

BEFORE THE REAL ESTATE COMMISSION

STATE OF NEVADA

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

Case No. 2024-364

**FILED**

JAN 10 2025

REAL ESTATE COMMISSION

BY *Kelley Valadez*

Petitioner,

vs.

DANE C. BROOKS,  
(B.0062410.LLC-Expired,  
PM.0163550.BKR- Expired),

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 DANE C. BROOKS (“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 645.806 (3), and the discipline to be imposed, if violations of law are proven.

**JURISDICTION**

RESPONDENT, at all relevant times mentioned in this Complaint, was actively licensed as a Broker (B.0062410.LLC) and held a property management permit (PM.0163550.BKR).<sup>1</sup> RESPONDENT is, therefore, subject to the jurisdiction of the Division and the Commission, and the provisions of NRS Chapter 645 and NAC Chapter 645.

<sup>1</sup> Respondent allowed both his broker license and PM permit to expire on October 31, 2024.

## FACTUAL ALLEGATIONS

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2 1. At all times relevant to this Complaint, RESPONDENT was registered as a  
3 broker of record with Valleywide Properties and Management. [NRED0087-0088, Exh. B].

4 2. On April 16, 2024, the Division received a Statement of Fact from  
5 COMPLAINANT Carolyn McClanahan ("COMPLAINANT"), alleging that she had not  
6 received her rents for two properties, 3425 E. Russell Rd. #228 ("Russell") and 101 Luna  
7 Way #152 ("Luna") in a timely manner since April 2023, totaling eighteen (18) months of  
8 unremitted rent. [NRED0001-0003, Exh. A].

9 3. The COMPLAINANT'S Bank of America statements showed inconsistent  
10 payment activity despite tenant-occupied units, including no deposits to her account for six  
11 months in 2023: Jan 2023-April 2023, September 2023 and November 2023. [NRED0055-  
12 0060, Exh. A].

13 4. On April 28, 2024, the Division issued an open investigation letter to  
14 RESPONDENT regarding the Statement of Fact and requesting his response via affidavit,  
15 with deadline for response by May 2, 2024. [NRED0089-0090, Exh. B].

16 5. On May 9, 2024, RESPONDENT notarized a responsive affidavit to support  
17 that COMPLAINANT was paid and that there were no missing payments. [NRED0165-  
18 0167, Exh. C].

19 6. RESPONDENT contended that since work was required for the Russell  
20 property, they entered into a rental deferment agreement for the cost of the work to be  
21 performed. [NRED0165-0167, Exh. C].

22 7. The rental deferment agreement was never reduced to a written agreement.

23 8. RESPONDENT further contended that due to this rental expense deduction  
24 process, two months of rent, for August and November 2023, were not paid, but that all  
25 other rent in 2023-2024 were paid. [NRED0165-0167, Exh. C].

26 9. RESPONDENT'S Trust Account Reconciliations submitted to the Division on  
27 October 30, 2023, showed a balance in the Operating Account of \$-26.72, as substantiated  
28 on the accompanying Bank Statement, which was inconsistent with his "Rent Roll Report,"

1 which showed a balance of \$176,075.75. [NRED0093-0119; specifically 0096 and 0110, Exh.  
2 B].

3 10. RESPONDENT'S Trust Account Reconciliations showed a balance in his  
4 Security Deposit Account with a \$15.00 balance, as substantiated on the accompanying  
5 Bank Statement, which was inconsistent with his "Security Deposits Build Review," which  
6 showed a balance of \$185,343.00. [NRED0093-0119; specifically 0114 and 0119, Exh. B].

7 11. RESPONDENT'S Trust Account Reconciliations submitted Oct 2024 were  
8 incomplete and unreconciled. [NRED0128-0156, Exh. B].

9 12. On October 2, 2024, COMPLAINANT emailed Division Investigator Goddard  
10 to report that RESPONDENT "paid all the money that he owe[d] [her]" and inquiring how  
11 to "drop [her] case" against RESPONDENT. [NRED0082, Exh. A].

12 13. On October 16, 2024, Division Investigator Goddard had a phone call with the  
13 COMPLAINANT, who stated that she felt she was subsequently made whole by  
14 RESPONDENT and "didn't really want to get Dane in trouble." [NRED0157-0158, Exh. B].

15 14. During their call, COMPLAINANT reported to Investigator Goddard that  
16 RESPONDENT had managed the Luna property for seven years and had always paid her  
17 by check with a statement, but that he stopped that practice in 2021 when check payments  
18 became inconsistent, and that his company then went to an electronic payment system  
19 through ApFolio. [NRED0157, Exh. B].

20 15. COMPLAINANT also reported that RESPONDENT experienced issues with  
21 maintaining accurate accounting records and did not consistently follow-up on  
22 commitments to provide COMPLAINANT with accounting details. [NRED0158, Exh. B].

23 16. Investigator Goddard explained that while COMPLAINANT'S request to  
24 "drop her case" would be noted, the Division's investigation would nevertheless continue.  
25 [NRED0157, Exh. B].

26 17. Also on October 16, 2024, Investigator Goddard sent a follow-up email to  
27 RESPONDENT, requesting owner statements and tenant statements showing rent  
28 payments for the entire time of management; to confirm that he transferred the security

1 deposit on the Luna property to the new management company; and to provide proof that  
2 COMPLAINANT owed RESPONDENT a balance of \$1,569.31, per RESPONDENT'S  
3 affidavit. [NRED0125-0126, Exh. B].

4 18. On or about October 22, 2024, RESPONDENT mailed the requested  
5 documents to Investigator Goddard, but did not respond to her questions regarding the  
6 Luna property security deposit or balance of \$1,569.21. [NRED0170, Exh. C; NRED0125,  
7 Exh. B].

8 19. The owner's statement for the Russell property showed rent of \$1,250.00 paid  
9 for the months of Feb 2023, March 2023, April 2023, August 2023 and November 2023, but  
10 did not reflect owner disbursements made to the owner for those months. [NRED0307-  
11 0309, Exh. C].

12 20. The balance on 11/2/2023 in the Russell owner's account Apfolio report was  
13 \$4,870.00. [NRED0412-0414, Exh. C].

14 21. After the Complaint's Statement of Fact/Complaint was filed and the  
15 Respondent was notified of the open investigation, three payments were made in May 2024:  
16 5/10/24 \$1,175 paid (for 8/2023); 5/15 \$1,175 paid (for 11/2023); and 5/18 \$1,065 paid (for  
17 1/2023) which put the owner statement into a negative balance of \$-114.31. [NRED0414,  
18 Exh. C].

19 22. The Owner statement shows an "Owner held Security Deposit" of \$1,295 on  
20 9/23/22 for tenant Kyle Sheets for the Luna property, which contradicts Sec 4.C of the  
21 Property Management Agreement, which states that the property manager would hold  
22 deposits in a trust account [NRED0259; NRED0240, Exh. C].

23 23. On or about October 25, 2024, RESPONDENT emailed COMPLAINANT to  
24 communicate that the security deposit for the Luna property was transferred to Brady  
25 Realty Group and stated that he was still looking into the balance owed, opining that he  
26 "believes it has to do with the Russell property." [NRED0081, Exh. A].  
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1 were true. If you have any questions, please call Kelly Valadez, Commission  
2 Coordinator, at (702) 486-4606.

3 YOUR RIGHTS AT THE HEARING: except as mentioned below, the hearing is an  
4 open meeting under Nevada's open meeting law and may be attended by the public. After  
5 the evidence and arguments, the commission may conduct a closed meeting to discuss your  
6 alleged misconduct or professional competence. You are entitled to a copy of the transcript  
7 of the open and closed portions of the meeting, although you must pay for the transcription.

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

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

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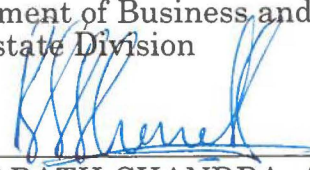
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1 The purpose of the hearing is to determine if the Respondent has violated NRS 645  
2 and/or NAC 645 and if the allegations contained herein are substantially proven by  
3 the evidence presented and to further determine what administrative penalty is to be  
4 assessed against the RESPONDENT, if any, pursuant to NRS 645.235, 645.633 and or  
5 645.630.

6 DATED the 8 day of January, 2025.

7 State of Nevada  
8 Department of Business and Industry  
9 Real Estate Division

10 By:   
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