

Open House

A quarterly newsletter for Nevada Real Estate Licensees

Department of Business & Industry

September 2010

WELSK 2011 Coming Soon!

by Safia Anwari, Education & Information Officer



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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What Every Licensee Should Know 2011 is poised to get underway in the coming weeks.

When it does, licensees will have the opportunity to obtain the benefit of the education program they partially pay for through the Education and Research Fund fee. Primarily a law and legislative update course, WELSK is developed by the Real Estate Division and offered live by contracted sponsors in northern and southern Nevada.

Practical Value

The WELSK 2011 content includes updated material from the 2009 legislative session, newly adopted regulations and recent disciplinary cases heard by the Commission, including cases addressing the most frequent violations of law. It will provide 6 credit hours in Legislative Update and Ethics, and licensees are required to attend both sections of the course in order to receive the certificate.

WELSK is approved by the Commission for a 6-hour continuing education course to

be offered to licensees by classroom instruction for a subsidized fee that may not exceed the

\$25 established by the Commission.

The program curriculum was created to include content on recent statutes and regulations, agency and transaction disclosures, and licensee conduct, as mandated by legislation and regulations. The objective of the WELSK program is to accomplish the ERF mission of keeping licensees apprised of relevant laws and practices through proactive education and information.

Dynamic and Flexible

While the concept of the curriculum has remained unchanged since its inception, by design it creates a program that is dynamic and flexible with a course content that is annually updated and renewed to keep it timely. A new course is prepared at the close of each session of the Nevada Legislature that focuses specifically on the new and amended laws affecting Chapter 645 and any other chapter of the Nevada Revised Statutes (NRS) having an impact on the real estate industry. In the

Working to
Elevate
Licensees' professional
Standards and
Knowledge

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The 3rd reprint (August, 2010) of the Nevada Residential Disclosure Guide is now available in both printed and electronic formats. For more info, visit our website at www.red.state.nv.us/publications/rdg.htm.

Open House

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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.

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Going Live with Online License Renewals

by Teresa Rice, Publications Writer

The faster, easier, more convenient way to renew licenses has arrived! The Division officially launched its online licensing technology on July 6, 2010. The new system is intended to make the renewal process more expedient for a number of reasons, not least of which is its availability **24 hours a day/7 days a week**, including weekends and holidays.

Initial access to the system will require the licensee to enter personal information verifying licensee's identity in order to obtain a user ID and password. The renewal process can then begin if licensee:

- holds an active or inactive Nevada real estate license (the system is not available to renew an expired license);
- renews within 45 days of the license expiration date;
- has completed all the education required to stay in active status.

The Division will no longer require the submission of paper certificates of education from licensees renewing electronically, unless specifically requested to do so as part of the Division's audit. The online renewal

procedure, however, does require licensees to input details of the education credits obtained for renewal. This information includes course numbers, hours and designations for all education completed during the renewal period. Online applications will be audited and verified by the Division.

A small convenience fee will be added to the registration cost of renewing online. Payment options for electronic renewal include Visa, Mastercard and electronic checks. The payments will be processed through a secure payment engine which abides by rigorous policies and procedures to ensure that the payment details of licensees remain safe, private and secure.

Currently, the option to renew is initially available only to brokers and broker-salespersons. The Division plans to roll out online renewal services for other licensees, including salespersons, community managers, appraisers and inspectors of structures, in due course.

For more information, visit www.red.state.nv.us and click on the Online Renewal button on the home page. ◀

WELSK...

(continued from page 1)

fiscal year between legislative sessions the course is updated, usually to add new information as a result of regulation changes.

The schedule of offerings by the contracted sponsors, the Greater Las

Vegas Association of Realtors (GLVAR), the Reno/Sparks Association of Realtors (RSAR) and Pioneer School of Real Estate, will be available on the Division's online WELSK 2011 calendar from September/October, 2010. ◀

BROADENING THE DISCLOSURES HORIZON: OPEN RANGE

by Safia Anwari, Education & Information Officer

The passage of SB 106 in the 2009 Legislative Session expanded the then-existing open range disclosure provision, NRS 113.065, to include public rights of way that are not recorded, documented and surveyed. It went further to require the seller to obtain the potential buyer's signature on the disclosure form (551), provide a copy to the buyer, retain a copy, and record the original containing the seller's notarized signature in the recorder's office of the county where the property is located.

"...requires the seller to record the original containing the seller's notarized signature in the recorder's office of the county where the property is located."

The challenge this presented to the Division was how best to fit the greatly increased disclosure language, notary acknowledgment, and the recorder's page layout specifications in one letter-sized page. Working closely with the industry professionals, input from the recorder's office and much creative designing by Division staff produced the final disclosure form, 551, which was published on the Division's website in July 2010. Also published with form 551 was the Division's policy statement, which explains the rationale for the additional disclosures ("an affirmative defense in any action brought against the seller by the purchaser based upon damages allegedly suffered as a result of the presence of the rights-of-

way described in the disclosure or of livestock entering the property"), as well as how and when the disclosures need to be made and recorded.

The Division took the opportunity during the transition phase to rename form 551 from "Range Land Disclosure" to "Open Range Disclosure" to keep the language consistent with the statute. NRS 113.065 refers to the real estate requiring the disclosures as "open range" and NRS 568.355 defines open range as "all unenclosed land outside of cities and towns upon which cattle, sheep or other domestic animals by custom, license, lease or permit are grazed or permitted to roam." ◀

DON'T FORGET TO RENEW!

As of September 1, 2010, the following number of real estate licenses had not been renewed by their expiration dates:

License Type	Status	Count
BROKER	EXPIRED	275
BROKER SALESPERSON	EXPIRED	496
SALESPERSON	EXPIRED	3022
Total		3793

A real estate license must be renewed within one year of its expiration date or it will be permanently closed. For more information, visit www.red.state.nv.us/FAQ/expired.htm.



Disciplinary Actions/Stipulations



Name	License Number	Hearing Date	Type*	Fines and Costs	Conduct Resulting in Violation	Education Required	Other Actions
CAMERON MARK	Unlicensed	February 2010	Stipulated Settlement	\$5,000.00	Engaged in real estate and property management activities before obtaining proper licensure.	NONE	
CHARLES COHEN	Unlicensed	April 2010	Stipulated Settlement	\$10,500.00	Engaged in the unlicensed practice of real estate with respect to the sale of an unimproved lot without ever being issued a license by the Division.	NONE	
CHARLES STEINER	B.0058357 PM.0163007	April 2010	Action	\$132,710.76	Failed to remit rent monies collected for clients' rental properties; failed to balance trust account; engaged in deceitful or dishonest conduct.	NONE	License revoked.
CRAIG KELLEY	S.0066248	April 2010	Action	\$46,622.85	Engaged in property management activity without a permit; received compensation from party other than broker; engaged in deceitful, fraudulent or dishonest dealing; misrepresented himself as seller of a property when he was not the owner.	NONE	License inactive; must appear before Commission.
ERIC LYNN	B.0058385 PM.0158385	April 2010	Action	\$181,757.51	Failed to remit rent monies collected on behalf of owners in a timely manner; failed to respond to property owners regarding money due; failed to respond to Division inquiry; engaged in deceitful or dishonest conduct; failed to properly supervise associate licensee.	NONE	License expired; must appear before Commission.



Disciplinary Actions/Stipulations



Name	License Number	Hearing Date	Type*	Fines and Costs	Conduct Resulting in Violation	Education Required	Other Actions
JEFFREY HINES	B.0046933	February 2010	Action	\$57,478.70	Failed to maintain a sign upon premises of main office; failed to establish an office in a location which is easily accessible to the public; provided Division with false information regarding main office.	NONE	License revoked.
LAUREN LURIA	Unlicensed	April 2010	Stipulated Settlement	\$10,500.00	Engaged in the unlicensed practice of real estate with respect to the sale of an unimproved lot without ever being issued a license by the Division.	NONE	
MICHAEL MACKENZIE	BS.0016517	April 2010	Action	\$41,757.51	Failed to remit rent monies collected on behalf of owners in a timely manner; failed to respond to property owners regarding money due; failed to respond to Division inquiry; engaged in deceitful or dishonest conduct.	NONE	License expired; must appear before Commission.
SHIRJIL QURESHI	S.0074856	April 2010			Represented sale price listed at \$500,000 when that figure was inflated to include \$55,000 in loan proceeds to his company. Engaged in deceitful and/or dishonest dealings; failed to disclose his affiliation with a company that would provide services related to the property.	NONE	Voluntary surrender of license in lieu of other disciplinary action.
TODD MILLER	B.0054513	April 2010	Stipulated Settlement	\$8,000.04	Failed to supervise the operations of his business, the activities of a salesperson associated with him, and the activities of two unlicensed employees; offered to assist unlicensed activity.	Broker Mgmt (6 hrs)	

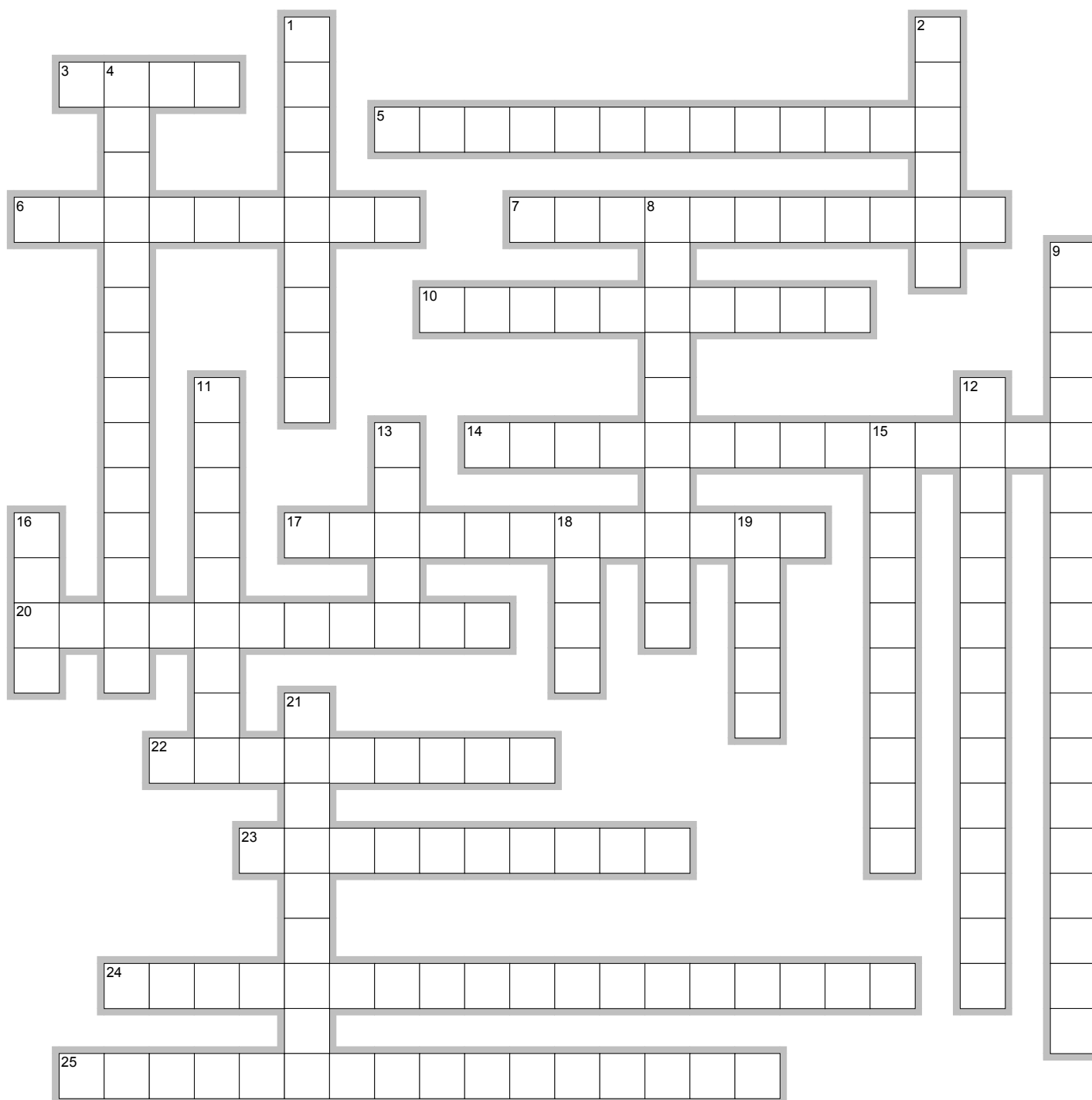
***Actions:** Real Estate Commission actions are not published in this newsletter until the 30-day period allowed for filing for Judicial Review has passed. If a stay on discipline is issued by the Court, the matter is not published until final outcome of the review. A respondent's license is automatically 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.

***Stipulated Settlement:** Occurs when both the Respondent and Division have agreed to conditions reviewed and accepted by both sides.

NOT A CROSS WORD #2

Theme: *Freely Roaming the Real Estate Range*

by Safia Anwari—Education Information Officer



Across

3. Additional fee paid for original or renewal license (abbrev)
5. Unsolicited business staging through various means
6. Sale proceed less than owed loan balance (2 words)
7. Contract between NV and out-of-state brokers to work together
10. Unhindered use of or access to a route regardless of ownership (3 words)
14. NRED sanction for non-compliant acts of licensee
17. Commission action against violators
20. Executor or administrator transaction (2 words)
22. Communicate, deliver, discuss, review or assist in communication of terms
23. Provision of the Nevada Administrative Code
24. Contains authority and rights of broker (2 words)
25. Property owner has signatory rights (2 words)

Down

1. Purchasing finance requirement directly linked to loan amount
2. Current licensee, engaged in business, in good standing, etc
4. Maintain client funds, must annually submit to NRED
8. Promotion of real estate services must identify name of brokerage with _____
9. Estimated price written analysis, conclusion, etc (3 words)
11. The bull is mightier than ownership rights here (2 words)
12. Rejecting an offer due to offeror's protected class status
13. Prohibits affiliated business arrangements without full disclosure (abbrev)
15. Broker charge prior to performing service (2 words)
16. Overall condition of the property revealed (abbrev)
18. Unpaid deferred taxes on property
19. Test recommended by the U.S. EPA and Surgeon General
21. Recordation protects equity against potential creditor claims or judgment

For answers go to: www.red.state.nv.us/publications/newsletters.htm.

Claim from Recovery Fund for Unpaid Damages in Fraud Case

by Safia Anwari

Administrator Gail Anderson recently approved the payment of a judgment claim of \$25,000 from the Recovery Fund of the Education, Research and Recovery Fund (ERRF) arising from a judgment against licensees Matthew M. Carroll and Tracy Carroll.

In January, 2010 claimant and petitioner, James Vasko, of the Vasko Trust, was awarded damages in excess of \$93,000 by the Washoe County District Court based upon fraud by the Carrolls in a real estate transaction. Unable to collect the damages from the licensees, Vasko, through Washoe District Court, petitioned the Real Estate Division for recovery from the fund. On the supposition that NRS 645.844 limits the recovery of damages to \$25,000 per licensee (there were 2 licensees involved in the underlying transactions), he initially sought recovery of \$50,000. However, the State clarified that the statutory limit applies per judgment and, since there was only one against both licensees, the Division would pay \$25,000.

The request for recovery is granted conditional upon the petitioner agreeing to assign all right, title, and interest to the first \$25,000 of his judgment against the Carrolls to the Administrator of the Division. This means that when the Carrolls are in a position to pay down or pay off the remaining damages, they must first refund the full \$25,000 to the Recovery Fund. Until that happens, the licenses of both Matthew Carroll and Tracy Carroll are suspended without any legal provision to appeal the suspensions, to request reinstatement or to apply for a new Nevada license. ◀

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Real Estate Statistics as of August 2010

	BROKER		BROKER-		SALESPERSON		Total	
	Active	Inactive	Active	Inactive	Active	Inactive	Active	Inactive
Unknown	59	51	60	71	548	205	667	327
Carson City	41	31	44	18	150	44	235	93
Churchill	13	12	6	2	43	12	62	26
Clark	1723	473	2208	495	12252	2548	16183	3516
Douglas	84	16	79	22	288	61	451	99
Elko	26	6	21	7	55	15	102	28
Esmeralda	1	0	2	0	1	0	4	0
Eureka	0	2	0	0	0	0	0	2
Humboldt	4	4	5	3	19	1	28	8
Lander	2	1	1	0	5	0	8	1
Lincoln	1	1	1	0	3	1	5	2
Lyon	29	12	23	10	115	40	167	62
Mineral	1	0	1	0	3	1	5	1
Nye	45	11	27	13	145	35	217	59
Out Of State	249	44	207	76	386	247	842	367
Pershing	2	0	1	0	4	0	7	0
Storey	1	0	2	0	8	3	11	3
Washoe	402	227	399	137	1843	383	2644	747
White Pine	2	0	2	2	9	3	13	5
Total	2685	891	3089	856	15877	3599	21651	5346