

Open House

A newsletter for Nevada Real Estate Licensees

Department of Business & Industry

July/ Aug/ Sep 2016

The Mission of the Nevada Real Estate Division

To protect the public and Nevada's real estate sectors by fairly and effectively regulating real estate professionals through licensure, registration, education and enforcement.

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REMINDER TO LICENSEES WITH PAST DUE MID-POINT EDUCATION

Licensees still on a 4-year license renewal cycle who have mid-point education due are encouraged to submit their education on time. Starting July 1, 2016 the fine for late CE submission increases from \$100 to \$250.00, as approved by the Nevada Legislature in 2015.

Although the Legislature also approved moving back to a 2-year licensing period, there are still approximately 18,000 licensees who will not convert until their next renewal date, over the new few years. Those licensees still on a 4-year renewal cycle face midpoint education deadlines. ◀



NEW TO LICENSING - NRED NOW ACCEPTS CREDIT CARDS

The licensing section of the Nevada Real Estate Division is now accepting credit cards for all transactions at the front counter in the Las Vegas office.

The accepted credit cards are Visa,

Mastercard, and Discover. A convenience fee of \$1.50 is charged for each transaction. Licensing is excited to offer this benefit to our customers who have often encountered the hassle of leaving the building to get change for cash transactions. ◀

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SUMMARY OF REGULATION CHANGES : LCB FILE NO. R097-14

A amendments to NAC 645, contained in LCB file R097-14, took effect on April 4, 2016. Some of the new or revised provisions are summarized below to highlight the changes affecting licensees, and real estate education programs and providers.

Brokers, Broker-salespersons, Salespersons

NAC 645.180
Out of State Cooperative Certificate Application:

- New application requirements.

NAC 645.185
Out of State Cooperative Certificate Use:

- Revised time limit for use-single transaction or 12 months whichever is earlier.
- Clarification for use – use limited to representing an out of state buyer only – no representation of NV property owner or NV resident allowed.

NAC 645.806
Trust Account Reconciliations

- Clarification for the type of activity requiring annual trust account reporting to be consistent with the requirements in statute (NRS 645.310).
- Clarification for when the trust account reconciliation is due annually and month to reconcile.
- New requirement for brokers who are not required to submit

trust account reconciliations.

- **ALL** brokers are now required to submit either [Form 546](#) (reconciliation) or [Form 546A](#) (affidavit in lieu of reconciliation).

NAC 645.695
Administrative Fines:

- Fine amounts for NAC 645.4442 and NAC 645.448 (midterm education) increase from \$100.00 to \$250.00.
- New administrative fine of \$500.00 for NAC 645.455 (approval of courses and certificates for attendance).
- New administrative fine of \$250.00 for brokers failing to submit form 546A (affidavit in Lieu of a trust account reconciliation).

NAC 645.141
Adds broker-salesperson who is acting as manager of a principal or branch office to provide the verified statement of experience of an associated licensee.

NAC 645.313
To renew a license proof of compliance with the continuing education requirements must be received by the Division.

NAC 645.463
A course for continuing education credits may not be taken more than once during a single licensing period.

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... SUMMARY OF REGULATION CHANGES : LCB FILE NO. R097-14

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Education Providers

NAC 645.437

Original Broker's License

A course in broker management offered by any university, school or college of the Nevada System of Higher Education, or its equivalent, that meets the hours and subjects set forth in NAC 645.437 will be accepted without prior Commission approval.

NAC 645.4436

Courses approved in the law and legislation designation shall be reapproved only once.

NAC 645.4438

Requirements to Receive Education Credits

- A student who satisfies the conditions set forth in this section to receive a certificate of completion will also have his or her name included on the roster of attendees submitted to the Division.
- Disruptive activities in a class include the use of cell phone, laptops, tablets or other electronic devices.

NAC 645.4444

The sponsor of postlicensing education shall provide a certificate of completion (not a certified copy of the record).

NAC 645.450

Revises existing continuing education standards and adds new standards (r) through (w).

NAC 645.455

The Division, on behalf of the Commission, will approve for credit a continuing education course of at least 1 hour of classroom instruction.

Until these amendments are encoded into NAC 645, a complete copy of R097-14 is available at:

[http://www.leg.state.nv.us/Register/RegsReviewed/\\$R097-14A.pdf](http://www.leg.state.nv.us/Register/RegsReviewed/$R097-14A.pdf). ◀

TRUST ACCOUNT REPORTING : MANDATORY, NOT OPTIONAL

Every year, every broker who has been an active real estate practitioner for all or part of that year is required to report to NRED regarding client funds received or receivable by her or him during the course of business. This duty to annually file trust accounting reconciliations with NRED by the expiration date of the broker's license is contained in NAC 645.806.

In April 2016, NAC 645.806 was amended by LCB file R097-14 in

two important ways:

1. The regulation now specifies the types of client or trust fund activities that would require the submission of trust account reconciliations. In addition to rents and security deposits, trust funds include down payments, advance fees and earnest money deposits.
2. It expressly directs a broker who does not receive or handle any trust funds to declare that he or she is not required to provide trust account reconciliation.

To reiterate, every broker, every year must submit to NRED either trust account reconciliation or a declaration by the expiration date of the broker's license. Forms 546 and 546A, respectively, are available for this purpose at: <http://red.nv.gov/Content/Forms/Compliance/>.

A failure to timely comply with trust account reporting now carries a penalty (NAC 645.695): \$1,000 for a Reconciliation; \$250 for a Declaration. ◀

Disciplinary Actions / Stipulations

ACTIONS/DECISIONS

Real Estate Commission actions are not published in this newsletter until the 30-day period allowed for filing for Judicial Review has passed.

A Respondent's license is automatically suspended for failure to comply with a Commission Order, and the Division may institute debt collection proceedings to recover fines and costs.



ALLEGATIONS/STIPULATIONS

Stipulations occur when both the Respondent and Division have agreed to settlement conditions.

A stipulation may or may not be an admission of guilt. Stipulations are presented to the Commission for final approval.

NAME	EFFECTIVE DATE / HEARING TYPE	ALLEGATIONS/ VIOLATIONS	DISCIPLINE/ SETTLEMENT
HELENA GARCIA S.46337 (Revoked)	May 2016 Contested	Made false promises that she would help a client purchase a home, but did not provide any services and fraudulently induced them to enter into a \$130,000 unsecured Promissory Note. The proceeds were used by respondent and her business partners for a private real estate investment. Also provided false, forged or altered documents to the Division.	\$15,000 fine Salesperson license revoked.
SARAH M. GOLDSTEIN B.39746 (Previously Revoked) BS.39746 (Previously Revoked) PM.139746 (Previously Revoked)	May 2016 Contested	Failed to deposit client security deposits into a trust account; comingled the money of her clients with her own and/or converted the money of others for her own use; permitted her trust account to fall into deficit and remain in deficit for more than 45 consecutive days; and failed to submit a final trust account reconciliation to the Division when she ceased to be connected or associated with a property management company.	\$6,500 fine
ROMAN T. FERNANDEZ, JR. S.26541 (Revoked)	April 2016 Contested	Violated NRS 645.630(1)(b) and NRS 645.633(1)(i) , making false promises and engaging in deceitful, fraudulent or dishonest dealings by borrowing money from two different clients that was never paid back. Also, failed to comply or delayed his compliance with a request by the Division to provide documents.	\$50,000 fine. Salesperson license revoked.

Disciplinary Actions / Stipulations (Continued)

NAME	EFFECTIVE DATE/ HEARING TYPE	ALLEGATIONS/ VIOLATIONS	DISCIPLINE/ SETTLEMENT
RONDA MATTHEWS-WOLFE BS.29004 (Downgraded) S.29004 (Active) PM.164788 (Active)	March 2016 Stipulated Settlement	As the designated property manager, respondent failed to adequately supervise property management activities and failed to do her utmost to protect the public against fraud, misrepresentation or unethical practices related to real estate. She deposited approximately \$25,000 of her own money into the trust accounts to replace the missing funds.	\$4,000 fine Broker salesperson license downgraded to a salesperson license. Property Management: 6 hours
DAVID J. JOHNSON S.53303 (Revoked) PM.164445 (Revoked)	March 2016 Stipulated Settlement	Committed four violations of NRS 645.630(1)(h) by commingling and converting client trust account funds by transferring monies into his own personal account for his personal use. Failed to do his utmost to protect the public against fraud, misrepresentation or unethical practices related to real estate, and breached his obligation of absolute fidelity to his principal's interest.	\$15,000 fine Voluntary revocation of salesperson license and property management permit.
JANIE HILARIO S.50734 (Revoked)	April 2016 Contested	Committed 16 violations of NRS 645.630(1)(f) by failing to account for and remit client funds within a reasonable time and converted client funds for her own personal use. Also, committed four violations of NRS 645.633(1)(h) by failing to supply a written response to the Division.	\$220,000 Salesperson license revoked.
WILLIAM SC CHIN B.37507 (Revoked) PM.164204.BKR (Revoked)	April 2016 Contested	Respondent failed to: maintain designated trust accounts; account for and remit client funds within a reasonable time; and supply a written response to the Division. He also converted client funds for his personal use.	\$160,000 fine Brokers license and property manager permit are revoked.
MATTHEW DERCOLE S.62613 (Revoked)	February 2016 Contested	Entered a property for an unauthorized purpose unrelated to a real estate transaction and engaged in sexual activity.	\$10,000 fine Salesperson license revoked.

**3,735
EXPIRED**

As of June 2016, the following number of real estate licenses in the Division system are expired:

- Broker: 559
- Broker-Salespersons: 752
- Salespersons: 2,424
- Total: 3,735

A real estate license must be renewed within one year of its expiration date or it will be permanently closed. To check the status of a license, go to [License Lookup](http://red.nv.gov) at <http://red.nv.gov>.

Disciplinary Actions / Stipulations (Continued)

NAME	EFFECTIVE DATE/ HEARING TYPE	ALLEGATIONS/ VIOLATIONS	DISCIPLINE/ SETTLEMENT
BLANCA PAREDES Unlicensed	May 2016 Contested	After agreeing to cease and desist all property management activities without a license or a permit to do so, respondent continued property management activity.	\$5,000 fine.
MICHAEL (COACH) HOWARD S.55999 (Revoked)	April 2016 Contested	Respondent failed to disclose that his client's offer on a house was a back-up offer. There was another offer on the property, but he advised his client their offer would be accepted, and requested an advance on the closing. Days later, respondent informed his client the contract was not valid and the sellers had accepted the original offer. The advance was never paid back.	\$30,000 fine Salesperson license revoked.
GORDON D. VICIAN B.49444 (Voluntary Surrender)	March 2016 Voluntary Surrender	As broker, failed to supervise a property manager, who allowed tenants to live rent free from May 2011 through February 2012, leading to the owners not meeting their mortgage obligation and forcing them to short sell the property. Additionally, failed to: remit the tenant security deposit; supply a written response and produce documents to the Division; and provide the Division trust account reconciliations for the years 2010, 2011, and 2012.	Voluntarily surrendered brokers license in lieu of other disciplinary action.
MICHAEL A. VANNOZZI BS.49088 (Active)	March 2016 Stipulated Settlement	Violated NAC 645.600(1) by failing to supervise the activities of his agents and violated NAC 645.600(2)(d) by failing to supervise the handling of property management security deposits and operating trust accounts. After he became aware of the wrongdoing, he reported the misconduct to the Division.	\$1,000 fine Agrees to not apply for a brokers license for two years and a property management permit for five years. Broker management: 6 hours

Disciplinary Actions / Stipulations (Continued)

NAME	EFFECTIVE DATE/ HEARING TYPE	ALLEGATIONS/ VIOLATIONS	DISCIPLINE/ SETTLEMENT
VAHAG M. STEPANYAN S.51445 (Revoked)	May 2016 Contested	Respondent violated NRS 645.633(1)(d)(2) by being convicted of a felony involving fraud, deceit misrepresentation or moral turpitude. Also failed to notify the Division in writing within 10 days that he entered a plea of guilty.	Salesperson license revoked.
KORY L. SCHEELER S.16337 (Expired)	March 2016 Stipulated Settlement	Complaint alleged that respondent violated NRS 645.630(1)(a) and (i) , as well as NAC 645.605(1) . Respondent filed an answer denying most of the allegations, resolved the dispute with the property buyer, and without admitting to the facts or violations of law, agreed to pay an administrative fine.	\$3,000 fine
DIANE WILD Unlicensed	May 2016 Contested	Engaged in the business of, acted in the capacity of, or advertised or assumed to act as a real estate broker and a property manager without obtaining a real estate license and a property manager permit from the Division.	\$5,000 fine
DALE BRENT ZAVISLAK S.78584 (Revoked)	April 2016 Contested	Convinced owners to sell a \$372,000 condo to his cousin for \$137,800 with the agreement they could buy it back for the purchase price plus \$10,000 in six months. After the transaction was complete, he had no further contact with the former owners. Respondent violated NRS 645.633(1)(i) for facilitating the agreement and breaching his obligation of absolute fidelity. Additionally, he failed to: disclose his relationship with buyer in writing; provide paperwork for the transaction to his broker; and produce documents and a written response to the Division.	\$60,000 fine Salesperson license revoked.
DARYL BYRON DESHAW S.66553 (Revoked) PM.166120 (Revoked)	April 2016 Contested	Failed to turn client funds over to his broker and failed to account for and remit funds within a reasonable time. Also, violated NRS 645.633(1)(i) by signing the management agreement without the broker's knowledge.	\$70,000 fine Salesperson license and property manager permit revoked.

What Every Licensee Should Know 2016/2017

**NO COURSE FEE!
PRE-REGISTRATION REQUIRED!**

LAS VEGAS

Grant Sawyer Building, Room 1100,
555 E Washington Ave.,
Las Vegas, NV 89101

June 28: 9 a.m. – Noon
August 16: 9 a.m. – Noon
October 18: 9 a.m. – Noon

RENO

Reno/Sparks Association of Realtors
5650 Riggins Court, Ste. #200,
Reno, NV 89502

July 20: 1 p.m. – 4 p.m.
October 12: 1 p.m. – 4 p.m.

<http://red.nv.gov/welsk/>

DID YOU KNOW ...?

In every real estate transaction, there is a duty to disclose to the client or an unrepresented party to the transaction that an agency relationship exists between the licensee and the client. If the licensee is a principal then that status must also be disclosed to the client and any unrepresented buyer or seller. [NAC 645.637](#).

Both disclosures must be clearly made in writing and are distinct from the disclosure of the duties owed by a Nevada licensee.

Some pre-printed contract forms, such as those prepared by REALTOR Associations,

incorporate the confirmation of agency relationship language. However, when using any other contract form, the licensee must ensure that the disclosure is contained in the form or provided in a separate written document. The confirmation of agency relationship (and the licensee's status as principal, if applicable) needs to be made no later than "the date and time in which any written document is signed" by the client or any unrepresented party, or both.

The signed disclosure documents are required to be maintained in the broker's transaction file. ◀

Real Estate Statistics through May 2016

County	BROKER		BROKER SALESPERSON		SALESPERSON		TOTALS	
	Active	Inactive	Active	Inactive	Active	Inactive	Active	Inactive
Unknown	15	0	13	1	48	7	76	8
Carson City	39	26	39	12	142	32	220	70
Churchill	13	11	5	3	44	13	62	27
Clark	1,790	423	2,234	446	12,276	2,160	16,300	3,029
Douglas	69	18	75	16	249	46	393	80
Elko	22	4	17	7	63	15	102	26
Esmeralda	0	0	0	0	1	0	1	0
Eureka	1	1	0	0	1	0	2	1
Humboldt	6	4	3	4	24	4	33	12
Lander	1	1	3	0	3	0	7	1
Lincoln	3	1	0	0	5	2	8	3
Lyon	28	12	19	8	114	17	161	37
Mineral	1	0	0	0	2	1	3	1
Nye	40	7	17	10	102	30	159	47
Out Of State	313	113	223	125	537	293	1,073	531
Pershing	2	0	1	0	1	0	4	0
Storey	1	0	2	0	4	1	7	1
Washoe	392	189	412	113	2,016	325	2,820	627
White Pine	3	0	3	1	5	3	11	4
Total	2,739	810	3,066	746	15,637	2,949	21,442	4,505