

Nevada Real Estate Division

Open House

Department of Business & Industry

July 2011

A quarterly newsletter for Nevada Real Estate Licensees

Operational Changes Implemented at Nevada Real Estate Division

by Steve Aldinger, Deputy Administrator

The Mission of the Real Estate Division Education Fund:

To ensure awareness of relevant laws and practices by all licensees through proactive education and information efforts.

With closing of the 2012-2013 Executive Budget in the most recent legislative session, many state agencies are changing the way their services are delivered to the public. The Nevada Real Estate Division is implementing changes to streamline activities to minimize expenses while still striving to provide the best service possible.



Nevada Real Estate Division

contact us at:

702-486-4033

Listen carefully and select the correct Division section.

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Licensing

First, the Division is consolidating all licensing functions in the Las Vegas office because the bulk of our licensee base is located in the Vegas Valley. Effective July 1, all licensing transactions will be handled in the Las Vegas office. Licenses may be renewed online through the Division's robust license renewals webpage, which can be assessed by visiting www.red.state.nv.us and clicking on "online renewals."

"Effective July 1, 2011, all licensing transactions will be handled in the Las Vegas office."

Compliance

Second, compliance investigators in the Carson City office will be available by appointment only as of July 1. With a phone call, constituents can arrange to meet with an investigator at their mutual convenience, eliminating the possible wait

times or lack of availability associated with walk-in appointments. Appointments can be scheduled by calling (775) 687-4280 and the appropriate extension: Extension 300 for Appraisal issues, Extension 304 for Real Estate issues, and Extension 311 for issues related to Common Interest Communities (HOAs).

Projects

Third, the Projects section, which handles subdivided land, will begin a 3-day work week on July 1. Using the U.S. Mail or an expedited delivery service to submit applications and renewals will promote timely processing. "We are working diligently to condense our business operations in a way that's efficient and productive for our licensees," said Gail J. Anderson, Administrator of the Real Estate Division. "Because of the state's fiscal challenges, we are restructuring our services to make the best use of our resources. We will continue to strive for

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Open House

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STATE OF NEVADA
DEPARTMENT OF BUSINESS
AND INDUSTRY

TERRY JOHNSON
Director

REAL ESTATE DIVISION

GAIL J. ANDERSON
Administrator

SAFIA ANWARI
Education & Information Officer

TERESA RICE
Publications Writer

LAS VEGAS OFFICE
2501 E. Sahara Avenue
Suite 101
Las Vegas, NV 89104-4137
(702) 486-4033

CARSON CITY OFFICE
1179 Fairview Drive, Suite E
Carson City, NV 89701-5453
(775) 687-4280

Website: www.red.state.nv.us
E-mail: realest@red.state.nv.us

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Articles by outside experts express the authors' viewpoints and should not be mistaken for official policy of the Real Estate Division. They are included because they address relevant issues that may be of interest to Nevada licensees.

NEVADA REAL ESTATE COMMISSION

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FROM THE ADMINISTRATOR'S DESK

Renewal Term Doubled for Real Estate Licensees



Gail J. Anderson, Administrator

July 1, 2011, was the implementation date which doubled the licensing terms in NRS 645 for original/first time and renewing real estate licenses for brokers, broker-salesmen, and salesmen. For licenses issued and renewed July 1st and thereafter, the expiration of an original (first) license issued to a broker, broker-salesman or salesman changes from 12 to 24 consecutive months, and the renewal thereafter changes from 24 to 48 consecutive months. The license issued will reflect the change on the expiration date of the license.

At this time, there are no changes to the education requirements for renewing a

license. The education requirements are by regulation and are not affected by the statutory change in the licensing term. The Real Estate Commission will hold discussion at their July meeting in Carson City concerning whether to proceed on proposed changes to post-licensing and continuing education requirements that had initially been proposed in LCB File #099-09. That proposed regulation process has not been completed.

The Property Management Permit and the Business Broker Permit are both permits that coincide with the expiration term of the real estate license. The permit fees are by regulation. Until a change has been made by regulation, the permit fee will remain \$40. ◀

Broker First to Renew Under 4-Year Licensing Program



Dario R. Franceschi, JD

"The renewal process went smoothly. I especially liked learning of the new 4-year renewal period."

NRED changes...

(continued from page 1)

efficiencies and to encourage the use of online processing by our licensees."

For those calling the Division's Las Vegas office mainline—(702) 486-4033—please listen to the options and select the correct section option. If you get voicemail, leave a message, which will be retrieved, and you will get a return call. Please utilize the Division's web site at www.red.state.nv.us for information and forms. ◀

Nevada Law & Reference Guide



Available FREE on a first-come basis: The last 30 printed copies of the Nevada Law and Reference Guide may be obtained, one per licensee, from Suite 101 at NRED's Las Vegas office.

Legislature Amends Disclosure Requirements

Amendments passed under Chapters 113 and 116

By Safia Anwari, Education Information Officer

In its 2011 session, the legislature passed three amendments to disclosures in residential transactions.

Chapter 113 Disclosures

Under Chapter 113, the seller's duty to provide an energy consumption evaluation was repealed, while AB271 introduced a requirement to disclose private transfer fee (PTF) obligations. The seller of a property that is subject to a PTF must now provide a written disclosure of the fee. The language of the disclosure statement is provided in Section 14 of the bill. Private transfer fee is defined in Section 5 of the bill and refers to a fee or charge payable upon each transfer of an interest in, or resale of, the property. The person or entity receiving the PTF is not the seller or broker, and the fee in question is not any interest, charge or fee payable to a lender to secure financing. The PTF is attached to the property by

covenant in a deed, usually by a private developer or another private party, and should not be confused with "a reasonable fee to cover the cost of recording it in the books and the records of the [homeowners'] association for the transfer of the ownership of the unit" (see comments of Assemblywoman Irene Bustamant-Adams in Minutes of the Senate Committee on Judiciary, April 28, 2011).

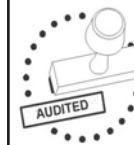
HOA Resale Packages

The resale package, under Chapter 116, has also been revised requiring a homeowner's association to include a statement listing all the fees, including management fees, transfer fees, fines, penalties, interest, collection costs, foreclosure fees, and attorney's fees that are due from the seller. The statement will be effective for 15 days from the date of delivery to the unit's owner or his/her agent.

These disclosure revisions and other legislative amendments will be discussed in greater depth and details in the Division's Law and Legislative update course, What Every Licensee Should Know 2012. The course will be available in the coming months. ◀

EDUCATION AUDITS OF

ONLINE RENEWALS



If you are renewing online, be sure to enter your course information according to the online instructions. If the information submitted is incorrect or incomplete, your license will be involuntarily inactivated.

Licensees are encouraged to visit the online lookup section of the Division's website approximately 2 days following an online renewal to check the status of their license

Always keep your CE certificates on hand! *In the event of an audit, you will be required to present your certificates to the Division.*

Judgment Claims Paid from ERRF

In March 2011 a judgment claim in the amount of \$17,565 was approved by Administrator Gail J. Anderson for payment to **Joseph Chong** from the Real Estate Education, Research and Recovery Fund. The claim from Chong was for recovery of unpaid damages awarded by the District Court against licensee **Charles M. Steiner**, who misappropriated rent monies while acting as **Chong's** property manager.

A separate claim for \$22,500 by **Keith Weinbaum** was approved in June 2011 for a District Court judgment against **Sharon Wilson**. The licenses of **Steiner** and **Wilson** have been revoked without legal recourse either to appeal against the revocation, or for reinstatement or issuance of a new license until each has recompensed the Fund in full.

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 judgment, with the liability per licensee not to exceed \$100,000. Claims by petition from the judgment-rendering court may be made to the Administrator, and claimant must show that all reasonable efforts to obtain payment from the judgment debtor have been exhausted without success. Only awarded damages are recoverable; the costs and expenses of litigation cannot be claimed from the Fund.

- Safia Anwari



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. If a stay on discipline is issued by the Court, the matter is not published until final outcome of the Review. 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. We do not publish names of persons whose license applications are denied.

ALLEGATIONS/STIPULATIONS

Stipulations occur when both the Respondent and Division have agreed to conditions reviewed and accepted by both sides. A stipulation may or may not be an admission of guilt. Stipulations are presented to the Commission for review and acceptance.

Name	Hearing Date/ Type	Violation or Stipulation	Fines/ Education/ Other Action
BRETT ATWOOD BS.0056267 (Inactive)	Nov 2010 Action (Pursuant to Failure to Appear)	As seller's agent, received payment from client for painting the property, and purchasing and installing appliances prior to listing the property but failed to: <ul style="list-style-type: none"> • get the work done; and • account for, or remit, the monies received to the client. Also, failed to respond to client's requests for: <ul style="list-style-type: none"> • status update regarding the property listing; • receipts for the painting and appliances; and • return of the keys to the property 	\$13,000 License suspension for failure to timely pay fine within 30 days.
SCOTT BEAUDRY B.0029242	Nov 2010 Stipulated Settlement	As seller's agent, misrepresented the sales price of the property by adding seller credit for upgrades to the purchase price named on the agreement to purchase.	\$5,000 WELSK (6 hours) Broker Management (3 hours)
IDDO GAVISH B.00508043	Nov 2010 Stipulated Settlement	As listing agent, misrepresented the sales price of the property by inflating the purchase price to include a seller credit which, by addendum, was paid from escrow to a third party.	\$7,000 WELSK (6 hours) Ethics (3 hours) Contracts (3 hours)
STAN R. HICKS BS.0033177	Nov 2010 Stipulated Settlement	Made a material misrepresentation by inflating the list price in the MLS and the sale price in the purchase agreement to include a commission bonus to the buyer's agent, who was also a purchaser in the transaction.	\$10,000 WELSK (6 hours) Ethics (6 hours) Broker Management (3 hours)
ANDREA PORTENTE Unlicensed	Nov 2010 Stipulated Settlement	Engaged in unlicensed property management activities, and continued to manage residential rental property, for compensation or with expectation of compensation, even after the Administrator's Cease and Desist Order had been issued and delivered.	\$1,500



Disciplinary Actions/Stipulations



Name	Hearing Date/ Type	Violation or Stipulation	Fines/ Education/ Other Action
SANDI RANDLE B.0016180	Nov 2010 Stipulated Settlement	<ul style="list-style-type: none"> Failed in her supervision of agent who represented both seller and buyer (who was also agent's wife) but did not get the Duties Owed and Consent to Act forms, and the Residential Disclosure Guide signed by the buyer; Attempted to conceal documents from the Division by initially providing transaction file with disclosures not signed by buyer and subsequently submitting the same disclosures with buyer's signature; Demonstrated ineffective office policy on supervision of licensees when informing the Division that she did not feel the agent had done anything wrong regarding the disclosure issues and, with regard to her management and control of licensee's transactions, responded that an "in-house escrow coordinator administers the files and processes them." 	\$1,500 Contracts (3 hours) Broker Management (3 hours)
KATHLEEN TINAGLIA Revoked	Nov 2010 Action (Pursuant to Failure to Appear)	<ul style="list-style-type: none"> As buyer's agent, inflated purchase price in the purchase agreement by adding to it a seller credit that, by contract addendum, was paid from escrow to a 3rd party; Failed to respond to Division's requests for information during its investigation and failed to appear for hearing. 	\$215,000 License revoked
GERRI WADKINS S.0050095	Nov 2010 Stipulated Settlement	While acting as seller's agent, inflated sales price, which included a post-contract addendum entered into by seller and buyer to pay a property upgrade credit to an entity that was not a principal to the transaction.	\$6,000 WELSK (6 hours) Ethics (6 hours) Contracts (3 hours)
ZARBOD ZANGANEH (S.0062766)	Nov 2010 Stipulated Settlement	On more than one occasion, while associating with one licensed broker, licensee represented himself in transactions as working under a broker with whom he was no longer associated.	\$2,500 WELSK (6 hours)
MICHAEL BRELSFORD B.0020466	Jan 2011 Stipulated Settlement	In connection with the Division's investigation regarding a residential property transaction conducted by a salesperson under respondent-broker's license, broker failed to respond to Division requests for documents and information.	\$2,500 Broker Management (6 hours)
KATHRYN CAMPBELL S.0055817	Jan 2011 Stipulated Settlement	Inflated sales price in purchase agreement and increased original list price in MLS to include a payment from escrow to a 3rd party.	\$6,000 WELSK (6 hours) Ethics (6 hours) Contracts (3 hours)



Disciplinary Actions/Stipulations



Name	Hearing Date/ Type	Violation or Stipulation	Fines/ Education/ Other Action
DARREN EDELMANN S.0056778	Jan 2011 Stipulated Settlement	As seller's agent, misrepresented sales price in the purchase agreement to include a payment from escrow to a 3rd party.	\$5,000.04 WELSK (6 hours) Ethics (3 hours)
JOHN C HALEY Expired	Jan 2011 Stipulated Settlement	While representing seller, misrepresented sales price by including a payment directly out of escrow to a 3rd party.	\$3,000
JANET LEEDHAM S.007439	Jan 2011 Stipulated Settlement	Misrepresented the sales price, while acting as seller's agent, to include a payment out of escrow to an investment company that was not a principal in the transaction.	\$6,500.04 WELSK (6 hours) Ethics (6 hours) Contracts (3 hours)
VICTORIA MARION S.0049978	Jan 2011 Stipulated Settlement	Without a property management permit, upon close of escrow of residential income properties for buyer clients, respondent: <ul style="list-style-type: none"> • engaged in property management activities; • issued a check on an account with insufficient funds; • withheld partial rent for pool repairs that were not made and that owners had not authorized; • withheld balance of rent from owners informing them that the amount would be paid at a later date; • failed to account for rent monies when requested by owners. 	\$5,004 WELSK (6 hours) Ethics (6 hours) Contracts (3 hours)
ERWIN MESSINGER S.0048494	Jan 2011 Stipulated Settlement	As listing agent, misrepresented sales price in purchase agreement to include a payment out of escrow to a 3rd party.	\$5,000 WELSK (6 hours) Ethics (6 hours) Contracts (3 hours)
MELVIN OSHIRO B.0017848	Jan 2011 Stipulated Settlement	As seller's agent, misrepresented the sales price by including sellers credit for modifications and upgrades to the purchase price of the property.	\$7,000.08 WELSK (6 hours) Ethics (6 hours) Contracts (3 hours)
WILLIAM PLUMMER S.0032805	Jan 2011 Action	While representing seller, inflated sales price in the purchase agreement to include a credit out of escrow to a 3rd party.	\$5,000 WELSK (6 hours) Ethics (6 hours)



Disciplinary Actions/Stipulations



Name	Hearing Date/ Type	Violation or Stipulation	Fines/ Education/ Other Action
MARK POTTER Expired	Jan 2011 Stipulated Settlement	While acting for seller, inflated sales price in the purchase agreement to include a payment direct from escrow to a 3rd party and entered the inflated amount as the pending sales price in MLS.	\$7,000.08
JUSTINE RIES S.0040924	Jan 2011 Stipulated Settlement	As listing agent, misrepresented the sales price in the purchase agreement and later in the MLS to include payment from escrow to a 3rd party.	\$6,000 WELSK (6 hours) Ethics (6 hours) Contracts (6 hours)
STUART SHEINFELD S.0070222	Jan 2011 Stipulated Settlement	While acting as seller's agent, misrepresented the sales price of the property to include a payment from escrow to a 3rd party.	\$5,000 WELSK (6 hours) Ethics (6 hours) Contracts (3 hours)
PATRICIA SNOW S.0040442 PM.0163201	Jan 2011 Stipulated Settlement	Engaged in property management activities prior to obtaining a permit.	\$2,500 WELSK (6 hours)
KRISTA SWANSON S.0051396	Jan 2011 Stipulated Settlement	As seller's agent, misrepresented purchase price to include a payment out of escrow to a 3rd party.	\$5,000.04 WELSK (6 hours) Ethics (6 hours) Contracts (3 hours)
SHAMILE TOUCHE (S.0061737) B.1000484	Jan 2011 Stipulated Settlement	As listing agent of her broker's residential property: <ul style="list-style-type: none"> • misrepresented sales price to include a payment from escrow to a 3rd party; • entered the inflated sales price in the MLS; • disclosed the seller's licensee status after buyer and seller had entered into a contract. 	\$16,000.16 WELSK (6 hours) Ethics (6 hours) Contracts (3 hours)



By the end of June 2011, the following number of real estate licenses had expired:

- Brokers: 245
- Broker-Salespersons: 520
- Salespersons: 3129

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, visit www.red.state.nv.us and click on License Lookup.

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State of Nevada
 Department of Business & Industry
 Real Estate Division
 2501 E. Sahara Avenue, Suite 101
 Las Vegas, NV 89104-4137

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Real Estate Statistics as of June 2011

	BROKER		BROKER SALESPERSON		SALESPERSON		Total	
	Active	Inactive	Active	Inactive	Active	Inactive	Active	Inactive
Unknown	46	49	49	57	316	129	411	235
Carson City	43	27	40	20	143	38	226	85
Churchill	11	9	8	1	38	17	57	27
Clark	1718	470	2135	505	11458	2302	15311	3277
Douglas	78	17	81	23	277	50	436	90
Elko	22	6	19	9	56	8	97	23
Esmeralda	0	0	1	0	1	0	2	0
Eureka	1	1	0	0	0	0	1	1
Humboldt	4	4	5	3	19	1	28	8
Lander	1	2	1	0	4	1	6	3
Lincoln	1	0	1	0	3	1	5	1
Lyon	32	11	21	10	100	26	153	47
Mineral	1	0	0	1	3	1	4	2
Nye	41	8	30	11	117	35	188	54
Out Of State	268	33	212	65	391	203	871	301
Pershing	2	0	0	0	2	0	4	0
Storey	1	0	2	0	8	2	11	2
Washoe	395	204	418	130	1761	365	2574	699
White Pine	2	0	2	2	6	4	10	6
Total	2667	841	3025	837	14703	3183	20395	4861