

Open House

A newsletter for Nevada Real Estate Licensees

January / February / March / April 2019



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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LEE R. GURR JOINS THE REAL ESTATE COMMISSION

At the December 2018 meeting of the Real Estate Commission, Lee Gurr was sworn in as the newest member on the five-person administrative hearing panel.

A Nevada real estate licensee since 1986 and a permit-holder to manage rental properties, Commissioner Lee Gurr is a former president of the Elko County Association of REALTORS (ECAR), where she has served as chairman or member of the Bylaws, Multiple Listing Service, Finance, Credentials and Membership Committees. She has also served as chairman of the Nevada Association of REALTORS (NVAR) and member of the National Association of REALTORS (NAR) Professional Standards Committees.

Commissioner Gurr completed NAR's Professional Standards and Accredited Buyer Representative (ABR) courses and graduated their dispute resolution and mediation



training. Currently, she serves as mediator for ECAR.

Lee Gurr is a continuing education instructor and has taught pre-licensing education at Great Basin College in Elko. Her involvement in education extends to participating as a Subject Matter Expert in the development of licensing examinations and as an auditor of continuing education courses for NRED.

Gurr was previously appointed

to the Real Estate Commission in 2000 by the Governor of Nevada. At that time, she served on the panel for 6 years.

Commissioner Gurr joins Commissioners Lee Barrett, Devin Reiss, Wayne Capurro and Neil Schwartz and replaces outgoing Commissioner Norma-Jean Opatik.

IN OTHER NEWS . . .



- Commissioner Lee K. Barrett was sworn in as the new president of the Real Estate Commission. He replaces Commissioner Devin Reiss, who now serves as secretary.
- Commissioner Wayne Capurro received a certificate for completion of ARELLO's Commissioner College.



Asking for freebies can mean breaking the law

Real estate and mortgage professionals beware: Asking title agents to provide items such as postage, computer software, or flyers and signs for the advertisement of a property is asking them to break the law!

Per [NRS 686A.130\(3\)](#) a title insurer or underwritten title company may not pay directly or indirectly any commission, rebate, part of its fees or charges or any other consideration as inducements or compensation for the placement of any title, escrow, or other service to the insured, the owner, the lessee, the mortgagee of the real property or any person acting as an agent, representative, attorney, or employee of any of the above.

Due to a multitude of questions regarding marketing practices in the title industry, the Division of Insurance (DOI) issued Bulletin 18-007 on Dec.12, 2018 to provide notice to

all title insurers and title agents, as well as to all real estate brokers/agents, mortgage brokers/lenders, and builders/developers, as to how the DOI interprets and enforces NRS 686A.130.

While it is not possible to discuss all potential unlawful title inducement activities, Bulletin 18-007 offers some guidance about title and escrow fees, promotional materials, gifts, advertising real property, business costs and entertainment, among other activities that may be considered a violation of NRS 686A.130.

Read [Bulletin 18-007](#) in its entirety on the DOI website.

Originally published in the Fall (November) 2015 issue of Open House, this article has been updated for republication.

Things to Remember

ONE

If a real estate licensee obtains a property management permit in the first year of licensure where 30 hours of post-licensing education is required, an additional 3 hours of continuing education with a property management designation must be taken for permit renewal. The same is true for a business broker permit.

TWO

NRED's website, <http://red.nv.gov>, provides calendars of classes and lists of distance education courses that are approved for credits. The calendars are updated weekly to list the classes of sponsors who submit their schedules to NRED. The listing of distance education courses is also updated monthly to add new courses and remove ones that are no longer active. The site provides the fullest available range of real estate education for credits. Licensees are encouraged to use this service to plan out their license renewal education over the course of the renewal period.

THREE

The Course Booklet is a valuable resource for current and prospective sponsors of continuing, pre-licensing and post-licensing education. All providers are encouraged to review it prior to completing or submitting a new course application. The Course Booklet has recently been updated and the fourth edition will be available soon. [See the Course Booklet in its entirety on NRED's website.](#)

NRED CLASSES 2019

NO COURSE FEE. PRE-REGISTRATION REQUIRED

WHAT EVERY LICENSEE SHOULD KNOW



FEBRUARY 4
1 - 4 p.m.



MAY 13
1 - 4 p.m.



MARCH 11
9 a.m. - 12 p.m.



JUNE 3
9 a.m. - 12 p.m.



APRIL 15
1 - 4 p.m.

TRUST ACCOUNTING MANAGEMENT AND COMPLIANCE



JANUARY 31
1 - 4 p.m.



APRIL 17
9 a.m. - 12 p.m.



FEBRUARY 7
1 - 4 p.m.



APRIL 30
1 - 4 p.m.

● LAS VEGAS ● RENO

**UPCOMING
HOLIDAYS**

MARTIN LUTHER KING DAY
Monday, January 21

PRESIDENTS DAY
Monday, February 18

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.



Disciplines that are the subject of a judicial review are in *italics*. 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.

NAME	EFFECTIVE DATE	ALLEGATIONS / VIOLATIONS	DISCIPLINE / SETTLEMENT
Jose Espinosa S.68903 (Surrendered) PM.165381 (Surrendered)	October 2018	Violated NRS 645.633(1)(d)(2) by being convicted of a felony involving fraud, deceit, misrepresentation or moral turpitude; NRS 645.615(1)(b) by failing to notify the Division in writing that he entered a plea of guilty to a crime involving fraud, deceit, misrepresentation or moral turpitude; and NRS 645.633(1)(i) by submitting a fake letter of reference to the Alaska Real Estate Commission.	Voluntary surrender in lieu of other disciplinary action.
Tracy R. Reidy S.167938 (Revoked) PM.164770 (Revoked)	November 2018	Violated NRS 645.647(2) by failing to pay money which she owes to the Commission or Division.	\$500 fine License and permit revoked.
Marcus Fitzgerald S.75778 (Revoked)	November 2018	Violated NRS 645.633(1)(d)(1) and/or (2) by being convicted of a felony involving fraud, deceit, misrepresentation or moral turpitude	\$10,000 fine License and permit revoked.
Talon Michael Bedjohn S.173620 (Active)	November 2018	Violated NRS 645.647(2) by failing to pay money which she owes to the Commission or Division.	\$500 fine
Gavin M. Earnstone B.1000642 (Active) B.1001429 (Active) PM.163784 (Active)	December 2018	Violated NRS 645.633(1)(h) and/or (i) , pursuant to NAC 645.525 , by participating in the naming of a false consideration in the Purchase Agreement; NRS 645.633(1)(h) and/or (i) , pursuant to NAC 645.605(6) , by breaching his obligation to deal fairly with all parties to a real estate transaction; and NRS 645.633(1)(h) and/or (i) , pursuant to NAC 645.605(1) , by failing to do his utmost to protect the public against misrepresentation or unethical practices related to real estate.	\$30,000 fine Brokers License downgraded to a Broker-Sales license. Cannot manage any licensees for a period of two (2) years. Agency: 3 Hours Ethics: 3 Hours
Jason Farrant Unlicensed	December 2018	Violated NRS 645.230(1)(b) and/or NRS 645.235(1)(a) by engaging in property management without a permit.	\$5,000 fine

NAME	EFFECTIVE DATE	ALLEGATIONS / VIOLATIONS	DISCIPLINE / SETTLEMENT
Reda Marie Guden B.46866 (Revoked) PM.163582 (Revoked)	December 2018	Violated NRS 645.630(1)(f) on six (6) occasions by failing to account for and remit funds within a reasonable time; NRS 645.310(4) by failing to designate Accounts 5702 and 8742 as trust accounts; NRS 645.310(6) on four (4) occasions by failing to notify the Division of the names of the banks in which she maintained trust accounts and specify the names of the accounts on forms provided by the Division; NAC 645.655(8) by failing to maintain two separate property management trust accounts distinct from any trust account that she had for other real estate transactions; NAC 645.655(8) by failing to maintain two separate property management trust accounts distinct from any trust account that she had for other real estate transactions; NAC 645.655(5) by maintaining a custodial or trust account from which money could be withdrawn without her signature; NRS 645.630(1)(h) by transferring money from her personal account into Account 5702; NRS 645.630(1)(h) on twenty (20) occasions by transferring money from Account 5702 into her person account; NRS 645.630(1)(h) by withdrawing money from Account 5702 for her personal use; NRS 645.630(1)(h) on three (3) occasions by allowing Account 5702 to go into overdraft status; NRS 645.630(1)(h) by allowing a check written from Account 5702 to be returned for insufficient funds; NRS 645.633(1)(i) , pursuant to NAC 645.605(11)(a) and (b) , by failing to supply a written response to the Division; and NAC 645.655(9) by failing to submit a Trust Account Reconciliation report for Account 8742.	\$420,000 fine License and permit revoked.
Ryan Bennett Unlicensed	January 2019	Violated NRS 645.230(1)(a) and/or NRS 645.235(1)(a) by engaging in the business of, acting in the capacity of, or advertising or assuming to act as a real estate broker, real estate broker-salesperson, or real estate salesperson within the State of Nevada without first obtaining a real estate license from the Division.	\$9,733 fine Respondent agrees that he will not conduct any activity requiring a real estate license in Nevada until such time as he obtains a real estate license.
Kevin Dunlap S.172165	January 2019	Violated NRS 645.252(1)(b) and (2) by failing to properly inform the buyer that the buyer would be responsible for paying Respondent's commission; NRS 645.633(1)(h) and/or (i) , pursuant to NAC 645.605(6) , by falsely telling the buyer that the seller would be paying Respondent's commission; NRS 645.633(1)(i) , pursuant to NAC 645.605(11)(c) , by falsely telling the Division that he informed the title company that the buyer was not responsible for paying Respondent's commission.	Restitution to the complainant in the amount of \$6,500 \$1,250 fine Agency: 3 Hours Ethics: 3 Hours
David E. Howard Unlicensed	January 2019	Violated NRS 645.230(1)(a) and/or NRS 645.235(1)(a) by engaging in the business of, acting in the capacity of, or advertising or assuming to act as a real estate broker, real estate broker-salesperson, or real estate salesperson within the State of Nevada without first obtaining a real estate license from the Division.	\$9,733 fine Respondent agrees that he will not conduct any activity requiring a real estate license in Nevada until such time as he obtains a real estate license.
Ryan Barr Unlicensed	January 2019	Violated NRS 645.230(1)(a) and/or NRS 645.235(1)(a) by engaging in the business of, acting in the capacity of, or advertising or assuming to act as a real estate broker, real estate broker-salesperson, or real estate salesperson within the State of Nevada without first obtaining a real estate license from the Division.	\$9,733 fine Respondent agrees that he will not conduct any activity requiring a real estate license in Nevada until such time as he obtains a real estate license.
Lyle D. Chamberlain B.100016	January 2019	Violated NRS 645.235(1)(b) by assisting unlicensed persons in an activity for which a license is required under NRS Chapter 645, without the required license.	\$2,000 fine Broker Mgmt: 6 Hours



As of January 2019, the following number of real estate licenses in the Division system are expired:

Brokers: **220**

Broker-Salespersons: **379**

Salespersons: **1,814**

Total: **2,413**

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

Real Estate Statistics Through January 2019

	Brokers		Broker-Salespersons		Salespersons		Totals	
County	Active	Inactive	Active	Inactive	Active	Inactive	Active	Inactive
Unknown	0	1	25	2	161	29	186	32
Carson City	38	28	39	11	175	34	252	73
Churchill	11	9	7	1	51	8	69	18
Clark	1,831	376	2,274	322	14,168	1,571	18,273	2,269
Douglas	66	11	66	15	260	29	392	55
Elko	16	4	20	5	74	14	110	23
Esmeralda	0	0	0	0	0	0	0	0
Eureka	0	1	0	0	0	0	0	1
Humboldt	4	4	4	4	2	2	31	10
Lander	1	1	4	0	0	0	8	1
Lincoln	3	0	0	0	1	1	9	1
Lyon	27	11	21	5	118	15	166	31
Mineral	1	0	0	0	2	1	3	1
Nye	34	9	15	6	131	14	180	29
Out Of State	342	80	233	93	735	233	1,310	406
Pershing	2	0	1	0	2	0	5	0
Storey	1	0	2	0	2	2	5	2
Washoe	411	173	426	2,341	2,341	277	3,178	545
White Pine	3	0	2	5	5	2	10	4
Total	2,791	708	3,139	561	18,257	2,232	24,187	3,501



A CLOSER LOOK AT ERRF

The Education, Research, & Recovery Fund

The Education, Research and Recovery Fund (ERRF) was established by [NRS 645.842](#) in 1967. With every application for a real estate broker, broker-salesman and salesman's license, a fee for ERRF must be paid in addition to the original or renewal license fee. ERRF is a special revenue fund which means that when the fee is deposited in the State Treasury it is credited to the Fund to be used only for the purposes specified in NRS 645. The current ERRF fee at original or renewal application is \$40.

THE RECOVERY FUND

The primary purpose of ERRF is to maintain the Recovery Fund at a balance of \$300,000.

This fund may be available in restricted circumstances to cover the liability of a licensee arising out of a settlement claim or final judgment rendered by a court of competent jurisdiction on grounds of fraud, misrepresentation, or deceit in a real estate transaction. The victim of the licensee may petition the court for an order directing the payment of the unpaid claim or judgment from the fund. If the Administrator challenges the claim, the judgment debtor/victim may defend it on his own behalf. The cap for payment of damages is \$25,000 per judgment and liability per licensee (whether LLC, partnership, association, corporation, or a natural person, or both) is restricted to \$100,000 maximum. In the event a debtor is paid out of the fund, the agent's license is revoked with immediate effect and he may not be reinstated, nor have another license issued under Chapter 645 unless and until the Recovery Fund is repaid in full plus interest. (NRS 645.844)

EDUCATION AND RESEARCH

A portion of the funds remaining after the Recovery Fund is replenished to a balance of \$300,000 at the end of the State's fiscal year (July 1 to June 30) is approved by the

Real Estate Commission for use by the Administrator towards real estate education and research.

The mission statement of the Real Estate Division is: To protect the public and Nevada's real estate sectors by fairly and effectively regulating real estate professionals through licensure, registration, education and enforcement.

The Division accomplishes part of its "education" mission through various ERRF projects approved by the Commission. Current and ongoing projects - publications; continuing education programs; the annual instructor/course development workshop; and the continuing education audit program - are described below.



THE RESIDENTIAL DISCLOSURE GUIDE

In 2006 the Division developed, for distribution to licensees and the public, the Residential Disclosure Guide, which provides relevant information about the federal, state and local disclosures requirements in residential real estate transactions. Since its original publication, the Disclosure Guide has undergone eight revisions and reprints. Revisions are triggered by legislative amendments that affect disclosures.

When funding for the education and research projects is approved by the Commission each fiscal year, the cost of printing the booklet is added back into the budget. Up to five copies per licensee may be obtained in person at the Division. [The booklet is also downloadable on the Division's website.](#)

THE NEVADA LAW AND REFERENCE GUIDE

The Division's first and only textbook on Nevada real estate law, the Nevada Law and Reference Guide was

published in 2008. It is an educational resource for education providers and may also be used as a real estate law manual by licensees and the public. The Nevada Law and Reference Guide touches on a number of important issues and topics that pertain to everyday real estate transactions.

Currently in its fourth edition, the Guide is revised as needed to reflect relevant changes in Nevada law and regulation making.

The Law and Reference Guide was authorized by the Commission as a project of the education and research fund and [is available on the Division's website](#).



WHAT EVERY LICENSEE SHOULD KNOW (WELSK)

Started more than two decades ago to address legislative, disciplinary or topical real estate matters, the WELSK CE program has morphed after every session of the Nevada Legislature in both content and duration. Between 2005 and 2009, the course consisted only of legislative updates. Subsequent WELSK courses have ranged from commission disciplinary cases to agency relationships. As the CE provider of the course, the Division contracts with approved instructors in southern and northern Nevada to instruct WELSK classes at no cost to licensees for CE credit.



TRUST ACCOUNTING MANAGEMENT AND COMPLIANCE (TAMC)

Created as an education and research project in fiscal year 2012, the purpose of this continuing education course is to make brokers and property managers aware of the requirement to annually submit trust accounting reconciliation to the Division and to adopt practices in the handling of client funds that comply with the law and regulations.

TAMC, like WELSK, is taught by contracted instructors in northern and southern Nevada and is offered to licensees free of charge for CE credit in mandatory designations.

INSTRUCTOR/COURSE DEVELOPMENT WORKSHOP

In an effort to enhance the quality of real estate education available to licensees, the Division offers training to real estate instructors and course developers at an annual training event held in Las Vegas and Reno. Once the identified and selected topic or subject area of the training is approved by the Division's Administrator, the trainer is usually selected from proposals submitted by individuals who are qualified and recognized for their skills and competence in the subject matter of the development training.

Like the education audit program, the intent of the instructor/course development program is to promote the Division's ongoing efforts to improve the quality of education being provided to licensees.

Funding is allocated within the education and research budget for the project and it is offered at no cost to the educators.

THE EDUCATION AUDIT PROGRAM

The objective of the audit program is to evaluate approved continuing education course content and delivery or presentation. Audits are usually done soon after a new CE course is approved but may also be conducted to investigate licensee comments/complaints to the Division, at the Commission's request, or by random selection since there does not have to be "cause" to perform an audit.

Audits examine whether the content being presented is what was approved by the Division; whether the materials and the presentation aid the licensees in understanding the subject being taught; the ability and competence of the instructor to teach; the resources used to enhance the learning process; and the functionality of the delivery methods of distance education courses, among other things, in order to make a determination of the value and effectiveness of the course to licensees.

Auditors are experienced licensees appointed by the Commission to the Real Estate Advisory Committee. They are not paid to conduct audits, but they are reimbursed the course fee and mileage, if any, after the audit is completed and a report is provided to the Division.

The education and research projects discussed here are current and have been underwritten by ERRF from development of concept to execution. New projects can be, and are, created and existing ones are removed as the need arises and fits what is legislatively authorized.

Originally published in the Summer (August) 2009 issue of Open House, this article has been updated for republication.

JUDGMENT CLAIMS FROM THE EDUCATION, RESEARCH AND RECOVERY FUND (ERRF)



In cases of fraud, misrepresentation or deceit, the law permits recovery of final court judgments against real estate agents of up to \$25,000 per licensee. Claims by petition from the judgment-rendering court may be made to the Administrator, and the claimant must show that all reasonable efforts to obtain payment from the judgment debtor have been exhausted. Only awarded damages are recoverable; the costs and expenses of litigation cannot be claimed from the Fund.

The following payments were made from April 2017 to December 2018.

PETITIONER NAME(S)	LICENSEE NAME AND LICENSE NO.	JUDGMENT RENDERING COURT	AMOUNT PAID
Mongeli, Delia	Rex Henriott B.0017799.LLC (Revoked)	Clark County District Court Case # 16A003388	\$1,500.00
Jasmine & Adam LLC Zhou, Yidong	Chaung (Louis) Wei B.0060535.INDV (Revoked)	Clark County District Court Case # A-14-708939-C	\$11,491.23
Schulte, Melanie	William Schulte B.0026569.CORP (Revoked)	Clark County District Court Case # D-12-458809-D	\$1,556.00
Shao, Debbie	Anthony Shaw B.0055521.INDV (Revoked)	Clark County Justice Court Case # 17A001560	\$10,000.00
Hsieh, Alan	Anthony Shaw B.0055521.INDV (Revoked)	Clark County Justice Court Case # 16A004446	\$10,000.00
Javier, Roselyn	Benjamin Donlon B.1001488.CORP (Revoked)	Clark County Justice Court Case # 17A000901	\$3,750.00
Green, Dawn	Lori Brown S.0172377 (Revoked)	Clark County Justice Court Case # 17A000486	\$2,570.00
Olives LLC Xue, Bing	Chaung (Louis) Wei B.0060535.INDV (Revoked)	Clark County District Court A-16-743840-C	\$25,000.00
Nerino Investment Trinchero, Lillian	Darren Pringle B.1001103.CORP (Revoked)	Washoe County Justice Court Case # RSC2017-001136	\$5,450.00
Calloway, Stephanie	Rex Herriott B.0017799.LLC (Revoked)	Clark County Justice Court Case # 17C005463	\$1,300.00
Bushell, Gregory Sabia, Gary	Linda Akiki B.0054926.LLC (Revoked) B.1000344.INDV (Revoked)	Clark County District Court Case# A-14-704505-C	\$15,680.00
Adams, Allison Adams, Tom	Darren Pringle B.1001103.CORP (Revoked)	Washoe County Justice Court Case # RSC2018-000136	\$5,057.27
Borrer, Dave	Darren Pringle B.1001103.CORP (Revoked)	Washoe County Justice Court Case # RSC2018-000133	\$3,350.00
Kammer, John	Darren Pringle B.1001103.CORP (Revoked)	Washoe County Justice Court Case # RSC2018-000102	\$8,495.23
Williams, Fred	Darren Pringle B.1001103.CORP (Revoked)	Washoe County Justice Court Case # RSC2018-000106	\$2,668.21

DIVISION SEEKS ADVISORY COMMITTEE MEMBERS

The Real Estate Division is seeking to increase membership of the Real Estate Advisory Committee and is inviting applications from interested licensees in northern and southern Nevada who meet the criteria listed below.

Once appointed to the Committee by the Real Estate Commission, the Advisory Committee member will assist the Administrator on a recurring basis to conduct education course audits, and may be called upon by the Administrator or the Commission, as needed, to assist with other matters.

To qualify, applicant must be a U.S. citizen, resident in Nevada for at least five years, have no record of Commission discipline in the last five years, and have been:

- a. An active broker for at least 2 years; or
- b. An active broker-salesperson for at least 5 years.

Appointment to the Advisory Committee is at the discretion of the Commission.

[View additional details and the application form online at http://red.nv.gov/Content/Real_Estate/Advisory_Committee/](http://red.nv.gov/Content/Real_Estate/Advisory_Committee/)

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Washoe County

DEVIN REISS
Secretary
Clark County

NEIL SCHWARTZ
Commissioner
Clark County

LEE R. GURR
Commissioner
Elko County

DIVISION UPDATES

NEW HIRES

Projects

Kelly Valadez
Real Estate Projects Assistant

POSITION CHANGES

Administration

Evelyn Pattee
Commission Coordinator

Projects

Christine Smith
Real Estate Projects Specialist