



FITZPATRICK
REAL ESTATE SCHOOL

"29 WAYS TO LOSE YOUR LICENSE"



3 Hours of Risk CE
CE.XXXXX-RE

Approved by the Division on Behalf of the Commission

written by Joe Fitzpatrick

MEET JOE:

Joe Fitzpatrick graduated from The University of Nevada, Las Vegas in 1985 and began his career with Coldwell Banker in Margate, Florida, listing and selling real estate. Joe went on to manage the North Miami office and opened Century 21 Fitzpatrick Realty with family. The firm became the top-ranked Century 21 company in Broward County, Florida.



In 1991, Joe returned to Las Vegas where he began teaching and authoring real estate courses. He also continued on as Vice-President of Century 21 MoneyWorld, which was consistently ranked among the top 10 Century 21 firms in the world where he led the education division among other duties.

Joe has authored and published over 30 real estate licensing textbooks and courses available on Amazon.com and which have been approved for utilization in several states. He made a few stops along the way including being the Education Director at LVR. You may recognize his voice from other online sites. Living through sellers' markets and buyer's markets, Joe has experienced interest rate fluctuations of 17.5% and 2%. He knows what it takes to stay successful in the business no matter what the market conditions may be.

In 2021, Joe opened Fitzpatrick Real Estate School and continues to practice real estate in addition to his other responsibilities. We trust you will find Mr. Fitzpatrick's courses to be informative, interesting, and entertaining too.

- **CE Agreement**

The student participant must:

- not miss more than 10 minutes of a 3-hour course; 15 minutes for internet connection issues.
- direct their attention to the instruction being provided and refrain from engaging in activities unrelated to the instruction and distracting.
- always have their cameras on and pointed to the student while the class is in session, excluding breaks.
- in Zoom, display the name under which they registered.
- must always have audio muted except when speaking to the group.
- participate and respond when asked to by the instructor.
- conduct themselves as they would in an in-person classroom setting.
- be appropriately dressed for a classroom setting.
- refrain from engaging in any activity that would be distracting to the instructor or fellow attendees such as using electronic/computer devices unrelated to the instruction, cell phone use, having conversations with other people, walking around, driving/riding in a vehicle, cooking, cleaning, etc.
- complete the course evaluation immediately upon the conclusion of the course.

I. Course Overview:

We'll count down and identify 29 violations of the licensing laws including NRS and NAC with agency statutes and how you can avoid these pitfalls and prevent the associated risks. We'll take a rare look at the complaint and investigation process and possible sanctions by the Commission, walking you through the steps in a Commission hearing. We'll top it off with a little on the possibility of civil actions, and the ERRF fund.

II. 29 Ways to Lose Your License

Violations of NRS and NAC 645
Identify and Prevent

- #29 NRS 645.320 Requirements for exclusive agency representation. Every brokerage agreement which includes a provision for an exclusive agency representation must have set forth in its terms a definite, specified and complete termination date. This pitfall is easy enough to avoid, as all preprinted representation agreements include a place for start and end dates, so it is just a matter of filling them in. It is only the unscrupulous agent that would leave the fields blank.
- #28 NRS 645.630 (f) Failing, within a reasonable time, to account for or to remit any money which comes into his or her possession and which belongs to others. Failure to account is a common violation for both brokers and salespeople yet it is easily avoided with simply being careful and responsible. How many times I have lifted the lid to the copier to find an earnest money check?
- #27 NRS 645.630 (i) In the case of a broker-salesperson or salesperson, failing to place in the custody of his or her licensed broker or owner-developer, as soon as possible, any deposit... Just like above.
- #26 NRS 645.630 (h) Commingling the money or other property of his or her clients with his or her own or converting the money of others to his or her own use. I don't know. Is it possible to accidentally deposit someone's money into your personal account as opposed to the proper escrow account. I suppose it's possible but upon discover, you could put it back and notify the Division.
- #25 NRS 645.633 (c) Paying a commission, compensation or a finder's fee to any person for performing the services of a broker, broker-salesperson or salesperson who has not secured a license... This is very similar to:
- #24 NRS 645.260 1. It is unlawful for any licensed real estate broker, or broker-salesperson or salesperson to offer, promise, allow, give or pay, directly or indirectly, any part or share of his or her commission, compensation or finder's fee arising or accruing from any real estate transaction to any person who is not a licensed... An unlicensed person cannot be *compensated* for performing real estate related services. This includes giving an unlicensed person money for making a referral. There is no allowable amount!
- #23 NRS 645.633 (d) A conviction of, or the entry of a plea of guilty, guilty but mentally ill or nolo contendere to: (1) A felony relating to the practice of the licensee, property manager or owner-developer; or (2) Any crime involving fraud, deceit, misrepresentation or moral turpitude. If you've committed a crime, you must notify the Division. It may or may not result in the loss of your real estate license.
- #22 NRS 645.633 (h) Gross negligence or incompetence ... It is actually a violation of the law to be incompetent and it might lead to loss of license. There is not much you can do to avoid being incompetent. Affiliate with a good broker and continue your education in perpetuity.

- #21 NRS 645.633 (i) Any other conduct which constitutes deceitful, fraudulent or dishonest dealing. This provision is commonly cited in the Open House Newsletter and among the violations of guilty licensees. [https://red.nv.gov/>>Publications>>Newsletters>>Open House>>\(pick issue\)](https://red.nv.gov/>>Publications>>Newsletters>>Open House>>(pick issue))
- #20 NRS.645.635 1. Offering real estate for sale or lease without the knowledge and consent of the owner or the owner’s authorized agent or on terms other than those authorized by the owner or the owner’s authorized agent. Everyone always chuckles about the first half, but take a look at the second half: on terms other than those authorized by the owner. Let me tell you about listing agents who try to stir up activity for their new listing! This is a common error that is repeated among agents who don’t know any better. You cannot suggest a seller will take an offer below list price unless you have the seller’s authority to do so. Otherwise, this is a big no-no and you could be sued by the sellers on top of losing your license.
- #19 NRS 645.635 5. Representing to any lender, guaranteeing agency or any other interested party, verbally or through the preparation of false documents, an amount in excess of the actual sale price of the real estate or terms differing from those actually agreed upon. Sometimes called the naming of a false consideration, this refers to altering the appraisal or purchase price for illegal cash back or some other fraudulent scam. This is a deliberate act and if you do it, you deserve the consequences.
- #18 Failure to produce any document, book or record in his or her possession or under his or her control, concerning any real estate transaction under investigation by the Division. Believe it or not, there have been licensees who refused to cooperate with a Division investigation, refused to provide required documents, or couldn’t. This never looks favorable to the Division and will be an additional penalty on top of other violations.
- #17 NRS 645.321 Discriminatory practices unlawful; penalty. 1. It is unlawful, on account of race, religious creed, color, national origin, disability, sexual orientation, gender identity or expression, ancestry, familial status or sex, to: (a) Discriminate against any person: (1) By denying the person access to or membership or participation in any multiple-listing service, real estate brokers’ organization or other service or facility relating to the sale or rental of dwellings; or ...Are we past the Archie Bunker days yet? Or, are you still going to discriminate against someone because they fall under a protected class? Well, if you are so petty, they will probably file a complaint with the Division and you can answer to this one yourself. This too is a deliberate act.

CEDAR RIDGE: A minority couple called on REALTOR® Annette and expressed interest in purchasing a home in the \$390,000 to \$435,000 price range with at least three bedrooms, a large lot, and located in the Cedar Ridge subdivision. Being familiar with Cedar Ridge, Annette explained that houses in Cedar Ridge generally sold in the price range from \$540,000 to \$660,000. The couple thereafter indicated that they would then like to see “what was available” within their budget. After further discussion with the couple concerning their financial circumstances and the maximum price range they could afford, the lender concluded that the couple could not afford more than \$412,500 as an absolute maximum. Annette then showed homes which met their financial ability. The couple expressed no interest in any of the properties shown. A few days later, the minority couple filed charges with the Professional Standards Administrator of the Association charging Annette with a violation of the Code Ethics, alleging that she had violated the Code by an alleged act of racial steering.

At the hearing, the complainants elaborated upon their charge of steering, telling the panel that they had specifically expressed an interest in purchasing a home in the Cedar Ridge area, but were not shown any homes in Cedar Ridge. Annette responded by producing e-mail records documenting the housing preference of the couple as they described, including price range. She demonstrated that she had shown them a number of listings that met the requirements as expressed by them, although admittedly none of the properties shown were located in Cedar Ridge. She had advised

the couple that there were no listings available in Cedar Ridge falling within their budget. Further, she produced listing and sales information concerning numerous homes in Cedar Ridge which confirmed an average sales price of \$540,000 to \$660,000. Annette told the Hearing Panel that she had offered equal professional service to the minority couple by showing them properties which met their criteria. She pointed out to the Hearing Panel if there were listings in Cedar Ridge in the \$390,000 to \$435,000 price range with at least three bedrooms and a large lot, she would have shown them. But, there are no such listings available now, nor have there been at any time since the original development of the Cedar Ridge area five years ago. “I could not show them what did not and does not exist.”

- #16 NRS 645.280 payment of commission other than through broker or owner-developer unlawful. 2. A real estate broker-salesperson or salesperson shall not be associated with or accept compensation from any person other than the broker or owner-developer under whom he or she is licensed at the time of the real estate transaction... This one could conceivably be innocent in nature by not thoroughly understanding the potential of this violation. There are no exceptions, so if a salesperson or broker-salesperson is *ever* in a position to receive *compensation* from *anyone* other than the employing broker, stop! We've got some examples to demonstrate this one where one might not know any better.
- #15 NAC 645.605 Considerations in determining certain misconduct by licensee. There are several that fall beneath this regulation and the Commission has historically named these items specifically as worded below. A disciplined licensee might be hit with a particular offense and then any number of these could be piled on additionally including the first one, 1. Has done his or her utmost to protect the public against fraud, misrepresentation or unethical practices related to real estate or time shares. The entire purpose of Division regulation of real estate practices is to protect the public. This dates way, way back to the days of sneaky, underhanded brokers like the cartoon on the cover of this outline. The laws and regulations created are extensive and growing. Their purpose is to protect the consumer from wrong-doing. If what the licensee did is indeed wrong, this item will be named.
- #14 NAC 645.6052. 2. Has ascertained all pertinent facts concerning any time share or property for which the licensee accepts an agency. In this regulation, the term “pertinent fact” is used. A pertinent fact is a fact that is relevant and related to the matter at hand. The regulators have also used the terms relevant and material which are more similar than distinctive. The point is the licensee, when acting as an agent of a client, must be diligent in making inquiries and disclosures about a property. This is sometimes referred to as the Duty of Further Inquiry.
- #13 NAC 645.6052 3. Has attempted to provide specialized professional services concerning a type of property or service that is outside the licensee’s field of experience or competence... This one is super easy to fall into the trap! I call this “Don’t be a big shot!” “Don’t be a know-it-all!” Others like to call it “Stay in Your Lane.” Don’t answer questions or give advice other than an area for which you are licensed – the real estate. No advice on mortgage, taxes, law, title, escrow, insurance, home warranty, construction, etc. Leave it to the experts!
- #12 NAC 645.6052 4. Has disclosed, in writing, his or her interest or contemplated interest in any property or time share with which the licensee is dealing... This seems simple enough but again, the immoral tend to take advantage of others. If you have a real estate licensee, you have knowledge, expertise, and experience the other party does not possess. Therefore, you must make your license status know when acting as a principal.
- #11 NAC 645.6052 5. Has kept informed of current statutes and regulations governing real estate, time shares and related fields in which he or she attempts to provide guidance. I’ve heard that some licensees resent taking CE, but CE might be the only place and time you get a chance to remain current!

- #10 NAC 645.6052 6. Has breached his or her obligation of absolute fidelity to his or her principal’s interest or his or her obligation to deal fairly with all parties to a real estate transaction. Absolute fidelity is much the same as fiduciary duties – doing what is best for your clients, first, and foremost – even upon your own selfish interests. If you want to serve yourself first, looking out for your own commissions, you might struggle with this. This concept is one where it *should be* easy to honor, yet is often cited among other disciplinary actions quite frequently.
- #9 NAC 645.6052 9. Understands and properly applies federal and state statutes relating to the protection of consumers. If we gave you a pop quiz on Anti-trust laws, fair housing laws, RESPA, Americans with Disabilities Act, and Nevada Law, how would you do? This section not only says you “understand” these laws, but can appropriately “apply” them. You might have memorized them to pass the Pearson Vue exam, but how fresh are they in your mind? Again, this is a good benefit associated with continuing ed.
- #8 NAC 645.6052 10. Has acquired knowledge of all material facts... This is a HUGE item on our countdown! Test your knowledge. Check the items that would be considered a material fact:

- | | |
|--|---|
| <input type="checkbox"/> basement floods | <input type="checkbox"/> neighbor’s fence over property line |
| <input type="checkbox"/> heating system does not work | <input type="checkbox"/> clothes dryer is gas |
| <input type="checkbox"/> murder took place in the home | <input type="checkbox"/> sex offender lives in the neighborhood |
| <input type="checkbox"/> toxic mold | <input type="checkbox"/> broken window pane |

These are examples of what are and what are not material facts. But, can you define what a material fact is? Give it a try. We will help you define it clearly. You will see material facts in the agency statutes that follow too.

- #7 NRS 645.252 Duties of licensee acting as agent in real estate transaction. A licensee shall disclose to each party to the real estate transaction as soon as is practicable (a) any material and relevant facts, data or information which the licensee knows, or which by the exercise of reasonable care and diligence should have known, relating to the property which is the subject of the transaction. This ties into the regulation above. This is jokingly referred to as disclose what the neighbors know. This also connects to what we referred to as the Duty of Further Inquiry.
- #6 NRS 645.252 (c) ... that the licensee is acting for more than one party to the transaction. If a licensee makes such a disclosure, he or she must obtain the written consent of each party to the transaction for whom the licensee is acting before he or she may continue to act in his or her capacity as an agent... We get this informed, written consent on our Consent to Act form. Interestingly, representing both parties to the same transaction (called dual agency in some states, not so in Nevada), is actually prohibited in 8 states due to the inherent conflicts of interest.
- #5 NRS 645.254 Additional duties of licensee entering into brokerage agreement to represent client in real estate transaction. A licensee who has entered into a brokerage agreement to represent a client in a real estate transaction (1) shall exercise reasonable skill and care to carry out the terms of the brokerage agreement and to carry out his or her duties pursuant to the terms of the brokerage agreement. We can argue that absolutely every violation of the law and resulting disciplinary action is a violation of agency. As an example, a violation of commingling is one offense, but it also is a

breach of duty to the client with whom the licensee has an agency. You violated your obligation of absolute fidelity to the very person for whom you pledge to do your best.

#4 NRS 645.254 (2) Shall not disclose confidential information relating to a client for 1 year after the revocation or termination of the brokerage agreement... Ask yourself, what does this mean? Give a couple of examples. Interestingly, in most other states, the duty of confidentiality lasts forever, much like attorneys.

#3 NRS 645.254 (3) Shall seek a sale, purchase, option, rental or lease of real property at the price and terms stated in the brokerage agreement or at a price acceptable to the client. Do you remember, that statute NRS 645.635 about offering a property for sale at a price not authorized by the owners? Well, this is similar. You have an agency responsibility to get your client, whether buyer or seller, the best price and terms that are also acceptable to your client.

#2 NRS 645.254 (4) Shall present all offers made to or by the client as soon as is practicable, unless the client chooses to waive the duty of the licensee to present all offers and signs a waiver of the duty on a form prescribed by the Division. This form was just modified by the Division in 2025. It is Form 676: Waiver and Authorization to Negotiate Directly with the Client.

STATE OF NEVADA
DEPARTMENT OF BUSINESS AND INDUSTRY
REAL ESTATE DIVISION
5300 W. Sahara Ave., Suite 350, Las Vegas, Nevada 89102 * (702) 486-4033
e-mail: realtest@real.nv.gov * <http://real.nv.gov>

WAIVER AND AUTHORIZATION TO NEGOTIATE DIRECTLY WITH THE CLIENT FORM

This form consolidates the Waiver of Duty to Present All Offers and the Authorization to Negotiate Directly with the Client:

I. **Waiver of Duty to Present All Offers:** Clients may waive their agent's obligation to present all offers in accordance with NRS 645.254(4).

II. **Authorization to Negotiate Directly with the Client:** This authorizes the other party's agent to negotiate directly with the Client in accordance with NAC 645.541.

By signing this form, the Client(s) acknowledges their consent to waive their agent's duty to present all offers as outlined in NRS 645.254(4), and authorizes direct negotiation with the other party's agent, as permitted by NAC 645.541.

(Property Address) _____ (City) _____

I. Waiver of Duty to Present All Offers

Under Nevada law (NRS 645.254), a real estate licensee has a duty to present all offers made to or by the Client as soon as practicable. This duty can be waived only through a written agreement.

Presenting all offers includes, without limitation:

- Accepting delivery of and conveying all offers and counteroffers.
- Answering questions regarding any offers and counteroffers.
- Assisting in preparing, communicating, and negotiating offers and counteroffers.

AGREEMENT TO WAIVE PRESENTATION OF ALL OFFERS

By signing below, I acknowledge that the licensee will not present any offers made to or by me regarding the property listed above. I understand that this waiver applies to all offers and counteroffers. I accept the legal and financial responsibility for managing these offers independently. I understand that the other licensee(s) involved represent the interests of the other party and cannot act on my behalf. I should seek the assistance of other professionals, such as an attorney, and it is my responsibility to fulfill the terms of any agreement. This waiver may be revoked in writing with the mutual agreement of the Client and broker.

WAIVER NOT VALID UNTIL SIGNED BY BROKER

Client _____ Date _____ Agent _____ Date _____
 Client _____ Date _____ Broker _____ Date _____

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II. Authorization to Negotiate Directly with Client

Under Nevada law (NAC 645.541), a real estate licensee may negotiate directly with a Client (*seller, buyer, or lessor*) with written permission from the Client's broker. This form provides that consent for the client and the property specified on this form. This authorization is granted with the understanding that:

Negotiate means:

- Deliver or communicate offers, counteroffers, or proposals directly to the client.
- Discuss or review the terms of any offers, counteroffers, or proposals.
- Facilitate communication and prepare responses as directed by the client.

Client Acknowledgement

The Client understands and agrees to the following:

- After accepting an offer, additional contact from the other party's agent may be necessary to obtain disclosures and other documents related to the transaction.
- This authorization does not establish or imply an agency relationship between the other party's agent and the Client. The Client should seek guidance from their own broker, financial advisers, or legal counsel as needed.
- The Client's broker will provide a copy of this authorization to any licensee cooperating with the broker upon request.

AUTHORIZATION TO NEGOTIATE DIRECTLY WITH CLIENT

By signing below, I acknowledge that the other party's agent or broker may negotiate directly with me regarding the property listed on this form. I understand that by waiving the duty to present all offers, my agent or broker will not present any offers made to or by me. This waiver applies to all offers and counteroffers, and I accept full responsibility for managing these independently.

I acknowledge that the other licensee(s) involved represent the interests of the other party and cannot act on my behalf. I understand that I have the right to seek legal or professional advice throughout this process, and it is my responsibility to fulfill the terms of any agreement. This waiver may be revoked in writing with the mutual agreement of the Client and broker.

Client's Name(s): _____
 Client's Signature(s): _____ Date: _____ Time: _____

Licensee's Name: _____
 Licensee's Signature: _____ Date: _____ Time: _____

Broker's Name: _____
 Broker's Signature: _____ Date: _____ Time: _____

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#1 NRS 645.780 Expiration of licenses; length of license periods; additional fees for electronic renewal. 1. Each license issued under the provisions of this chapter expires at midnight on the last day of the last month of the applicable license period for the license. 2. The initial license period for an original license as a real estate broker, broker-salesperson or salesperson is a period of 12 consecutive months beginning on the first day of the first calendar month after the original license is issued by the Division. Thereafter, each subsequent license period is a period of 24 consecutive months... Renew your license in a responsible manner. This is the best lesson I could ever learn 'ya! (Video)

III. Complaint Process and Investigation Procedures Followed by the Division

A. Filing a Consumer Complaint

1. Who Can File a Complaint? Any member of the public can file a complaint with NRED against:

- Real estate licensees (brokers, broker-salespersons, salespersons).
• Property managers.
• Appraisers and appraisal management companies.
• Inspectors of structures.
• Community managers.
• Homeowners' association (HOA) board members or unit owners.

2. Grounds for Filing a Complaint - Complaints can be filed for various reasons, including:

- Misrepresentation or fraud in real estate transactions.
• Unlicensed real estate activity.
• Breach of fiduciary duty.
• Failure to disclose material facts.
• Violations of HOA governing documents or state laws.

3. Complaint Forms and Submission - NRED provides specific forms for different types of complaints:

- Form 514: For complaints against real estate licensees, inspectors, energy auditors, asset managers, timeshare agents, timeshare representatives, and property managers.
• Complainants must provide a detailed, sworn statement outlining the facts of the complaint, including:
- Names and contact information of all parties involved.
- Dates and times of relevant events.
- Supporting documentation (e.g., contracts, correspondence, receipts).
- Witness information, if applicable.
• Completed forms and attachments can be submitted by mail or hand-delivered to NRED's Compliance Section.

STATE OF NEVADA DEPARTMENT OF BUSINESS AND INDUSTRY REAL ESTATE DIVISION
3300 W. Sahara Ave., Suite 350, Las Vegas, Nevada 89102 * (702) 466-8033
e-mail: realstat@red.nv.gov * http://red.nv.gov/
STATEMENT OF FACT
Your Name: _____ (Street) _____ (City) _____ (State) _____ (Zip)
Address: _____ (Street) _____ (City) _____ (State) _____ (Zip)
Email Address: _____
Please complete the following information concerning your complaint. (Our ability to investigate the matter will depend largely upon your giving us a complete and factual sworn statement. ATTACH ALL PERTINENT PAPERS AND/OR DOCUMENTS TO COPIES OF THIS FORM. Keep originals for your file. A copy of this statement may be offered to the party against whom you make this complaint.)
Complaint against:
Name of firm: _____
Address: _____
Telephone No: _____ Date of transaction: _____
Where is the real property located? _____
Did you seek legal counsel? _____ If "Yes," state name and address: _____
Is any legal action pending? _____
CONSIDER THE FOLLOWING CAREFULLY
This Division is not empowered to compel anyone to accede to demands of any kind, i.e., we cannot compel cancellation of listing agreements, purchase contracts, etc., or refunds of any kind. In this regard, we suggest that you seek private counsel to protect your interests, as we are not authorized to give legal advice.
We will investigate the matter to determine whether the available evidence warrants administrative action against a licensee or subdivision. You will be advised of our conclusions when drawn. If it is determined that administrative action is warranted, it may be necessary for you to appear and testify.
Do not delay any civil action you might be considering in the matter, as considerable time will be required to complete our investigation and any subsequent action due to workload and time required to develop supporting evidence.
If a court judgment has been obtained against a licensee for fraud, misrepresentation or deceit, a Real Estate Education, Research and Recovery Fund is available for petition if the judgment has not been satisfied.
I declare under penalty of perjury under the laws of the State of Nevada that the foregoing attached statement consisting of _____ pages is true and correct.
Executed on _____ (Date) _____ (Signature)

EXPLAIN FULLY: Describe events in the order in which they happened. Please include dates and names.
SUBMIT COMPLETED FORM TO COMPLIANCE
3300 W. SAHARA AVE., SUITE 350, LAS VEGAS, NEVADA 89102

B. Investigation Procedures

1. Initiation of Investigation - Upon receipt of a complaint, NRED follows procedures outlined in NAC 645.680:
 - Assignment: The Administrator appoints a staff member to investigate the complaint.
 - Scope: The investigation may extend beyond the initial complaint to uncover additional violations.
 - Licensee Cooperation: Licensees are required to disclose all pertinent facts and documents to the investigator.
2. Investigation Report - The assigned investigator compiles a written report detailing the findings of the investigation and submits it to the Administrator.
3. Administrator's Review and Actions - Based on the investigation report, the Administrator may:
 - Dismiss the Complaint: If no violations are found.
 - Impose Administrative Sanctions: Including fines as per NAC 645.695.
 - Negotiate a Resolution: Which may involve administrative sanctions.
 - Establish an Advisory Committee: To review the matter if the licensee agrees to participate in an informal conference.
 - Schedule a Formal Hearing: Conducted pursuant to NAC 645.810.

Commission Hearings for CE Credit

C. Disciplinary Proceedings

1. Notice and Response - If a formal hearing is scheduled:
 - Notification: The licensee receives written notice at least 30 days before the hearing, including the complaint and relevant documents.
 - Response: The licensee must file a written answer within 30 days, admitting or denying the allegations and stating any defenses.
2. Hearing Process
 - Conduct: Hearings are conducted by the Real Estate Commission or a majority thereof.
 - Evidence: A stenographic transcript is made if requested. Parties may present evidence and call witnesses.
 - Decision: The Commission may impose disciplinary actions, including license suspension or revocation, fines, or other sanctions.
3. Failure to Appear - If the respondent fails to appear at the hearing without a granted continuance, the Commission may proceed in their absence and may consider the charges as true.

Conclusion

The Nevada Real Estate Division provides a structured process for consumers to file complaints against real estate professionals and related parties. Through detailed investigations and disciplinary proceedings, NRED ensures compliance with state laws and protects the interests of the public in real estate transactions. For more information or to file a complaint, visit NRED's official website:

https://red.nv.gov/Content/Compliance/File_a_Complaint/

IV. Steps in a Commission Hearing

- A. The Formal Hearing - The hearing is conducted in accordance with NAC 645.810 and includes:
1. Opening Statements: Both parties may present opening remarks.
 2. Presentation of Evidence:
 - The Division presents its case first, including witness testimonies and documentary evidence.
 - The respondent then presents their defense, including evidence and witnesses.
 3. Cross-Examination: Each party may cross-examine the other's witnesses.
 4. Rebuttal: The Division may present rebuttal evidence after the respondent's presentation.
 5. Closing Statements: Both parties may summarize their cases.

All evidence must be marked for identification and may be received at any point during the proceeding.

- B. Attendance Requirements - If the respondent is a real estate salesperson or broker-salesperson, their current and former brokers are required to attend the hearing, as specified in NAC 645.855.
- C. Absence of Respondent - If the respondent fails to appear without a granted continuance, the Commission may proceed in their absence and base its decision on the available evidence, as per NAC 645.860.
- D. Decision and Disciplinary Actions - Commission Deliberation
After the hearing:
- The Commission deliberates on the evidence presented.
 - A written decision is issued, stating the findings and any disciplinary actions.
 - The date of the decision is considered the date the written decision is signed or filed, whichever is later.
- E. Post-Hearing Procedures
- Notification - The respondent receives a written notice of the Commission's decision, detailing the disciplinary actions taken.
 - Appeals - If the respondent disagrees with the decision:
 - They may appeal the decision in accordance with NRS Chapter 233B, which governs administrative procedures.
 - The appeal must be filed within the timeframe specified by law.

Conclusion

The formal hearing process conducted by the Nevada Real Estate Commission is a structured procedure designed to ensure fairness and uphold professional standards within the real estate industry. It provides due process to licensees while protecting the public interest.

For more detailed information, you may refer to the following resources:

- Nevada Revised Statutes Chapter 645
- Nevada Administrative Code Chapter 645

V. Possible Commission Sanctions/REALTOR Actions/Civil Suits; ERRF

- A. Possible Disciplinary Actions - Under NRS 645.630, the Commission may impose:
- Fines: Up to \$10,000 per violation.
 - License Actions: Suspension, revocation, or denial of license renewal.
 - Conditions: Imposing specific conditions on the licensee's practice.

These actions are public records and serve to uphold the integrity of the real estate profession.

- B. REALTOR Actions - The Association of REALTORS® (at the local, state, or national level) is a membership-based trade organization. While it does not have the authority to revoke or suspend a real estate license (that power rests with the Nevada Real Estate Commission), it can impose disciplinary sanctions on members who violate the REALTOR® Code of Ethics.

Disciplinary Sanctions Imposed by a REALTOR® Association per the NAR Code of Ethics and Arbitration Manual, the following disciplinary actions can be imposed by a local or state REALTOR® association:

1. Letter of Warning
 - A private letter warning the member about the violation.
 - Typically used for minor or first-time offenses.
2. Letter of Reprimand
 - More serious than a warning.
 - A formal statement of disapproval that becomes part of the member's permanent record with the association.
3. Education Requirement
 - The member may be required to complete relevant courses or training (e.g., ethics training).
 - Often used to correct behavior through education.
4. Monetary Fine
 - Fines can be up to \$15,000 per violation.
 - Used to deter unethical behavior.
5. Suspension of Membership
 - Temporary suspension of the REALTOR® membership for a set period.
 - During suspension, the individual loses access to certain association benefits, including use of the REALTOR® trademark and some MLS access (depending on local rules).
6. Expulsion from the Association
 - Permanent removal of the member from the association.
 - The member loses the right to call themselves a REALTOR® and use any associated services or benefits.
7. MLS-Related Sanctions
 - If the association owns or operates the MLS, additional penalties (like suspension of MLS access) may be imposed, but only in accordance with MLS rules.

Important Notes:

- Sanctions are based on findings from an ethics hearing, conducted by the association's Professional Standards Committee.
- The complainant must typically be another REALTOR® or a member of the public alleging a violation of the Code of Ethics—not a general business grievance.
- These sanctions are separate from state licensing disciplinary actions, which are handled by the Nevada Real Estate Division and the Nevada Real Estate Commission.

- C. Civil Suits - In Nevada, real estate licensees can be held civilly liable if their actions cause financial harm to consumers. While the Nevada Revised Statutes (NRS) and Nevada Administrative Code (NAC) primarily govern licensing and disciplinary procedures, they do not preclude consumers from pursuing civil remedies.

Legal Basis for Civil Liability - Under general principles of Nevada tort and contract law, a consumer may file a civil lawsuit against a real estate licensee for:

- Negligence: Failure to exercise reasonable care, resulting in financial loss.
- Breach of Fiduciary Duty: Violating the obligation to act in the best interest of the client.
- Fraud or Misrepresentation: Knowingly providing false information or omitting material facts.
- Breach of Contract: Failing to fulfill contractual obligations in a real estate transaction.

These causes of action are grounded in common law and are separate from administrative proceedings conducted by the Nevada Real Estate Division (NRED) or the Nevada Real Estate Commission (NREC).

Statutory Provisions - While NRS Chapter 645 outlines the regulatory framework for real estate professionals, it does not specifically address civil lawsuits by consumers. However, certain provisions may be relevant in establishing a licensee's duty of care or standard of conduct, which can be pertinent in a civil case.

A licensee may face both administrative sanctions and civil liability for the same conduct.

- D. ERRF - Real Estate Education, Research and Recovery Fund

Nevada maintains the Real Estate Education, Research and Recovery Fund, which can provide financial restitution to consumers who have suffered losses due to a licensee's misconduct, under certain conditions. To access this fund, a consumer must obtain a civil judgment against the licensee and demonstrate that they have been unable to collect the awarded damages.

The Nevada Real Estate Education, Research, and Recovery Fund (ERRF) serves as a financial safeguard for consumers harmed by the fraudulent or dishonest actions of licensed real estate professionals in Nevada. Established under NRS 645.842, the fund also supports educational and research initiatives aimed at enhancing the real estate industry.

1. Purpose and Structure of the Fund - The ERRF has two primary objectives:
 - a) Consumer Protection: Providing financial restitution to individuals who have suffered monetary losses due to the fraudulent, deceitful, or dishonest conduct of licensed real estate brokers, broker-salespersons, or salespersons.
 - b) Industry Advancement: Funding educational programs and research projects that promote ethical practices and professional development within the real estate sector.

The fund is maintained at a minimum balance of \$300,000, ensuring sufficient resources are available for legitimate claims.

2. Funding Mechanism - To sustain the ERRF, the following financial contributions are mandated:
 - a) Licensee Contributions: Each applicant for a real estate license is required to pay an additional fee, currently set at \$40, which is directed into the ERRF.
 - b) Interest and Income: Any interest or income earned from the fund's investments is reinvested to bolster the fund's capacity.
3. Eligibility for Recovery - To qualify for compensation from the ERRF, a claimant must satisfy specific criteria:
 - a) Final Judgment: Obtain a final court judgment against a licensed real estate professional for actions involving fraud, misrepresentation, or deceit in a real estate transaction.
 - b) Exhaustion of Remedies: Demonstrate that all reasonable efforts to collect the judgment from the licensee have been unsuccessful.
 - c) Petition for Payment: File a petition with the court for an order directing payment from the ERRF.
 - d) The Administrator of the Nevada Real Estate Division may contest the petition, in which case the claimant must defend the validity of their claim.
4. Limitations on Recovery - The ERRF imposes caps on the amount that can be disbursed:
 - a) Per Judgment: A maximum of \$25,000 can be awarded for a single judgment.
 - b) Per Licensee: The total liability for claims against a single licensee is limited to \$100,000, regardless of the number of claims.
 - c) If multiple claims are filed against a licensee and the total exceeds the \$100,000 cap, the available funds are distributed proportionally among the claimants.
5. Impact on Licensees - When a payment is made from the ERRF on behalf of a licensee, the following consequences ensue:
 - a) Automatic Suspension: The licensee's real estate license is automatically suspended upon the effective date of the court order authorizing payment from the fund.
 - b) Reinstatement Conditions: The licensee must repay the full amount disbursed from the ERRF, plus interest calculated at the prime rate of Nevada's largest bank plus 2%, before their license can be reinstated or a new license issued.
6. Educational and Research Initiatives - Beyond compensating consumers, the ERRF supports initiatives aimed at improving the real estate profession:
 - Educational Programs: Funding is allocated to develop and deliver educational courses and materials that enhance the knowledge and skills of real estate professionals.
 - Research Projects: The fund supports research endeavors that contribute to the understanding and advancement of real estate practices and policies.
 - These initiatives are designed to prevent future misconduct and elevate the overall standards of the industry.

Conclusion/Questions/Evaluations/Certificates