Office of the Attorney General
2501 East Sahara Avenue, Suite 201
Las Vegas, Nevada 89104

BEFORE THE COMMISSION FOR COMMON-INTEREST COMMUNITIES AND CONDOMINIUM HOTELS STATE OF NEVADA

JOSEPH (J.D.) DECKER, Administrator, REAL ESTATE DIVISION, DEPARTMENT OF BUSINESS & INDUSTRY, STATE OF NEVADA, Petitioner, vs. AUDRA COLLINS, Respondent.	**Case No. 2014-4473**

FILED
MAY 08 2015
NEVADA COMMISSION OF COMMON INTEREST COMMUNITIES AND CONDOMINIUM HOTELS

COMPLAINT FOR DISCIPLINARY ACTION AND NOTICE OF HEARING

The Real Estate Division of the Department of Business and Industry, State of Nevada (the "Division"), by and through its counsel, Adam Paul Laxalt, Attorney General of the State of Nevada, and Michelle D. Briggs, Esq., Senior Deputy Attorney General, hereby notifies Respondent AUDRA COLLINS ("RESPONDENT" or "COLLINS") of an administrative hearing before the Commission for Common-Interest Communities and Condominium Hotels, State of Nevada, which is to be held pursuant to Chapters 233B and Chapters 116 and 116A of the Nevada Revised Statutes ("NRS") and Chapter 116 and 116A of the Nevada Administrative Code ("NAC"). The purpose of the hearing is to consider the allegations stated below and to determine if an administrative penalty will be imposed on the RESPONDENT pursuant to the provisions of NRS and NAC including, but not limited to, NAC 116A.360.

JURISDICTION

1. During all relevant times mentioned in this complaint, COLLINS was licensed as a community manager by the Division and is, therefore, subject to the jurisdiction of the Division and the provisions of NRS Chapters 116 and 116A and NAC Chapters 116 and 116A.

ALLEGATIONS OF FACT

2. COLLINS was, at all relevant times mentioned in this Complaint, and currently is licensed as a supervisory community manager under certificate number CAM.0000314-SUPR.

3. COLLINS provides community management services through NCF Corporation, doing business as Associated Community Management (the "Management Company") along with her mother, Leslie White, and her husband, Ryan Collins.

4. The Division opened an investigation against COLLINS, and her mother, Leslie White, in 2013 under Case No. CIS 13-05-34-340 based on information contained in annual registration forms supplied by COLLINS and Ms. White to the Division.

5. The initial investigation concerned whether 21 associations managed by COLLINS or White had a board of directors.

6. By letter dated June 7, 2013, the Division sent COLLINS and Ms. White a letter detailing the alleged violations and requesting documents and a sworn affidavit as to the alleged violations.

7. As to Willow Trace Homeowners' Association (the "Association"), Ms. White responded with a sworn statement dated June 21, 2013 stating that the Association had struggled to keep a full board, but did have a board at that time. She stated meetings "have been held as schedules and directors were able."

8. Ms. White did not provide a copy of her management contract, minutes, proof of insurance, history of fines, or copies of annual budgets as requested and COLLINS did not provide any response.

9. By letter dated December 30, 2013, the Division sent COLLINS and Ms. White a second request for the documents previously requested.

10. Neither COLLINS nor Ms. White responded to the second request.

11. The Division subpoenaed bank records for the Association in January of 2014.

12. Based on a review of the records, the Division opened a new case concerning only the Association under Case No. 2014-1505 against Leslie White and Case No. 2014-

Office of the Attorney General
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4473 against COLLINS.

13. According to the subpoenaed bank records, COLLINS was the sole signor on over 100 Association checks from January 2010 through February 2013, but was not a signor on the Association's bank account.

14. During the course of the investigation, Ms. White responded by email dated June 6, 2014, which included her management contract dated November 13, 2012 (the "2012 Contract"), and her management contract dated August 10, 2005 (the "2005 Contract #1").

15. The 2005 Contract #1 has a term of one year ending July 31, 2006 and contains a one year automatic renewal, which would expire on July 31, 2007.

16. The 2012 Contract appears to be signed by board member Janet Deaver.

17. Janet Deaver denies having signed the 2012 Contract and was not a board member until February of 2013.

18. COLLINS was asked to respond to the allegations that she was the sole signor on Association checks, managed the Association without a management contract from August 2007, and managed the Association under a forged management contract from November 2012.

19. COLLINS denied being the manager for the Association and claimed no knowledge about a forged contract.

20. COLLINS provided a management contract dated August 10, 2005 (the "2005 Contract #2").

21. The 2005 Contract #2 appears to be identical to the 2005 Contract #1 previously provided by Ms. White. Both are missing page 2 and both appear to have the same signature page. The only difference is the term of the contract.

22. The 2005 Contract #2 has an initial one year term and then renews automatically on a month to month basis with no expiration date.

23. Ms. White provided the 2005 Contract #2 to the Division a few days prior to COLLINS and also in response to the allegation that they were managing the Association under a forged contract. Ms. White claimed the other contracts were provided in error.

Office of the Attorney General
2501 East Sahara Avenue, Suite 201
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24. With reference to the checks signed only by COLLINS, COLLINS stated the Association did not have a board. COLLINS alleged that based on a meeting she and Ms. White had with Division representatives, Sharon Jackson and a compliance investigator, they could perform under their management contract, but they needed to make every effort to get a board in place.

25. Ms. Jackson met with COLLINS and Ms. White in 2012 and told both of them they could not operate an association without a board and had to resign.

26. Invoices provided by COLLINS to support some of the checks she signed by herself include advanced management fees, management charges for monthly parking inspections, debris and trash removal, a website, and transfer fees; none of which are authorized by any of the three management contracts provided to the Division.

27. In 2010, COLLINS signed a check in favor of the Management Company in the amount of $2,799.99, which included $2,370 for graffiti removal and $150 for parking inspections.

28. COLLINS signed a check in July of 2012 for an advance on management fees for the months of August through December 2012 in an amount of $4,500, and then also signed separate management fee checks for the months of November and December 2012.

29. The Association's Income/Expense Statements for July through December 2012 provided to the Division during the investigation do not reflect the advance payment of management fees or the overpayment for management fees by year end.

VIOLATIONS OF LAW

30. COLLINS violated NRS 116A.640(2)(a) and NAC 116A.345(2)(a) by impeding the Division's investigation by failing to comply with requests from the Division to provide documents and an affidavit requested by letter dated June 7, 2013, and a second request dated December 30, 2013.

31. COLLINS violated NAC 116A.355(1)(a)(1) (through NAC 116A.355(2)(i)) over 100 times by committing unprofessional conduct by exceeding the authority granted to her by

Office of the Attorney General
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the Association when she signed over 100 Association checks without approval from the Association's board.

32. COLLINS violated NAC 116A.355(1)(a)(1) (through NAC 116A.355(2)(c)) by committing unprofessional conduct by engaging in deceitful, fraudulent or dishonest conduct by signing checks to the Management Company for invoices that were not approved by the Association's board and included charges not authorized by a management agreement.

33. COLLINS violated NAC 116A.355(1)(a)(1) (through NAC 116A.355(2)(c)) by committing unprofessional conduct by engaging in deceitful, fraudulent or dishonest conduct by signing checks to the Management Company for advanced management fees, additional management fees for months already advanced, and not having those advancements or over charges reflected in the Income/Expense Statements for the Association.

34. COLLINS violated NAC 116A.355(1)(a)(1) (through NAC 116A.355(2)(f)) by committing unprofessional conduct when she failed to cooperate with the Division's investigation by failing to timely produce documents and records of the Association as requested by letter dated June 7, 2013, and a second request dated December 30, 2013.

35. COLLINS violated NAC 116A.355(1)(a)(2) (through NAC 116A.355(3)(a)) over 100 times by engaging in conduct constituting professional incompetence by demonstrating a significant lack of ability, knowledge or fitness to perform a duty or obligation owed to the Association by signing checks without approval from the Association's board.

36. COLLINS violated NAC 116A.355(1)(a)(2) (through NAC 116A.355(3)(b)) by engaging in conduct constituting professional incompetence by failing to exercise reasonable skill and care with respect to a duty or obligation owed to the Association by signing checks to the Management Company for invoices which included unauthorized charges, advancements, and overcharges.

37. COLLINS violated NRS 116.31153 over 100 times by being the sole signor on more than 100 Association checks between January 2010 and February 2013.

38. COLLINS violated NRS 116A.620 and NAC 116A.325 by managing the Association without a valid management contract.

Office of the Attorney General
2501 East Sahara Avenue, Suite 201
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39. COLLINS violated NRS 116A.630(1)(a) by failing to act as a fiduciary in her relationship with the Association.

40. COLLINS violated NRS 116A.640(10) by signing checks in favor of the Management Company for fees or other charges not specified in a management agreement.

41. COLLINS violated NRS 116A.640(2)(c) and NAC 116A.345(2)(c) by impeding the Division's investigation by concealing facts and documents relating to the business of the Association by failing to provide documents requested by the Division by letter dated June 7, 2013, and a second request dated December 30, 2013.

42. COLLINS violated NRS 116A.630(1)(b) by failing to exercise ordinary and reasonable care in the performance of her duties for the Association.

43. COLLINS violated NRS 116A.630(2) by failing to comply with all federal, state and local laws, regulations and ordinances.

44. COLLINS violated NRS 116A.630(6)(a) by failing to ensure that the financial transactions of the Association are current, accurate and properly documented.

45. COLLINS violated NRS 116A.630(6)(b) by failing to ensure that there are policies and procedures designed to provide reasonable assurances in the reliability of the financial reporting.

46. COLLINS violated NRS 116A.630(7) by failing to prepare or cause to be prepared accurate interim and annual financial statements to allow the Division, the unit owners and board members to determine whether the financial position of the Association is fairly presented in accordance with all applicable laws and regulations.

47. COLLINS violated NRS 116A.630(13) by failing to maintain the Association's funds in separate financial accounts in the name of the Association and ensure that the Association is authorized to have direct access to those accounts.

48. COLLINS violated NRS 116A.630(14) by failing to notify unit owners that the board is aware of all legal requirements pursuant to the applicable laws and regulations.

49. COLLINS violated NRS 116A.630(15) by failing to maintain internal accounting controls, including without limitation, segregation of incompatible accounting functions.

Office of the Attorney General
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50. COLLINS violated NRS 116A.630(16) by failing to ensure that the executive board developed and approved written investment policies and procedures.

51. COLLINS violated NAC 116A.320 by failing to comply with NRS 116A.630.

DISCIPLINE AUTHORIZED

Pursuant to the provisions of NAC 116A.360 the Commission has discretion to impose discipline as it deems appropriate, including, but not limited to one or more of the following actions:

1. Revoke or suspend the certificate;
2. Refuse to renew or reinstate the certificate;
3. Place the community manager on probation;
4. Issue a reprimand or censure to the community manager;
5. Impose a fine of not more than $5,000 for each violation of a statute or regulation;
6. Require the community manager to pay restitution;
7. Require the community manager to pay the costs of the investigation and hearing;
8. Require the community manager to obtain additional education relating to the management of common-interest communities; and
9. Take such other disciplinary action as the Commission deems appropriate.

The Commission may order one or any combination of the discipline described above.

NOTICE OF HEARING

PLEASE TAKE NOTICE, that a disciplinary hearing has been set to consider this Administrative Complaint against the above-named RESPONDENT in accordance with Chapters 233B and 116 and 116A of the Nevada Revised Statutes and Chapters 116 and 116A of the Nevada Administrative Code.

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THE HEARING WILL TAKE PLACE at the Commission meeting scheduled for **June 16, 17, and 18, 2015, beginning at approximately 9:00 a.m. each day, until such time as the Commission concludes its business. The Commission meeting will be held at the Gaming Control Meeting Room located at the Grant Sawyer Building, 555 E. Washington Ave., Room 2450, Las Vegas, Nevada 89101, with videoconferencing to the Gaming Control Meeting Room, 1919 College Parkway, Carson City, Nevada 89706.**

STACKED CALENDAR: Your hearing is one of several hearings that may be scheduled at the same time as part of a regular meeting of the Commission that is expected to take place on June 16-18, 2015. Thus, your hearing may be continued until later in the day or from day to day. It is your responsibility to be present when your case is called. If you are not present when your hearing is called, a default may be entered against you and the Commission may decide the case as if all allegations in the complaint were true. If you need to negotiate a more specific time for your hearing in advance because of coordination with out of state witnesses or the like, please call Claudia Rosolen, Commission Coordinator, at (702) 486-4606.

YOUR RIGHTS AT THE HEARING: Except as mentioned below, the hearing is an open meeting under Nevada's open meeting law, and may be attended by the public. After the evidence and arguments, the commission may conduct a closed meeting to discuss your alleged misconduct or professional competence. A verbatim record will be made by a certified court reporter. You are entitled to a copy of the transcript of the open and closed portions of the meeting, although you must pay for the transcription.

As a RESPONDENT, you are specifically informed that you have the right to appear and be heard in your defense, either personally or through your counsel of choice. At the hearing, the Division has the burden of proving the allegations in the complaint and will call witnesses and present evidence against you. You have the right to respond and to present relevant evidence and argument on all issues involved. You have the right to call and examine witnesses, introduce exhibits, and cross-examine opposing witnesses on any matter relevant to the issues involved.

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You have the right to request that the Commission issue subpoenas to compel witnesses to testify and/or evidence to be offered on your behalf. In making this request, you may be required to demonstrate the relevance of the witness' testimony and/or evidence. Other important rights and obligations, including your obligation to answer the complaint, you have are listed in NAC 116A.560 through NAC 116A.655, NRS Chapter 233B, and NRS Chapters 116 and 116A and NAC 116 and 116A.

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Note that under NAC 116A.585, not less than five (5) working days before a hearing, RESPONDENT must provide to the Division a copy of all reasonably available documents that are reasonably anticipated to be used to support his or her position, and a list of witnesses RESPONDENT intends to call at the time of the hearing. Failure to provide any document or to list a witness may result in the document or witness being excluded from Respondent's defense. The purpose of the hearing is to determine if the RESPONDENT has violated any of the provisions of NRS and NAC Chapters 116 and 116A, and to determine what administrative penalty is to be assessed against RESPONDENT, if any, pursuant to NAC 116A.360.

DATED this 1st day of May, 2015.

REAL ESTATE DIVISION
DEPARTMENT OF BUSINESS & INDUSTRY
STATE OF NEVADA

By:_____
JOSEPH (J.D.) DECKER, Administrator
2501 East Sahara Avenue
Las Vegas, Nevada 89104-4137
(702) 486-4033

ADAM PAUL LAXALT
Attorney General

By:_____
MICHELLE D. BRIGGS, ESQ.
Senior Deputy Attorney General
2501 E. Sahara Avenue, Suite 201
Las Vegas, NV 89104
(702) 486-3695
Attorneys for Real Estate Division

Office of the Attorney General
2501 East Sahara Avenue, Suite 201
Las Vegas, Nevada 89104