



1 **BEFORE THE ARIZONA STATE**  
2 **BOARD OF TECHNICAL REGISTRATION**

3  
4 In the Matter of:

Case No.: **HI23-037**

5 **MICHAEL NELSON,**  
6 Certified Home Inspector  
7 Certification No. 72994;

**CONSENT AGREEMENT**  
**and**  
**ORDER OF DISCIPLINE**

8 and

9 **INSPECTIONS OVER COFFEE, CHANDLER,**  
10 Firm Registration No. 24865

11 Respondents.

12  
13 In the interest of a prompt and judicious resolution of the above-captioned matter  
14 before the Arizona State Board of Technical Registration (“Board”) and consistent with  
15 the public interest, statutory requirements, and the responsibilities of the Board, and  
16 pursuant to A.R.S. § 32-101 et seq., and A.A.C. R4-30-120(G), the undersigned parties,  
17 Michael Nelson (“Respondent”), holder of Certification No. 72994, Inspections over  
18 Coffee Chandler (“Respondent Firm”), holder of firm registration No. 24865, and the  
19 Board enter into the following Recitals, Findings of Fact, Conclusions of Law and Order  
20 (“Consent Agreement”) as a final disposition of this matter.

21 **RECITALS**

22 1. Each Respondent has read and understands this Consent Agreement and has  
23 had the opportunity to discuss this Consent Agreement with an attorney, or has waived  
24 the opportunity to discuss this Consent Agreement with an attorney.

25 2. Each Respondent understands that they have a right to a public administrative  
26 hearing concerning this case and acknowledges that at such formal hearing they could  
27 present evidence and cross-examine witnesses. By entering into this Consent Agreement,  
28 each Respondent knowingly, voluntarily, and irrevocably waives their right to such an

1 administrative hearing, as well as rights of rehearing, review, reconsideration, appeal,  
2 judicial review or any other administrative and/or judicial action concerning the matters  
3 set forth herein.

4         3. Each Respondent affirmatively agrees that this Consent Agreement shall be  
5 irrevocable.

6         4. Each Respondent understands that this Consent Agreement or any part of the  
7 agreement may be considered in any future disciplinary action by the Board against them.

8         5. The Consent Agreement, any record prepared in this matter, all investigative  
9 materials prepared or received by the Board and all related exhibits and materials, are  
10 public records upon acceptance by the Board of this Consent Agreement and may be  
11 retained in the Board's files pertaining to this matter.

12         6. Each Respondent understands this Consent Agreement deals with Board case  
13 number HI23-037 involving allegations that Respondents engaged in conduct that would  
14 subject them to discipline under the Board's statutes and rules. The investigation into  
15 these allegations against Respondents shall be concluded upon the Board's adoption of  
16 this Consent Agreement.

17         7. Each Respondent understands that this Consent Agreement does not  
18 constitute a dismissal or resolution of any other matters currently pending before the  
19 Board, if any, and does not constitute any waiver, express or implied, of the Board's  
20 statutory authority or jurisdiction regarding any other pending or future investigation,  
21 action or proceeding.

22         8. Each Respondent also understands that acceptance of this Consent  
23 Agreement does not preclude any other agency, subdivision, or officer of this State from  
24 instituting any other civil or criminal proceedings with respect to the conduct that is the  
25 subject of this Consent Agreement.

26         9. Each Respondent acknowledges and agrees that, upon signing this Consent  
27 Agreement and returning this document to the Board's Executive Director, they may not  
28 revoke his acceptance of the Consent Agreement or make any modifications to the

1 document regardless of whether the Consent Agreement has been signed on behalf of the  
2 Board. Any modification to this original document is ineffective and void unless  
3 mutually agreed by the parties in writing.

4 10. This Consent Agreement is subject to the approval of the Board and is  
5 effective only when accepted by the Board and signed on behalf of the Board. If the  
6 Board does not accept this Consent Agreement, the Board retains its authority to hold a  
7 formal administrative hearing pursuant to A.R.S. § 32-128(E). In the event that the  
8 Board does not approve this Consent Agreement, it is withdrawn and shall be of no  
9 evidentiary value and shall not be relied upon nor introduced in any action by any party,  
10 except that the parties agree that should the Board reject this Consent Agreement and this  
11 case proceeds to hearing, Respondents shall assert no claim that the Board was prejudiced  
12 by its review and discussion of this document or any records relating thereto.

13 11. If a court of competent jurisdiction rules that any part of this Consent  
14 Agreement is void or otherwise unenforceable, the remainder of the Consent Agreement  
15 shall remain in full force and effect.

16 12. Each Respondent understands that any violation of this Consent Agreement  
17 may result in disciplinary action, including suspension or revocation of the registration  
18 under A.R.S. § 32-150.

19 13. Each Respondent agrees that the Board will adopt the following Findings of  
20 Fact, Conclusions of Law and Order.

21 **FINDINGS OF FACT**

22 1. The Board is the duly constituted authority for the regulation and control of  
23 the practice of Home Inspection in the State of Arizona.

24 2. Respondent is the holder of Home Inspector Certification No. 72994.

25 3. Respondent Firm is the holder of firm Registration No. 24865 as of June 21,  
26 2023. Respondent Firm was not registered with the Board prior to June 21, 2023.

27 4. Respondent is the registered principal of Respondent Firm.

28 5. On or about January 16, 2023, Respondent, on behalf of Respondent Firm,

1 entered into an Affiliate Agreement with Keller Williams Realty East Valley, a real estate  
2 company, ("Real Estate Company"). Terms of the agreement, which was to run from  
3 January 1, 2023, to December 31, 2023, included:

- 4 A. Respondent Firm agreed to pay Real Estate Company "*Monthly,*  
5 *quarterly, or annual payments*";
- 6 B. Respondent Firm agreed to provide contact information to Real Estate  
7 Company to be included in Real Estate Company's vendor list;
- 8 C. Respondent Firm agreed to "*attend and speak for a maximum of five*  
9 *minutes and/or bring handouts, business cards, goodies and/or snacks*  
10 *to the start of the vendors designated training/class/event*", assigned by  
11 Real Estate Company;
- 12 D. Respondent Firm agreed to provide a brochure or flyer and a maximum  
13 of 100 business cards to Real Estate Company to be displayed in the  
14 "*Market Center*";
- 15 E. Respondent Firm agreed to provide a company logo in jpg/png format  
16 to Real Estate Company to be used on Real Estate Company "*calendar*  
17 *hardcopy and digital copy for company website*";
- 18 F. Respondent Firm agreed to provide one to five still advertisements to  
19 Real Estate Company to be displayed on four digital advertising  
20 televisions located throughout the "*Market Center*"; and
- 21 G. Respondent Firm agreed to refer, on average, one agent a month to the  
22 "*Market Center*".

23 6. A 2023-2024 Real Estate Company Sponsor Program Tiers sheet outlines  
24 Platinum tier opportunities and details of "sponsorship" for home inspector sponsors to  
25 include:

- 26 A. Sponsor pays \$3,000.00 quarterly, in monthly installments of  
27 \$1,000.00.
- 28 B. "*Order and deliver partners meeting breakfast/lunch. As our featured*

1                    *vendor of the month, on the appointed date assigned by Keller Williams*  
2                    *Realty East Valley, featured month will be assigned and date will be*  
3                    *provided to vendor”.*

4                    C. *“Birthday and Anniversary Sponsor for one month providing*  
5                    *branded/decorated sheet cake”.*

6                    D. Sponsor is required to participate in quarterly client events (will come  
7                    out of monthly dues).

8                    E. Sponsor is required to sponsor annual GALA event (will come out of  
9                    monthly dues).

10                    F. Sponsor is required to sponsor Red Day (will come out of monthly  
11                    dues).

12                    G. Sponsor is required to sponsor ALC meeting lunch once a month (will  
13                    come out of monthly dues).

14                    H. Sponsor is required to host a “Cappy Hour” at least once annually (will  
15                    not come out of monthly dues).

16                    I. Sponsor will participate in New Agent quarterly (will come out of  
17                    monthly dues).

18                    J. Sponsor will be provided with Real Estate Company master agent  
19                    roster monthly via email

20                    K. Sponsor may host and teach two classes annually at Real Estate  
21                    Company’s office for agents.

22                    L. *“Advertise Sponsor partner’s company and contact information by*  
23                    *including on master list of Keller Williams Realty East Valley sponsor*  
24                    *partners provided to all associates”.*

25  
26  
27                    7. On or about April 28, 2023, the Board opened a complaint alleging that  
28                    Respondent and Respondent Firm may engage directly or indirectly in a Real Estate

1 Agent vendor/referral program that includes compensation, financial or other benefit paid  
2 by Respondent and/or Respondent Firm to Real Estate Agents to obtain referrals for  
3 home inspections. The complaint further alleged that Respondent and Respondent Firm  
4 may practice or offer to practice, a Board regulated profession without valid firm  
5 registration.

6 9. On or about May 4, 2023, Board staff found that Respondent is listed as the  
7 principal agent for Respondent Firm on Arizona Corporation Commission and Arizona  
8 Secretary of State Records.  
9

10 10. On or about May 4, 2023, Board staff found that Respondent Firm was listed  
11 on a public real estate website, [www.1kwev.com/vendor-affiliates/](http://www.1kwev.com/vendor-affiliates/), as a "*Platinum*  
12 *Vendor Affiliate*" with Real Estate Company.

13 11. On or about May 25, 2023, Board staff received a written statement from  
14 Respondent, in which he acknowledged having an "*Advertising and Marketing*  
15 *Agreement*" with Real Estate Company. Respondent indicated that he pays Real Estate  
16 Company One Thousand Dollars (\$1,000.00) per month to be a "*Platinum Advertising*  
17 *Sponsor*" and receives the following benefits:

- 18 A. Ability to advertise on Real Estate Company office and conference  
19 room wall space,
- 20 B. Ability to advertise on Real Estate Company office televisions,
- 21 C. Ability to advertise during Real Estate Company events,
- 22 D. Ability to advertise during Real Estate Company classes and trainings,
- 23 E. Ability to advertise on Real Estate Company social media pages,
- 24 F. Ability to advertise during Real Estate Company ceremonies, galas, and  
25 luncheons.  
26

27 12. On or about June 2, 2023, Respondent acknowledged that he is the owner of  
28 Respondent Firm.

1           13. On or about June 21, 2023, Respondent registered Respondent Firm with the  
2 Board.

3           14. On or about July 6, 2023, Respondent acknowledged that he has offered  
4 Home Inspections in Arizona through Respondent Firm since June 1, 2022. Respondent  
5 acknowledged that Respondent Firm was not registered with the Board prior to June 21,  
6 2023. Respondent indicated that he was previously unaware of the requirement to register  
7 Respondent Firm with the Board.  
8

9           15. On or about September 12, 2023, Board staff received a written statement  
10 from a Real Estate Company representative (“Representative”). Representative confirmed  
11 that Respondent Firm has an “*Advertising and Marketing Agreement*” with Real Estate  
12 Company, and indicated the following regarding Respondent Firm’s participation in the  
13 “*Vendor Sponsor Program*”:

14                   A. The purpose of the “*Vendor Sponsor Program*” is to “*engage Vendors*  
15                   *with our Agents on a basis of Real Estate Education*”.

16                   B. Respondent attends Real Estate Company classes and trainings to  
17                   educate real estate agents on the services Respondent Firm provides.  
18

19                   C. Many Real Estate Company agents trust Respondent based on the  
20                   classes and trainings he has participated in.

21           16. On or about September 18, 2023, Board staff found that Real Estate  
22 Company’s public Instagram page included multiple posts from March of 2023 to May of  
23 2023 that reference Respondent Firm being a “*Platinum Sponsor*”. Two of the public  
24 Instagram posts indicate that Respondent Firm hosted Real Estate Company events for  
25 real estate agents.

26           17. On or about September 18, 2023, Board staff reviewed that Real Estate  
27 Company’s public Facebook page included multiple posts from March of 2023 to June of  
28 2023 that reference Respondent Firm being a “*Vendor Sponsor*”. Two of Real Estate

1 Company's public Facebook posts, entitled "*Vendor Sponsor Highlights*", include videos  
2 with Respondent and a Real Estate Company representative:

3 A. In the first Facebook post video, dated March 11, 2023, a Real Estate  
4 Company representative introduces Respondent as a "*Power Partner*"  
5 with Real Estate Company. The video continues with Respondent  
6 speaking about Respondent Firm's services.

7 B. In the second Facebook post video, dated May 2, 2023, a Real Estate  
8 Company representative introduces Respondent as a "*Preferred Vendor*  
9 *Sponsor*" and a "*Platinum Inspection Company*" with Real Estate  
10 Company. The video continues with Respondent speaking about  
11 Respondent Firm's services.  
12

13 18. On or about September 25, 2023, Board staff received documentation from  
14 Real Estate Company that included:

15 A. Transaction records indicating that between January 1, 2023, and  
16 September 1, 2023, Respondent Firm made nine (9) monthly payments  
17 to Real Estate Company, totaling Seven Thousand Seven Hundred  
18 Forty Nine Dollars and Twenty-Eight Cents (\$7,749.28), as agreed  
19 upon in the Affiliate Agreement between Respondent, Respondent  
20 Firm and Real Estate Company.  
21

22 **CONCLUSIONS OF LAW**

- 23 1. The Board has jurisdiction in this matter pursuant to A.R.S. § 32-101, et seq.  
24 2. The conduct alleged in the Findings of Fact constitutes grounds for discipline  
25 pursuant to A.R.S. § 32-128(C)(4) as it relates to A.A.C. R4-30-301.01(B)(1), in that  
26 Respondent and Respondent Firm have paid, directly or indirectly, in full or in part, a  
27 commission or compensation as a referral or finder's fee to a real estate agent, real estate  
28 company, real estate office, or real estate broker/sales person to obtain referrals for home



1 inspection business; a prohibition which includes, but is not limited to participation in  
2 pay-to-play programs by any name (e.g. “preferred vendor”, “approved vender”,  
3 “marketing partner”, “marketing services agreement”).

4 3. The conduct alleged in the Findings of Fact constitutes grounds for discipline  
5 pursuant to A.R.S. § 32-121, A.R.S. § 32-141, and A.R.S. § 32-128(C)(4) as it relates to  
6 A.A.C. R4-30-301(4), in that Respondent and Respondent Firm practiced, or offered to  
7 practice, a Board regulated profession without valid firm registration with the Board from  
8 June 1, 2022, to June 21, 2023.

9 **ORDER**

10 Based on the foregoing Findings of Fact and Conclusions of Law, the Board issues  
11 the following Order:

12 1. LETTER OF REPRIMAND. Respondent is hereby issued a Letter of  
13 Reprimand.

14 2. ADMINISTRATIVE PENALTY. Within Six (6) Months from the  
15 effective date of this Consent Agreement, Respondent shall pay an administrative penalty  
16 of Seven Hundred and Fifty Dollars (\$750.00) by certified check or money order made  
17 payable to the State of Arizona Board of Technical Registration.

18 3. COST OF INVESTIGATION. Within Six (6) Months from the effective  
19 date of this Consent Agreement, Respondent shall pay the cost of investigation of this  
20 case to the Board in the amount of Two Hundred Dollars (\$200.00) by certified check or  
21 money order made payable to the State of Arizona Board of Technical Registration,  
22 according to the provisions of A.R.S. § 32-128(H).

23 4. OBEY ALL LAWS. Respondent shall obey all federal, state and local  
24 laws, as well as, all rules governing the practice of Home Inspection in the State of  
25 Arizona. The Board shall consider any violation of this paragraph to be a separate  
26 violation of the rules and statues governing the Arizona Board of Technical Registration.  
27 The Board may also consider Respondent’s non-compliance with this Order as a separate  
28 violation of A.R.S. § 32-150.



1 **ORIGINAL** filed this 7th day of

2 December, 2023, with:

3 Arizona State Board of Technical Registration  
4 1110 W. Washington, Suite 240  
5 Phoenix, AZ 85007

6 **COPY** of the foregoing mailed via Certified Mail

7 No. 9214 8901 9434 4600 0953 01 and

8 First Class mail this 7th day of December, 2023, to:

9 Michael Nelson  
10 2513 W. Straford Dr.  
11 Chandler, AZ 85224

12  
13  
14 By: Daniel Carthel

15 #11619493