a deal in a competitive real estate market.

11 25. RESPONDENT states that after his employment was terminated by Redfin,
12 he reached out to the Modrejewskis and Stavilas to advise them of his termination and,
13 because they remained as Redfin clients, for him to arrange for the return of the wired
14 funds to those parties.

15 26. RESPONDENT claims he ultimately did return the wired funds to the
16 Modrejewskis and Stavilas.

17 27. Lastly, RESPONDENT, in his affidavit to the Division, requested permission
18 to contact Hitesh to set up a payment plan for return of the \$3,000.00 servicing fee that
19 Hitesh paid to RESPONDENT.

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

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

25 30. On June 9, 2022, the Division completed its investigation and issued an NRS
26 233B letter to RESPONDENT, wherein it determined that it obtained sufficient evidence
27 to commence disciplinary charges against him and to seek a formal hearing before the Real
28 Estate Commission.

CONCLUSIONS OF LAW

Based on the foregoing findings of facts by default, the Commission concludes by unanimous vote that RESPONDENT has committed the following violations of law by default:

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

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

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

ORDER

1. RESPONDENT shall pay the Division a total of \$35,989.61 ("Amount Due"), consisting of \$30,000.00 in fines, plus the Division's costs and pre-hearing attorney's fees in the amount of \$5,989.61. The Amount Due shall be paid to the Division within 90 days of the effective date of this Order.

2. All real estate licenses and property management permits issued by the Division to the RESPONDENT are hereby revoked.

3. If the Amount Due is not actually received by the Division on or before its due date, it shall constitute a default by RESPONDENT. In the event of default, the unpaid balance of the administrative fine and costs, together with any attorney's fees and costs that may have been assessed, shall be due in full to the Division within ten calendar days of the date of default, and the Division may obtain a judgment for the amount owed, including collection fees and costs.

4. The Commission retains jurisdiction for correcting any errors that may

1 have occurred in the drafting and issuance of this document.

2 5. This order shall become effective on the 5th day of October,
3 2023.

4 DATED this 5th day of Sept., 2023.

5 REAL ESTATE COMMISSION
6 STATE OF NEVADA

7
8 By: David R Tina
9 Acting President/Vice President
10 Nevada Real Estate Commission

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