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VIA EMAIL AND U.S. MAIL

RE: ***Sharath Chandra, Administrator, Real Estate Division, Department of Business & Industry, State of Nevada v. Tammy ("Tami") L. Lord (B.1001815.LLC)*, Case No. 2024-797**

Dear Mr. Su and Mr. McLean:

This law firm represents Tammy ("Tami") L. Lord in the above-captioned matter. This letter constitutes my formal appearance as counsel of record for Ms. Lord. I respectfully request that the Division and the Attorney General's Office direct all future communications in Case No. 2024-797 to my attention at the address shown above and cease direct communications with Ms. Lord regarding this proceeding.

Response to the October 2025 Settlement Letter

On October 28, 2025, the Division apparently mailed NRS 233B pre-complaint letters to Ms. Lord and Patrick Luther via certified mail to SRS Real Estate Partners, LLC, 6623 Las Vegas Blvd. S., Suite 390, Las Vegas, NV 89119. That address was outdated; SRS's Las Vegas office had relocated, and Ms. Lord did not receive the letter. Ms. Lord regrets that the address issue prevented her from responding to the Division's settlement overture at that time. She would have responded promptly and negotiated in good faith had the letter reached her. She is, nevertheless, prepared to do so now.

Summary of Responses to the Division's Investigation

When the Division issued its investigation letters in September 2024, Ms. Lord and Patrick Luther cooperated fully. The following summarizes their sworn responses.

Patrick Luther's September 6, 2024 affidavit (NRED 0116-0117). Mr. Luther stated that the complainant's allegations were inaccurate and unfounded. He explained that SRS had represented Catherine Cheng-Orban in other transactions and had preliminary conversations about listing 197 E. California Avenue, Las Vegas. Ms. Cheng-Orban provided tenant leases and operating costs so that a purchase price could be established. SRS prepared a draft offering memorandum and sent it to Ms. Cheng-

Orban and John Mitteness for review, but after further consideration, Ms. Cheng-Orban decided not to list the property. The offering memorandum was never circulated or distributed to marketing channels, no further action was taken, and the property was never entered into SRS's internal tracking system because permission to market was never received.

Patrick Luther's September 10, 2024 affidavit (NRED 0114-0117). Mr. Luther stated that both complaints stemmed from Mr. Mitteness's unsubstantiated commission claim. As to Don Tortaco (E. Ann Road and N. 5th Street, Las Vegas), SRS could not confirm that Mr. Mitteness made the initial inquiry; SRS had no email correspondence with him during negotiation; SRS worked directly with the buyer; and the fully executed purchase and sale agreement stated that no agents were involved other than SRS as seller's broker. As to Take 5 (4320 N. Rancho Drive, Las Vegas), Mr. Mitteness was engaged and participated, the transaction closed on July 18, 2024, and he received 50% of the commission; SRS elected not to reopen that issue because the transaction closed on time and the parties were paid as agreed. As to 7-Eleven (E. Ann Road and N. 5th Street), escrow opened March 29, 2024, due diligence ended April 28, 2024, and the seller rejected a last-minute price reduction and terminated escrow on August 27, 2024; although earnest money was nonrefundable, SRS worked with the seller to refund earnest money and continued seeking resolution. Mr. Luther stated that SRS acted professionally and with integrity on all of the transactions.

Tammy Lord's October 11, 2024 affidavit (NRED 0118-0122). Ms. Lord stated that, before receiving Case No. 2024-797, she was "unaware that there were commission/fee complaints or that Jared Davis was handling the transactions in Nevada." She stated that she and Patrick Luther had "multiple conversations specifically emphasizing the importance that only licensed brokers could transact deals in Nevada," and that she understood Mr. Luther was leading and handling the transaction. After reviewing the emails, she stated that Jared Davis had communicated "without my knowledge." Upon discovering that fact, she immediately sent a September 3, 2024 letter to Jared Davis instructing: "Please cease all activity and refer transactions or secure a Nevada Real Estate License" (NRED 0120).

<u>Remedial Steps Already Taken by Ms. Lord and SRS</u>

Since the events giving rise to this complaint, Ms. Lord and SRS have taken the following corrective measures:

Separation of Jared Davis. SRS has advised that Jared Davis has been terminated or otherwise separated from SRS and is no longer affiliated with the company in any capacity. Mr. Davis's involvement in Nevada transactions without an active Nevada license was the central conduct identified in the complaint, and that conduct has been permanently eliminated.

Restructuring of the Nevada office. Ms. Lord has advised that the SRS Nevada office has been restructured so that Patrick Luther no longer operates as a subordinate to Ms. Lord. Mr. Luther now functions independently as the responsible licensee for a separate investment-focused division, SRS National Net Lease Group, LP while Ms. Lord remains licensee of record for SRS's traditional brokerage activities. This structural change ensures clear lines of authority and eliminates the supervisory configuration that the complaint challenges.

Patrick Luther's updated credentials. The Division's own records confirm that Mr. Luther has held a broker's license (B.1003241.LP; affiliated with SRS National Net Lease Group, LP) since August 5, 2025. His credentials and ongoing licensure are not in dispute, and his operational independence within the restructured Nevada office provides additional assurance against any recurrence of the issues identified in this complaint. We submit that Ms. Lord, SRS Real Estate Partners, its affiliates, and its representatives demonstrated their status as a good corporate citizens by immediately implementing structural changes to prevent the allegations at issue in the complaint.

Ms. Lord's Defense on the Merits

While Ms. Lord is prepared to negotiate a resolution, she respectfully submits that the complaint against her cannot be sustained on the merits, and the Division should be aware of the strength of her position as settlement discussions proceed.

The complaint alleges that Ms. Lord violated NRS 645.633(1)(c), pursuant to NRS 645.235(1)(b), by knowingly assisting Jared Davis in unlicensed Nevada real estate activity on four transactions. The complaint also alleges a violation of NRS 645.660(3) for failure to maintain adequate supervision of Patrick Luther. Both theories require proof of Ms. Lord's personal knowledge or supervisory fault. The record does not support either theory.

No knowing assistance. NRS 645.633(1)(c) charges Ms. Lord with "knowingly assisting" an unlicensed individual. Ms. Lord's sworn affidavit states unequivocally that, before receiving the complaint, she was "unaware that there were commission/fee complaints or that Jared Davis was handling the transactions in Nevada." On the other hand, she and Mr. Luther had "multiple conversations specifically emphasizing the importance that only licensed brokers could transact deals in Nevada," and she understood Mr. Luther was leading those transactions. There is no evidence that Ms. Lord communicated with any buyer, drafted any purchase or sale agreement, or otherwise assisted Davis in performing real estate activities in Nevada. In fact, there is no evidence at all that Ms. Lord ever instructed Mr. Davis to undertake any Nevada real estate broker-related or real estate broker-salesperson-related activity. This is simply a case of Mr. Davis acting unilaterally without Ms. Lord's knowledge or approval. It would be unfair to punish her for another's neglect.

Reasonable supervision under NAC 645.600. NAC 645.600 requires "policies, rules, procedures and systems" and "monitoring compliance" as part of a broker's duty to exercise "reasonable supervision" over associated licensees. The regulation expressly permits a broker to delegate supervisory assistance to a broker-salesperson, provided the broker does not relinquish overall responsibility. Ms. Lord's undisputed testimony establishes that she communicated the Nevada-license requirement to Mr. Luther. When she discovered, only upon receiving the complaint, that Davis had been engaging in communications regarding the transactions, she took immediate corrective action by issuing the September 3, 2024 instruction: "Please cease all activity and refer transactions or secure a Nevada Real Estate License." A broker who communicates the legal requirement, delegates day-to-day oversight in a manner consistent with NAC 645.600, and takes prompt corrective action upon discovery of a problem has exercised reasonable supervision.

Not only does Ms. Lord individually guard and monitor activities conducted under the auspices of her brokerage license, but SRS, as an institution, likewise comprehensively manages its agents. It maintains a centralized licensing database, actively tracks the use of licenses to ensure compliance with all applicable regulations, and monitors transfers and payment activity. Even a robust system such as this, which relies on accurate reporting from its participants, cannot immediately discern a person—such as Mr. Davis—who neglects or refuses to accurately input information into the system or inform managers of his activities. Such a circumstance does not impugn Ms. Lord's professional acumen or SRS's processes; it simply points up a basic fact of business: even a very robust program that relies on honest, voluntary disclosure will not immediately detect a careless or malignant actor.

Nevada Supreme Court authority requires proof of personal fault. In *Real Estate Division v. Jones*, 98 Nev. 260, 645 P.2d 1371 (1982), the Nevada Supreme Court held that where the case against a subordinate failed, findings against the supervising broker regarding "culpability, incompetence, or negligence" also failed. In *Lowe v. State Department of Commerce, Real Estate Division*, 89 Nev. 488, 515 P.2d 388 (1973), the Court reversed discipline where the factual record did not support the alleged violations and no fraud, dishonesty, or impropriety was shown. In *State Department of Commerce, Real Estate Division v. Soeller*, 98 Nev. 579, 656 P.2d 224 (1982), the Court affirmed discipline only where affirmative evidence supported the supervising broker's failure to act. These decisions establish that Nevada does not impose strict vicarious liability on a broker. The Commission must independently prove Ms. Lord's own culpability, negligence, or failure to supervise before discipline may be imposed.

Here, the record shows that Davis concealed his activities from Ms. Lord, that she communicated the legal requirements in advance, and that she acted promptly once the issue came to light. Under *Jones*, 98 Nev. 260, 645 P.2d 1371, and *Lowe*, 89 Nev. 488, 515 P.2d 388, discipline is not warranted on these facts.

Due process protections. A professional license is a protected property interest under Article I, Section 8 of the Nevada Constitution ("No person shall be deprived of life, liberty, or property, without due process of law"). The personal-culpability standard articulated in *Jones*, 98 Nev. 260, 645 P.2d 1371, operates as the substantive due process limit on the Commission's disciplinary authority. Disciplining Ms. Lord on a strict vicarious-liability theory, based on communications that Davis concealed from her, would deprive her of that property interest without the requisite showing of personal fault. *See also Holley v. Crank*, 400 F.3d 667, 2005 WL 517752 (9th Cir. 2005) (broker supervision is a "direct, personal responsibility" and "independent" of ordinary corporate duties); *Hudler v. Anderson*, 125 Nev. 1045, 281 P.3d 1183, 2009 WL 3189199 (Sept. 25, 2009) (table decision) (requiring attention to who actually performed the specific conduct and in what capacity).

<u>Settlement Proposal</u>

Without admitting any liability, fault, or violation of any statute, regulation, or standard of conduct, and subject to execution of a definitive written settlement agreement and Commission approval if required, Ms. Lord offers to resolve Case No. 2024-797 on the following terms:

The Division will dismiss the complaint against Ms. Lord with prejudice, and Ms. Lord will make a payment of $10,000 to the Division within 30 days after execution of a definitive settlement agreement by both parties.

This offer expires automatically at 5:00 p.m. Pacific Time on July 30, 2026, ten calendar days after the date of this letter, if not accepted in writing by the Division and the Attorney General's Office. Expiration of this offer does not preclude further settlement discussions on different terms.

Request for Extension of Time to Answer

The Notice of Complaint and Obligation to Respond, dated July 10, 2026, requires Ms. Lord to file an answer within 30 days. To allow the parties to explore settlement before the expenditure of resources associated with a formal answer and hearing preparation, Ms. Lord respectfully requests an extension of time to answer. Ms. Lord proposes that the answer deadline be extended to 30 days after the Division's written response to the settlement offer set forth above, or to such other date as may be mutually agreed. If the Division is not amenable to an open-ended extension, Ms. Lord requests a minimum 30-day extension of the current deadline, to September 9, 2026.

Request for Continuance of the Hearing

The hearing in this matter is currently scheduled for August 11, 2026, at 9:00 a.m., continuing through August 13, 2026. Given that Ms. Lord received the Notice of Complaint only days ago, that the 30-day answer period has not yet expired, and that a settlement offer is now pending, proceeding to hearing on August 11 would not serve the interests of economy or fairness. Ms. Lord respectfully requests that the Commission continue the hearing to a date no earlier than 60 days after the Division's response to this letter, so that the parties may negotiate in good faith without unnecessary expenditure of party and Commission resources. A continuance would preserve Commission hearing time on a stacked calendar and allow the possibility of resolution without a contested proceeding.

Reservation of Rights

Nothing in this letter constitutes an admission of liability, fact, law, jurisdictional predicate, or violation of any statute or regulation. This letter is a settlement communication within the meaning of NRS 48.105 and Federal Rule of Evidence 408 and may not be used as evidence of liability in any proceeding.

Ms. Lord expressly reserves all defenses, objections, and rights available to her under NRS Chapters 233B and 645, NAC Chapter 645, the Nevada Constitution, and the United States Constitution, including without limitation the right to file a formal answer, present evidence, call and cross-examine witnesses, seek subpoenas, challenge jurisdiction, procedure, evidence, and sanctions, and seek administrative or judicial review of any adverse determination.

I look forward to your prompt response so that the parties may proceed constructively. Please do not hesitate to contact me at the number or email address above with any questions.

Respectfully submitted,

Womble Bond Dickinson (US) LLP

By: John E. Bragonje

JEB/tmk

cc: Tami Lord (Tami.Lord@SRSRE.com)