

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,

7 Petitioner,

8 vs.

9 ZARBOD ZANGANEH,  
10 (B.1000811.LLC),

11 Respondent.

Case No. 2024-420

**FILED**

OCT 17 2024

REAL ESTATE COMMISSION

BY Kelley Valadez

12 **COMPLAINT AND NOTICE OF HEARING**

13 The REAL ESTATE DIVISION OF THE DEPARTMENT OF BUSINESS AND INDUSTRY  
14 OF THE STATE OF NEVADA (“Division”) hereby notifies RESPONDENT ZARBOD ZANGANEH  
15 (“RESPONDENT”) of an administrative hearing before the STATE OF NEVADA REAL ESTATE  
16 COMMISSION (“Commission”). The hearing will be held pursuant to Chapter 233B and Chapter 645  
17 of the Nevada Revised Statutes (“NRS”), and Chapter 645 of the Nevada Administrative Code (“NAC”).  
18 The purpose of the hearing is to consider the allegations stated below and to determine if the  
19 RESPONDENT should be subject to an administrative penalty as set forth in NRS 645.630(1)(c) and  
20 (1)(i), and the discipline to be imposed, if violations of law are proven.

21 **JURISDICTION**

22 RESPONDENT, at all relevant times pertinent to the violations in this Complaint, was actively  
23 licensed as a Broker (B.1000811.LLC). RESPONDENT is, therefore, subject to the jurisdiction of the  
24 Division and the Commission, and the provisions of NRS chapter 645 and NAC chapter 645.

25 **FACTUAL ALLEGATIONS**

26 1. At all times relevant to the Complaint, RESPONDENT was licensed as a Broker (license  
27 number B.1000811.LLC) with the Division and served as broker of record for Luxe Estates & Lifestyles  
28 LLC. NRED0001-0002.

1           2.       On or about May 9, 2024, the Division opened an investigation that concerned a jury  
2 verdict against RESPONDENT in the Eighth Judicial District Court, Case No. A-21-837532-C, as the  
3 result of a civil complaint filed against him. **NRED0003-0005.**

4           3.       The underlying Complaint in Case No. A-21-837532-C alleges that RESPONDENT  
5 served as dual agents in the transaction, representing both the buyer and seller of the subject property, 19  
6 Eagles Landing Lane, Las Vegas, NV 89141 (APN: 191-06-711-008) (“subject property”). **NRED0010-**  
7 **0012.**

8           4.       The Complaint further alleges that RESPONDENT incorrectly represented the square  
9 footage of the subject property as either 18,787; 16,789; or 16,787 sq. ft of livable space, when, in fact,  
10 the true square footage of livable space was 11,167 sq. ft. **NRED0013-0014.**

11           5.       The Complaint alleged causes of action for Breach of Contract; Breach of the Covenant  
12 of Good Faith and Fair Dealing; NRS 645.257 statutory violations; Intentional Misrepresentation;  
13 Negligent Misrepresentation; Breach of Fiduciary Duty; and Unjust Enrichment, as well as special  
14 damages in the form of attorney’s fees. **NRED0010-0020.**

15           6.       The April 24, 2024, jury verdict form in Case No. A-21-837532-C, indicated that the jury  
16 found, by a preponderance of the evidence, against RESPONDENT and in favor of the plaintiff regarding  
17 claims of statutory violations, negligent misrepresentation, and fraud. **NRED0004-0005.**

18           7.       The jury verdict form further indicated that the jury found, by clear and convincing  
19 evidence that, for purposes of punitive damages, RESPONDENT was guilty of oppression, fraud, or  
20 malice, express or implied. **NRED0004-0005.**

21           8.       RESPONDENT’S duties owed form sets forth his obligation towards all parties to  
22 “exercise reasonable skill and care with respect to all parties to the real estate transaction.” **NRED0021.**

23           9.       RESPONDENT’S advertising of the subject property shows that he represented the  
24 livable space to be either 18,787 or 16,789 sq. ft. **NRED0022-0026.**

25           10.      The Assessor record for the subject property indicated approximately 11,787 sq. ft. of  
26 livable space. **NRED0027-0029.**

27           11.      On May 20, 2024, attorney for RESPONDENT, Michael R. Hall, Esq., responded to the  
28 Division’s open investigation letter, explaining why he believed the jury reached an incorrect and

1 improper verdict and asserting that RESPONDENT's actions did not breach any standard of care.<sup>1</sup>  
2 **NRED0006-0009.**

3 12. On August 22, 2024, the Division sent an NRS 233B letter via certified mail indicating  
4 that it had obtained sufficient evidence to commence disciplinary charges against RESPONDENT and  
5 intended to seek a formal hearing before the Real Estate Commission. **NRED029-030.**

6 **VIOLATIONS OF LAW**

7 RESPONDENT committed the following violations of law:

8 1. RESPONDENT violated NRS 645.633(1)(h) pursuant to NAC 645.605(6) when he failed  
9 to deal fairly with the buyer of the subject transaction by misrepresenting the square footage of livable  
10 space of the subject property.

11 2. RESPONDENT violated NRS 645.633(1)(h) pursuant to NAC 645.605(1) when he failed  
12 to do his utmost to protect the public against fraud, misrepresentations and/or unethical practices by  
13 misrepresenting the square footage of livable space in RESPONDENT'S advertising of the subject  
14 property.

15 3. RESPONDENT violated NRS 645.633(1)(i) pursuant to NAC 645.605(2) when he failed  
16 to ascertain all pertinent facts concerning the subject property and misrepresented the square footage of  
17 livable space in RESPONDENT'S advertising of the subject property.

18 **DISCIPLINE AUTHORIZED**

19 Pursuant to NRS 645.630, the Commission is empowered to impose an administrative fine of up  
20 to \$10,000 per violation and suspend, revoke, or place conditions on RESPONDENT'S license if  
21 warranted.

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

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

27 \_\_\_\_\_  
28 <sup>1</sup> Although Attorney Hall's letter indicated that an expert report drafted by Lee Barrett was intended to be attached with the letter, the mail received by the Division did not include any enclosed expert report by Mr. Barrett.

1 **NOTICE OF HEARING**

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

5 **THE HEARING WILL TAKE PLACE** on November 19, 2024, commencing at 9:00 a.m.,  
6 or as soon thereafter as the Commission is able to hear the matter, and each day thereafter  
7 commencing at 9:00 a.m. through November 21, 2024, or earlier if the business of the Commission  
8 is concluded. The Commission meeting will be held on November 19, 2024, at the Nevada State  
9 Business Center, 3300 West Sahara Avenue, 4th Floor – Nevada Room, Las Vegas, Nevada 89102  
10 with video conferencing to Nevada Division of Insurance, 1818 E. College Parkway, Suite 103,  
11 Carson City, Nevada 89706. The meeting will continue on each day thereafter commencing at 9:00  
12 a.m. through November 21, 2024, at the Nevada State Business Center, 3300 West Sahara Avenue,  
13 4th Floor – Nevada Room, Las Vegas, Nevada 89102 with video conferencing to Nevada Division  
14 of Insurance, 1818 E. College Parkway, Suite 103, Carson City, Nevada 89706, until the business  
15 of the Commission is concluded.

16 **STACKED CALENDAR:** Your hearing is one of several hearings scheduled at the same  
17 time as part of a regular meeting of the Commission that is expected to last from November 19,  
18 2024, through November 21, 2024, or earlier if the business of the Commission is concluded. Thus,  
19 your hearing may be continued until later in the day or from day to day. It is your responsibility  
20 to be present when your case is called. If you are not present when your hearing is called, a default  
21 may be entered against you and the Commission may decide the case as if all allegations in the  
22 complaint were true. If you have any questions please call Kelly Valadez, Commission Coordinator  
23 (702) 486-4606.

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

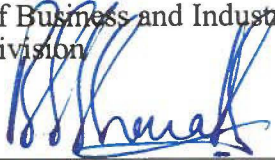
1 As the Respondent, you are specifically informed that you have the right to appear and be heard  
2 in your defense, either personally or through your counsel of choice. At the hearing, the Division has the  
3 burden of proving the allegations in the complaint and will call witnesses and present evidence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

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

11 The purpose of the hearing is to determine if the Respondent has violated NAC 645 and/or NAC  
12 645 and if the allegations contained herein are substantially proven by the evidence presented and to  
13 further determine what administrative penalty is to be assessed against the RESPONDENT, if any,  
14 pursuant to NRS 645.235, 645.633 and/or 645.630.

15 DATED this 16 day of OCTOBER, 2024.

16 State of Nevada  
17 Department of Business and Industry  
18 Real Estate Division

19 By:   
20 SHARATH CHANDRA, Administrator  
21 3300 West Sahara Avenue, Suite 350  
22 Las Vegas, Nevada 89102

23 AARON D. FORD  
24 Attorney General

25 By: /s/ Phil W. Su  
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