BEFORE THE REAL ESTATE COMMISSION

STATE OF NEVADA

SHARATH CHANDRA, Administrator, REAL ESTATE DIVISION, DEPARTMENT OF BUSINESS & INDUSTRY, STATE OF NEVADA, Petitioner, vs. CODY J. RAYNOHA, (B.1003009.LLC; formerly S.0172478.LLC), Respondent.	**Case No. 2023-313**

FILED

NOV 2 1 2024

REAL ESTATE COMMISSION

BY Kelley Valadez

STIPULATION AND ORDER FOR SETTLEMENT OF DISCIPLINARY ACTION

This Stipulation for Settlement of Disciplinary Action ("Stipulation") is entered into by and between the State of Nevada, Department of Business and Industry, Real Estate Division ("Division"), through its Administrator Sharath Chandra ("Petitioner"), by and through their attorney of record, Phil W. Su, Esq., and RESPONDENT CODY J. RAYNOHA, ("RESPONDENT").

RESPONDENT, at all relevant times pertinent to the violations in this Complaint, was actively licensed as a Salesperson (S.0172478.LLC).[1] RESPONDENT is, therefore, subject to the jurisdiction of the Division and the Commission, and the provisions of NRS chapter 645 and NAC chapter 645.

FACTUAL ALLEGATIONS AS SET FORTH IN THE COMPLAINT

1. At all times relevant to this Complaint, RESPONDENT Cody J. Raynoha has been a licensed salesperson affiliated with Precision Realty LLC, under the supervision of Broker Enzo D. Varela. [NRED0001-0003].

2. At all times relevant to this Complaint, Paul Randy Guevarra was not a licensee of the Nevada Real Estate Division. [NRED0006-0011].

3. On April 20, 2023, the Division received a Statement of Fact from COMPLAINANT Carey Krumick ("COMPLAINANT") regarding the potential unauthorized and fraudulent sale of the

[1] Subsequent to the time period relevant to this Complaint, RESPONDENT Raynoha obtained a broker license (B.1003009.LLC) and surrendered his salesperson license in favor of the new credential. [NRED0004-0005]

property at 3314 El Camino Real, Las Vegas, NV 89121 ("the Property") purportedly without the knowledge of, or participation by, true owner Shirley Fredericks ("Fredericks"), a widow in her 80's who lives in the United Kingdom. [NRED0013-0014].

4. COMPLAINANT states that he has assisted Ms. Fredericks for over two decades in taking care of/maintaining the Property and knew that, at all times relevant to this Complaint, the Property was under renovation, vacant, and boarded up due to issues with squatters and break-ins. [NRED0013-0014].

5. While addressing a code enforcement violation in January 2023 for the Property, COMPLAINANT learned that the enforcement officer had been turned away by RESPONDENT, who told the officer the Property had been sold and the new owners would complete clean-up. [NRED0013-0014].

6. COMPLAINANT confirmed with Fredericks that she had never sold the Property , and opined that the signature on the new Grant, Bargain, and Sale Deed and Declaration of Value, which indicates that the Property was sold for $190,000.00 by Fredericks to Alpha Investment Group Inc., did not match signatures for Ms. Fredericks that COMPLAINANT had in his possession. [NRED0013-0014; 0015-0019].

7. According to an affidavit provided by a solicitor for Fredericks, Fredericks attests that she did not offer the Property for sale, never agreed to such a sale, has had no Zoom calls to discuss any such sale, and has not received any funds from the purported sale of the Property. [NRED0020-0022].

8. On May 23, 2023, a complaint was filed in Eighth District Court regarding the allegedly fraudulent transaction, which is ongoing as of the filing date of this Complaint. [NRED0089-0104].

9. On May 1, 2023, the Division issued an open investigation letter to RESPONDENT regarding the Statement of Fact and requested his response via affidavit. [NRED0041].

10. That same day, the Division issued an open investigation letter to RESPONDENT'S broker of record, Enzo D. Varela. [NRED0042].

11. On December 5, 2023, the Division issued an open investigation letter to Paul Randy Guevarra regarding the Statement of Fact and requested his response via affidavit. [NRED0043].

12. On May 11, 2023, RESPONDENT submitted a responsive affidavit, indicating that he represented Alpha Investment Group Inc. ("Alpha") in the execution of an Assignment of Real Estate

Purchase and Sale Agreement with Paul Randy Guevarra on behalf of RJR Homes LLC ("RJR"), for the sale of subject Property. [NRED0044-0046].

13. According to documents provided with RESPONDENT'S affidavit, on or about February 2, 2023, RJR executed a Real Estate Purchase and Sale Agreement for the Property (the "Purported Purchase Agreement") with Fredericks for the total purchase price of $190,000.00 (the "Purchase Price"). [NRED0044-0046; 0047-0051].

14. The following day, February 3, 2023, RJR assigned its rights under the Purported Purchase Agreement to Alpha Investment Group, Inc. "in consideration of the sum of $25,000.00" (the "Assignment"), for a total of $215,000.00, payable at the closing date of February 9, 2023. [NRED0052-0053].

15. In summary, within six days, Guevarra earned $25,000.00 from the purchase and subsequent assignment of the Property, which RJR/Guevarra immediately resold to a pre-arranged buyer, Alpha Investment Group, Inc., represented by RESPONDENT.

16. RJR/Guevarra never recorded any ownership interest of its own in the Property. [NRED0039-0040].

17. On February 7, 2023, RESPONDENT received an email from Laura Leon of Driggs Title, indicating that the Seller was scheduled to execute documents on February 8, 2023, through a mobile notary. [NRED0044].

18. RESPONDENT stated that he trusted and relied upon Driggs, as a licensed and bonded title and escrow company in good standing in the real estate community, to ensure that all the documents needed from the Seller were complete, timely, duly signed, and authentic. [NRED0044].

19. On February 10, 2023, upon learning that a relative of Fredericks named Gary/Carey raised potential issues with the ownership of the Property, RESPONDENT indicated that he confirmed with the title company, Laura Leon of Driggs Title Agency, that the sale was legitimate, that Ms. Fredericks's signature was properly notarized, and that there was no impediment to closing. [NRED0044-0045; 0063-0067].

20. On February 20, 2023, RESPONDENT was contacted by attorney Jeffrey Albregts, who stated that although he was not representing Fredericks, in his opinion, she could not have sold the

Property because she lived in the U.K. and could not have notarized the documents. [NRED0045; 0073-0078].

21. RESPONDENT contacted Laura Leon with Driggs Title Agency to inform her of the potential issue, which she said she would need to seek counsel from her advisory committee. [NRED0045; 0073-0075].

22. Regarding payment, Leon indicated to RESPONDENT that she made payment pursuant to instructions she had received, and she verbally confirmed those instructions according to her company's procedures. [NRED0045; 0076-0078].

23. On January 30, 2024, attorney Robert Ryan responded to the Division's open investigation letter on behalf of Randy Paul Guevarra. [NRED0081-0083].

24. In his letter, attorney Ryan indicated that an individual identifying himself as "Frank Green" reached out to Guevarra on January 31, 2023, purporting to represent Fredericks and proposing an all-cash sale of the Property, which was in distressed condition. [NRED0081].

25. Guevarra inquired as to the reasons for the sale, and Green represented that Fredericks "needed to get back to London." [NRED0082].

26. Based on Guevarra's experience with prior purchases of distressed real estate he did not suspect there was anything out of the ordinary about this sale. [NRED0082].

27. Guevarra, on behalf of RJR, thereafter made a cash offer of $190,000.00 to purchase the Property, which Green verbally accepted on the condition that Driggs Title handle the escrow and transaction. [NRED0082].

28. Guevarra took photos "to give to possible end buyers and video to post on social media to increase marketing presence." [NRED0082].

29. Guevarra, on behalf of RJR, subsequently assigned its rights under the purchase agreement to Alpha Investment Group, Inc., represented by RESPONDENT. [NRED0052-0053].

30. Despite being only an assignor and not the actual owner and seller of the Property, Guevarra personally met with RESPONDENT'S contractor at the Property for inspections, during which meeting they encountered a squatter living in a "man-made dwelling" on the patio. [NRED0082].

31. Guevara told the squatter that the Property was being sold and that she should vacate

within a week. [NRED0082].

32. Approximately one day before closing, Driggs Title had an issue that required the closing to be pushed back by one day, and Guevarra states that he alerted Mr. Green to the delay, at which time Green became very upset because he said his client needed to get back to London. Nevertheless, Mr. Green eventually agreed to the extra day. [NRED0082-0083].

33. Guevarra claims he did not know of any issues with the sale until November 2023. [NRED0082-0083].

34. On February 23, 2024, RESPONDENT'S broker, Enzo Varela, responded to the Division's open investigation letter to note that RESPONDENT'S reply served as his own, and that he was supervising RESPONDENT "as best as possible." [NRED0085-0087].

35. During the period from the signing of the Assignment through closing, RESPONDENT, and RESPONDENT's staff met with and communicated directly with the Assignor, Guevarra, regarding inspections and other logistics, rather than with the purported seller of the Property, Fredericks, or her purported representative, Mr. Green. [NRED0066; 0082].

36. During the period from the signing of the Assignment through closing, Laura Leon of Driggs Title communicated directly with the Assignor, Guevarra, regarding the closing delay, rather than with the purported seller of the Property, Fredericks, or her purported representative, Mr. Green. [NRED0066; 0082].

37. On March 18, 2024, the Division mailed an NRS 233B letter via certified mail to RESPONDENT, stating the Division's intent to file a complaint with the Commission for violations of NRS 645.235(1)(b) and NRS 645.633(1)(h). [NRED0105-0106].

38. That same day, the Division mailed an NRS 233B letter via certified mail to Paul Randy Guevarra, stating the Division's intent to file a complaint in Case No. 2023-994 against him for violations of NRS 645.230(1)(a) and NRS 645.235(1)(a). [NRED0107-0108].

ALLEGED VIOLATIONS OF LAW AS SET FORTH IN THE COMPLAINT

1. RESPONDENT violated NRS 645.633(1)(c) pursuant to NRS 645.235(1)(b) by willfully and/or knowingly assisting Paul Randy Guevarra, an unlicensed individual, in the performance

of activities constituting the representation of owner Fredericks for which a license is required under NRS 645, in exchange for a commission, compensation, and/or a finder's fee.

2. RESPONDENT violated NRS 645.633(1)(h) pursuant to NAC 645.605(1) by exhibiting gross negligence or incompetence when he failed to do his utmost to protect the public from fraud, misrepresentation and/or unethical practices, as demonstrated when he took inadequate measures to address issues concerning the potential fraudulent sale of the Property in February 2023.

PROPOSED SETTLEMENT

By entering into this Stipulation, the RESPONDENT does not admit the above factual allegations or either asserted violation but agrees to waive his right to contest the above-alleged violations if the Stipulation is approved by the Commission. Accordingly, in an effort to avoid further stress or strain on Mrs. Fredericks, who is in her eighties and lives in Great Britain the time and expense of litigating these issues before the Commission, as well as any possible further legal appeals from any such decision, and the parties desire to compromise and settle the instant controversy upon the following terms and conditions:

1. RESPONDENT agrees to pay the Division a total amount of Seven Thousand Nine Hundred Fifty-Five Dollars and 97/100 cents ($7,955.97) ("Amount Due"), consisting of a One Thousand Dollar ($1,000.00) administrative fine imposed by the Division, the Division's pre-hearing costs and fees in the amount of Eight Hundred Dollars ($800.00), and pre-hearing attorney's fees in the amount of Six Thousand Nine Hundred Fifty Five Dollars and 97/100 cents ($6,155.97).

a. The Amount Due shall be payable to the Division in full within sixty (60) days of the date of the order approving this settlement.

b. No grace period is permitted. If the payment is not actually received by the Division on or before its due date, it shall be construed as an event of default by Respondent.

2. RESPONDENT further agrees to complete six (6) hours of continuing education, including three (3) hours in Agency and three (3) hours in Contracts, with proof of completion to be provided to the Division within six (6) months of the effective date of this order. These classes shall not count towards those necessary for RESPONDENT'S annual license renewal.

3. RESPONDENT and the Division agree that by entering into this Stipulation, the Division does not concede any defense or mitigation RESPONDENT may assert and that once this Stipulation is approved and fully performed, the Division will close its file in this matter.

4. The Division agrees not to pursue any other or greater remedies or fines in connection with RESPONDENT'S alleged conduct referenced herein. The Division further agrees that unless RESPONDENT fails to make timely payment, the Division will not bring any claim or cause directly or indirectly based upon any of the facts, circumstances, or allegations discovered during the Division's investigation and prosecution of this case.

5. RESPONDENT agrees and understands that by entering into this Stipulation RESPONDENT is waiving his right to a hearing at which RESPONDENT may present evidence in his defense, his right to a written decision on the merits of the Complaint, his rights to reconsideration and/or rehearing, appeal and/or judicial review, and all other rights which may be accorded by the Nevada Administrative Procedure Act, the Nevada Real Estate Brokers and Salespersons statutes and accompanying regulations, and the federal and state Constitutions. RESPONDENT understands that this Agreement and other documentation may be subject to public records laws. The Commission members who review this matter for approval of this Stipulation may be the same members who ultimately hear, consider, and decide the Complaint if this Stipulation is either not approved by the Commission or is not timely performed by RESPONDENT. RESPONDENT fully understands that he has the right to be represented by legal counsel in this matter at his own expense.

6. RESPONDENT shall bear his own attorney's fees and costs.

7. Approval of Stipulation. Once executed, this Stipulation will be filed with the Commission and will be placed on the agenda for approval at its next public meeting. The Division will recommend to the Commission approval of the Stipulation. RESPONDENT agrees that the Commission may approve, reject, or suggest amendments to this Stipulation that must be accepted or rejected by RESPONDENT before any amendment may be considered effective.

8. Withdrawal of Stipulation. If the Commission rejects this Stipulation or suggests amendments unacceptable to RESPONDENT, RESPONDENT may withdraw from this Stipulation, and the Division may pursue its Complaint before the Commission.

9. Stipulation is Not Evidence. Neither this Stipulation nor any statements made concerning this Stipulation may be discussed or introduced into evidence at any hearing on the Complaint, if the Division must ultimately present its case based on the Complaint filed in this matter.

10. Release. In consideration of the execution of this Stipulation, RESPONDENT for himself, his heirs, executors, administrators, successors, and assigns, hereby releases, remises, and forever discharges the State of Nevada, the Department of Business and Industry, and the Division, and each of their respective members, agents, employees, and counsel in their individual and representative capacities, from any and all manner of actions, causes of action, suits, debts, judgments, executions, claims, and demands whatsoever, known and unknown, in law or equity, that RESPONDENT ever had, now has, may have, or claim to have against any or all of the persons or entities named in this section, arising out of or by reason of the Division's investigation of this action, this disciplinary action, and all matters related thereto.

11. Indemnification. RESPONDENT hereby agrees to indemnify and hold harmless the State of Nevada, the Department of Business and Industry, Petitioner, the Division, and each of their respective members, agents, employees, and counsel, in their individual and representative capacities, against any and all claims, suits, and actions brought against said persons and/or entities by or claiming through RESPONDENT or his brokerage Precision Realty by reason of the Division's investigation, this disciplinary action, and all other matters relating thereto, and against any and all expenses, damages, and costs, including court costs and attorney fees, which may be sustained by the persons and/or entities named in this section as a result of said claims, suits, and actions.

12. Default. In the event of default, RESPONDENT agrees that his active licenses and permits issued by the Division, if any, shall be immediately suspended, and the unpaid balance of the administrative fine and costs, together with any attorney's fees and costs that may have been assessed, shall be due in full to the Division within ten calendar days of the date of default. Debt collection actions for unpaid monetary assessments in this case may be instituted by the Division or its assignee. RESPONDENT agrees that the foregoing suspensions shall continue until the unpaid monetary assessments are paid in full.

13. RESPONDENT confirms that he has signed and dated this Stipulation only after reading and fully understanding all terms herein.

DATED this ____ day of November, 2024.

By: _____
CODY J. RAYNOHA
Respondent

DATED this 14 day of November, 2024.

NEVADA DEPARTMENT OF BUSINESS AND INDUSTRY, REAL ESTATE DIVISION

By: _____
SHARATH CHANDRA
Administrator

Approved as to form:

LAW OFFICES OF JOHN BENEDICT

By: _____
JOHN G. BENEDICT (Bar No. 5581)
2190 E. Pebble Rd., Suite 260
Las Vegas, NV 89123
(702) 333-3770
Attorneys for Respondent Cody J. Raynoha

AARON D. FORD
Attorney General

By: /s/ Phil W. Su
PHIL W. SU (Bar No. 10450)
Senior Deputy Attorney General
1 State of Nevada Way, Ste. 100
Las Vegas, Nevada 89119
(702) 486-3655
Attorneys for Real Estate Division

ORDER APPROVING STIPULATION
Case No. 2023-313

The Stipulation for Settlement of Disciplinary Action having come before the Real Estate Commission, Department of Business and Industry, State of Nevada, during its regular agenda on November 19-21, 2024, and the Commission being fully apprised in the premises, and good cause appearing,

IT IS ORDERED that the above Stipulation for Settlement of Disciplinary Action is approved in full.

Dated: this 21 day of November, 2024.

REAL ESTATE COMMISSION
STATE OF NEVADA

By: _____
President, Nevada Real Estate Commission