

Open House

A newsletter for Nevada Real Estate Licensees

Department of Business & Industry

May 2014

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.

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CARTINELLA, SCHWARTZ SWORN IN AS COMMISSIONERS



President David Boyer welcomes Sherrie Cartinella at the December 2013 meeting of the Nevada Real Estate Commission.

**By Chad Freeman
Publications Writer**

Sherrie Cartinella of Washoe County and Neil Schwartz of Clark County were sworn in at the December 2013 meeting of the Real Estate Commission to begin their 3-year term on the Commission.

Cartinella has been a real estate licensee since 1992 and is currently a Broker-Salesperson with Ferrari-Lund Real Estate in Reno. She is a past President of the Reno/Sparks Association of Realtors and the Northern Nevada Regional Multiple Listing Service; she has chaired and served on numerous committees for national and local

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**NEVADA REAL ESTATE
COMMISSION**

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SHERRIE CARTINELLA
Commissioner
Washoe County

NEIL SCHWARTZ
Commissioner
Clark County

... **CARTINELLA, SCHWARTZ** **SWORN IN AS COMMISSIONERS**



**President David
Boyer welcomes
Neil Schwartz at
the December
2013 meeting of
the Nevada
Real Estate
Commission.**

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Women's Council of Realtors, as well as on the board of directors and risk reduction committee for the National Association of Realtors.

She is one of five Trustees on the Terry Lee Wells Foundation, which to date has given over five million dollars to the Terry Lee Wells Nevada Discovery Museum on Center Street in Reno.

An avid marathon runner, Cartinella has competed in the Boston Marathon, and marathons in Athens, Greece, Rome and Washington DC. Cartinella is married and between her and her husband, they have two sons, three daughters and eight grandchildren.

Neil Schwartz began his real estate career in 1986 after retiring from movies and television. He can be spotted on early episodes of Happy Days as the character Bags Zembroski.

Schwartz has been very active in the

Greater Las Vegas Association of Realtors, having held many positions including as a member of the MLS committee, forms committee, professional standards committee, faculty committee and six years as a Director.

Currently he is very involved with licensee education, having developed a number of classes presently being taught for CE credits in multiple areas.

"Having sold real estate for over 25 years, I have learned every day is different, each with its own set of challenges," Schwartz said. "I have enjoyed those challenges."

Commissioners Cartinella and Schwartz join Commissioners David Boyer (President), Richard Johnson (Vice President) and Norma Jean Opatik (Secretary) to complete the 5-member body appointed by the Governor to act in an advisory capacity to the Real Estate Division, adopt regulations, and hear disciplinary cases and appeals from the decisions of the Division. ◀

PROPERTY MANAGEMENT SOFTWARE

By Steve Aldinger
Deputy Administrator

Did you know that there are over 70 software programs available to aid in property management? The Real Estate Division does not require or recommend the use of specific software but can provide some information that potential users may find helpful when selecting a program for their brokerage.

If you are considering switching or purchasing new software for property management, the internet is a good place to start. An excellent website is <http://www.reviews.com/property-management-software/> which provides in-depth reviews of over 70 programs, written by reviewers experienced with both property management and programming. Some considerations to keep in mind when choosing property management business software:

Fit Your Business

Take stock of your business requirements, make a list of the key functions the software should perform and compare that list to the features of any software you consider. Does the brokerage have a small, medium or large portfolio of properties? Some features and cost of software packages are often tailored to portfolio size. Do you intend to interface with the software only in the office, or will field access with tablet or smart phone be vital? Software might be written specifically for a desktop PC or may be cloud based for mobile access. Are you handling pri-

Take stock of your business requirements, make a list of the key functions the software should perform and compare that list to the features of any software you

marily long-term leases or short-term vacation type rentals? Does the brokerage manage residential properties, commercial properties or both? Having a good understanding of your current and future business requirements is essential to choosing the right software.

Ongoing maintenance and associated costs should also be considered. Will software configurations, report formats and minor customizations be handled by brokerage staff, an IT contractor or by the software vendor? If this function will be outsourced, be sure that you understand the costs and time to implement involved before committing to a software package.

References

This is usually where most brokers start – they will ask fellow property managers what software they use and if they are happy with it. User references are an excellent way to determine the quality of day-to-day performance and support from a software company. Be careful, however, to ask for references from property managers with a similar

business model. If your brokerage handles long-term leases, a reference from a property manager using software designed for vacation rentals will lead you astray. This is a good time to refer to your list of key business requirements to ensure a valuable reference.

Reporting Needs

The most often overlooked area when evaluating software is the reporting requirements. This is where requirements under Nevada law need to be considered. Will the reports needed to document the annual trust account reconciliation filing be readily available? Many times the Division auditor hears “My software doesn’t provide that!” when requesting supporting documentation on properties or security accounts. Some brokerages have even changed software packages for this reason alone. Creating custom reports can be expensive and time consuming. Make sure that all reporting to the Division, clients, accountant and for internal business purposes are fully considered prior to making a purchase commitment. “Reporting” does not have to be via paper and can even be used as an enhanced client service. Some software allows clients to access property status reports online 24/7.

Having the proper software can greatly facilitate property management. Fully understanding your business requirements along with some internet research and appropriate user references can go a long way to ensuring selection of the right program. ◀

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. Names of persons whose license applications have been denied are not published.

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
SEAN SPANGLER BS.0034913 (Active)	June 2012 Stipulated Settlement	Failed to notify the Division of his plea of guilty to a crime involving fraud, deceit, misrepresentation or moral turpitude, violations of NRS 645.633(1)(d)(2) and NRS 645.995.	\$5,000 fine
GERMAN POSADA S.0037593 (Revoked)	June 2012 Action	Violated NRS 645.280(1) by giving or paying commission to a person not licensed as a real estate broker, broker-salesperson or salesperson. Additionally, violated NRS 645.633(1)(d)(2) by pleading guilty to two crimes involving fraud, deceit, misrepresentation or moral turpitude.	Salesperson license revoked. \$20,000 fine
JEFF GOODSITT S.0049634 (Revoked) PM.0149634 (Revoked)	December 2013 Action	Violated NAC 645.610(1)(a) by falsely and/or misleadingly advertising Goodsitt Commercial Group as authorized to conduct real estate transactions and property management in Nevada. Respondent also provided a false, forged or altered document to the Division and failed to disclose all facts and documents pertinent to an investigation.	Salesperson license and property manager permit revoked. \$30,000 fine Ordered to cease and desist any and all advertising related to real estate and property management.
JOHN SCOTT WEBER S.0054951 (Revoked)	June 2012 Action	Respondent violated NRS 645.633(1)(d)(2) by pleading guilty to a crime involving fraud, deceit, misrepresentation or moral turpitude, as well as NRS 645.995(1)(a) and (b) for failure to timely notify the Division in writing of his plea.	Salesperson license revoked.
NANCY L. ANDERSON BS.0063958 (Downgraded) PM.0162642.DES (Revoked)	July 2013 Stipulated Settlement	Committed gross negligence or incompetence by failing to: communicate with the buyer of a transaction; acquire knowledge or all material facts and convey that knowledge to the involved parties; collect late fees; initiate eviction proceedings; and perform regular inspections of the properties managed. Respondent also allowed tenants to live in a property rent free for ten months and failed to use reasonable efforts to rent the property.	Voluntary revocation of property management permit, and broker-salesperson license downgraded to salesperson. \$20,000 fine WELSK: 3 hours Ethics: 3 hours Contracts: 3 hours
WILLIAM (BILL) WOOD B.0001623 (Active)	February 2013 Action	Respondent failed to supervise a salesperson conducting real estate transactions at auctions.	\$5,000 fine Broker Management: 6 hours

Disciplinary Actions / Stipulations (Continued)

NAME	HEARING DATE / TYPE	VIOLATION OR STIPULATION	FINES / EDUCATION / OTHER ACTION
TERESITA DE JESUS GOMEZ S.0078169 (Revoked) PM.0163965 (Revoked)	December 2013 Action	Falsely represented she was a broker and falsely represented she was an agent when her license was not associated with a broker. Directly accepted compensation, which she commingled and converted for her own use.	Salesperson license and property manager permit revoked. \$90,000 fine
CYNTHIA HOSBROOK S.0046407 (Revoked)	December 2013 Stipulated Settlement	Respondent provided false information to lenders, and acted deceitfully, fraudulently, or dishonestly by participating in a transaction to deprive Freddie Mac funds in order for her and her husband to benefit. Respondent and her husband sold their personal home through a short sale transaction to the respondent's mother, and continued to live in the home after the short sale.	Any and all licenses held by respondent revoked. \$5,000 fine
ROBERT HOSBROOK S.0168696 (Revoked)	December 2013 Stipulated Settlement	Respondent provided false information to lenders, and acted deceitfully, fraudulently, or dishonestly by participating in a transaction to deprive Freddie Mac funds in order for him and his wife to benefit. Respondent and his wife sold their personal home through a short sale transaction to the respondent's mother in law, and continued to live in the home after the short sale.	Any and all licenses held by respondent revoked. \$5,000 fine
LINDA SOSAMON B.0053918 (Voluntary Surrender) PM.0153918 (Voluntary Surrender)	June 2012 Stipulated Settlement	As a resident of Colorado, respondent failed to adequately supervise a salesperson in Las Vegas that conducted unlicensed property management activities.	Voluntary surrender of broker license and property management permit. \$3,000 fine
SHEYANTHI WELIKALA-PERERA S.0073472 (Active)	February 2013 Stipulated Settlement	During a property management permit examination administered by PSI, respondent was observed copying the exam questions and the multiple choice answers onto a piece of paper.	\$1,000 fine Respondent agrees not to take the property management permit test for 12 months.
JUANCARLO CASTILLO S.0167345 (Active)	February 2013 Action	Violated NRS 645.630(1)(h) and (i) by using earnest money for his own personal use, instead of placing it in the custody of his broker.	\$6,000 fine WELSK: 6 hours Ethics: 6 hours
RONALD MATUSEK S.0038112 (Revoked)	February 2013 Action	Materially misrepresented his true identity in regards to the purchase of two properties and pled guilty in a United States District Court to a felony crime, which involved fraud, deceit, misrepresentation or moral turpitude, relating to the practice of his license.	Salesperson license revoked. \$60,000 fine
K. DEE SCHANDER (Unlicensed)	July 2013 Stipulated Settlement	Respondent was not licensed and/or permitted by the Division while conducting property management activity.	\$5,000 fine Agreed to cease and desist managing properties.

**1,399
EXPIRED**

As of March 2014, the following number of real estate licenses in the Division system are expired:

- Broker: 136
- Broker-Salespersons: 206
- Salespersons: 1,057
- Total: 1,399

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.

TO AVOID TRUST ACCOUNT VIOLATIONS, KEEP POSITIVE BALANCES, ATTITUDE

**By Steve Aldinger
Deputy Administrator**

Conversion! This is a dreaded word if you are a broker responsible for a trust account. Yet, a common property management practice might very well cause this label to be applied to you.

If a broker permits any trust account, including any individual ledger within the trust account, to fall into deficit and remain in deficit for more than 45 consecutive days, the broker will be subject to discipline under NAC 645.655(9).

Some property managers will “overdraw” the account balance of a client in order to pay ex-

penses such as property repairs. Any amount over the balance belonging to the client whose property is being repaired belongs to another client. Thus, money belonging to one client is spent on behalf of another client and conversion occurs. A negative ledger in a trust account almost always equals conversion and requires the broker’s immediate attention and correction.

Should the brokerage have a business policy allowing the advancement of funds to clients whose managed properties require emergency repairs, the loaned funds should come from the brokerage, not from other client’s funds in the trust account. This “loan” is a business decision and brokerage risk, not a client risk.

One of the more frequent deficiencies found in the audit of trust account reconciliations is a Schedule D listing owner ledgers with negative balances. This should not occur. Proper monitoring of the ledger balances month-to-month will ensure that all balances are positive at the time of annual trust account reconciliation submission.

Many of the available property management software packages can be configured to flag or not permit transactions which would cause a ledger to go negative. Inquire of your software provider.

Remember, to avoid trust account violations, keep positive balances and a positive attitude! ◀

TRUST ACCOUNTING COURSE SCHEDULE

**Trust Accounting Management
and Compliance Course**
CE.5369000-RE: 3 hours of
Broker Management credits
CE.5369001-RE: 3 hours of
Property Management credits

Registration Required
Register at <http://red.state.nv.us>

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

July 18
9 a.m. to Noon
September 19
9 a.m. to Noon

RENO
At NVAR
760 Margrave Drive
Suite #200
Reno, NV 89502

July 16
9 a.m. to Noon

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 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, if needed, to assist with other matters.

To qualify, applicant must be a U.S. citizen, resident in Nevada for at least 5 years, have been:

- a. an active broker for at least 2 years; or
 - b. an active broker-salesperson for at least 5 years; and
- may not have a record of Commission discipline in the past 5 year.

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

For more details and/or an application form, contact:

Legal Administrative Officer, Real Estate Division

2501 E. Sahara Avenue, Las Vegas, NV 89104

Email: Realest@red.state.nv.us

WHAT EVERY LICENSEE SHOULD KNOW

Class Date	Hours	Sponsor	Designation/CE#	Location
05/15/14	3	Steven Kitnick Seminars	Law & Leg/CE.5594003-RE	Las Vegas
05/19/14	3	GLVAR	Law & Leg/CE.5594001-RE	Las Vegas
06/16/14	3	GLVAR	Law & Leg/CE.5594001-RE	Las Vegas
06/19/14	3	Steven Kitnick Seminars	Law & Leg/CE.5594003-RE	Las Vegas
06/24/14	3	Reno/Sparks Association	Law & Leg/CE.5594002-RE	Reno
07/17/14	3	Steven Kitnick Seminars	Law & Leg/CE.5594003-RE	Las Vegas
07/29/14	3	GLVAR	Law & Leg/CE.5594001-RE	Las Vegas
08/04/14	3	GLVAR	Law & Leg/CE.5594001-RE	Las Vegas
08/21/14	3	Steven Kitnick Seminars	Law & Leg/CE.5594003-RE	Las Vegas
09/08/14	3	GLVAR	Law & Leg/CE.5594001-RE	Las Vegas
09/18/14	3	Steven Kitnick Seminars	Law & Leg/CE.5594003-RE	Las Vegas
10/16/14	3	Steven Kitnick Seminars	Law & Leg/CE.5594003-RE	Las Vegas
10/21/14	3	GLVAR	Law & Leg/CE.5594001-RE	Las Vegas
11/13/14	3	Steven Kitnick Seminars	Law & Leg/CE.5594003-RE	Las Vegas
11/24/14	3	GLVAR	Law & Leg/CE.5594001-RE	Las Vegas
12/05/14	3	GLVAR	Law & Leg/CE.5594001-RE	Las Vegas
12/11/14	3	Steven Kitnick Seminars	Law & Leg/CE.5594003-RE	Las Vegas

3826
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 Real Estate Division
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 Las Vegas, NV 89104-4137

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PAID
 Carson City, NV 89701
 PERMIT #15

Real Estate Statistics as of March 2014

County	BROKER		BROKER SALESPERSON		SALESPERSON		TOTALS	
	Active	Inactive	Active	Inactive	Active	Inactive	Active	Inactive
Unknown	78	62	187	67	435	210	700	339
Carson City	45	26	35	11	133	29	213	66
Churchill	14	9	9	1	44	10	67	20
Clark	1,758	415	2,162	430	10,660	2,031	14,580	2,677
Douglas	65	13	77	13	227	42	369	68
Elko	22	4	19	7	51	7	92	18
Esmeralda	0	0	0	0	0	1	0	1
Eureka	1	1	0	0	1	0	2	1
Humboldt	5	4	5	4	20	0	30	8
Lander	1	1	3	0	3	0	7	1
Lincoln	1	0	1	0	2	0	4	0
Lyon	30	10	24	6	85	17	139	33
Mineral	1	0	0	0	2	1	3	1
Nye	33	7	21	11	87	33	141	51
Out Of State	328	28	157	46	425	137	910	211
Pershing	2	0	0	0	1	0	3	0
Storey	1	0	3	0	5	1	9	1
Washoe	389	189	395	127	1,647	285	2,431	601
White Pine	3	0	2	1	5	2	10	4
Total	2,777	769	3,100	724	14,021	2,806	19,710	4,101