

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,

Case No. 2014-4472

Petitioner,

vs.

RYON COLLINS,

Respondent.

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 RYON 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.

///  
///  
///  
///  
///



1 Janet Deaver ("2012 Contract").

2 11. Janet Deaver informed the Division that she did not sign the 2012 Contract and  
3 was not on the board until February 2013.

4 12. RESPONDENT submitted the Association's annual registration form to the  
5 Division in 2013.

6 13. The Division opened an investigation against RESPONDENT for managing the  
7 Association without a valid management contract.

8 14. In response to the investigation, RESPONDENT provided a management  
9 contract from 2005 (the "2005 Contract #2") which was identical to the 2005 Contract #1, but  
10 the term was one year with automatic month to month renewals indefinitely.

11 15. Both 2005 Contract #1 and 2005 Contract #2 have the same signature page  
12 and are missing page 2.

13 16. After being asked to respond to the allegation that the 2012 Contract was  
14 forged, Leslie White provided the 2005 Contract #2 and said the other contracts were  
15 provided in error.

16 17. Audra Collins also provided the 2005 Contract #2 in her response to the  
17 allegation that she was managing the Association without a valid management contract.

18 18. RESPONDENT states that he was supposed to be the manager for the  
19 Association, but plans changed and he was not.

20 19. RESPONDENT emailed the board members elected in February 2013 to tell  
21 them he and Leslie White are the managers for the Association and that they need to set up  
22 a meeting date.

23 20. Before a meeting was scheduled RESPONDENT requested that one of the  
24 three new board members sign checks payable to the Division for annual fees and late fees.

25 21. By email, the new board members questioned their authority to sign checks  
26 without having had a meeting or being put on the bank account as a signor.

27 22. By email copied to RESPONDENT, Leslie White advised the board that when  
28 they come in to sign the checks to the Division, they will also be signing a signature card for

1 the bank.

2 23. By email dated February 28, 2013 from RESPONDENT to the board members  
3 he provides meeting dates for consideration saying board member Janet Deaver is available  
4 those dates.

5 24. RESPONDENT mentions in his email that Ms. Deaver signed the checks for the  
6 Division, and he thanked her for her assistance.

7 25. Ms. Deaver was never a signor on the Association's bank accounts.

8 26. Ms. Deaver received a Director's Book from the Management Company  
9 containing NRS and NAC 116 provisions from 2009, CC&R's, Architectural Rules and  
10 Regulations, Reserve Study from 2011, list of owners, 2008 budget, and unsigned document  
11 titled Violation Process.

12 27. By the time a meeting was scheduled for April 5, 2013 one board member had  
13 already resigned.

14 28. The April 5th meeting was cancelled by Ms. White due to a second board  
15 member's resignation leaving only Janet Deaver on the board.

16 29. Ms. White emailed Ms. Deaver that nomination forms would be sent out for the  
17 two vacancies and that she can contact RESPONDENT with any questions.

18 30. Ms. Deaver did not hear from RESPONDENT or Ms. White after April 5, 2013.

19 31. In July 2013, Derek Wise and Allan Barnett were informed by email that they  
20 were elected to the board.

21 32. In July 2013, RESPONDENT emailed Mr. Wise and Mr. Barnett informing them  
22 that he was the community manager for the Association and a meeting needed to be  
23 scheduled.

24 33. Mr. Wise responded with days that worked for him.

25 34. Hearing nothing more from RESPONDENT, Mr. Wise emailed Ms. White in May  
26 of 2014 asking when the first meeting would be.

27 35. Ms. White responded that she was trying to coordinate dates and planning on  
28 June.

1 36. No meeting was ever scheduled.

2 37. During 2013, while RESPONDENT represented to the Association board  
3 members and to the Division that he was the Association's community manager:

- 4 • No board meetings were held;
- 5 • No one other than Leslie White was an authorized signor on the Association's
- 6 bank accounts;
- 7 • Out of the 82 checks written from the Association's operating account in 2013
- 8 by Leslie White only 4 checks were counter-signed by a board member;
- 9 • 2 of the 4 checks signed by a board member were payable to NRED;
- 10 • The Management Company received approximately \$18,859.63 which included
- 11 monthly charges for parking inspections, graffiti removal and website
- 12 management not authorized by a management contract or approved by the
- 13 board;
- 14 • In addition to the \$900 per month management fee charged by the
- 15 Management Company an additional \$900 was charged as management fees
- 16 for the months of April, May and August totaling \$2,700;
- 17 • Automatic withdrawals from the Association's account were made for Tops
- 18 Software, also not authorized by a management contract;
- 19 • No payments were made to the Association's reserve account; and
- 20 • No board members received a copy of the management contract.

21 38. According to documents provided by RESPONDENT, the Association's  
22 Income/Expense Statements for 2013 did not reflect the additional management fees paid by  
23 the Association and billed by the Management Company for the months of April, May and  
24 August totaling \$2,700.

25 39. According to the Association's reserve study from 2011, the Association's  
26 reserve account should have had approximately \$47,000 by the beginning of 2014 and would  
27 have been 49% funded. At the beginning and end of 2013, the Association's reserve account  
28 balance was approximately \$20,000.



1           46.   RESPONDENT violated NAC 116A.355(1)(a)(1) and (2) (through NAC  
2 116A.355(4)(h)) by failing to ensure that each member of the board received a copy of the  
3 management agreement.

4           47.   RESPONDENT violated NRS 116A.620 and NAC 116A.325 by managing the  
5 Association without a valid management contract.

6           48.   RESPONDENT violated NRS 116A.630(1)(a) by failing to act as a fiduciary in  
7 his relationship with the Association.

8           49.   RESPONDENT violated NRS 116A.630(1)(b) by failing to exercise ordinary and  
9 reasonable care in the performance of his duties for the Association.

10          50.   RESPONDENT violated NRS 116A.630(2)(a) by failing to comply with all  
11 federal, state and local laws, regulations and ordinances.

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

14          52.   RESPONDENT violated NRS 116A.630(6)(b) by failing to ensure that there are  
15 policies and procedures designed to provide reasonable assurances in the reliability of the  
16 Association's financial reporting, including, without limitation, documentation of the  
17 authorization for any expenditures or disbursements.

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

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

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

27          56.   RESPONDENT violated NRS 116A.630(15) by failing to maintain internal  
28 accounting controls, including without limitation, segregation of incompatible accounting

1 functions.

2 57. RESPONDENT violated NRS 116A.630(16) by failing to ensure that the  
3 executive board developed and approved written investment policies and procedures.

4 58. RESPONDENT violated NRS 116A.640(10) by collecting fees or charges from  
5 the Association that were not specified in a management contract.

6 59. RESPONDENT violated NAC 116A.320 by failing to comply with the standards  
7 of practice set forth in NRS 116A.630.

### 8 DISCIPLINE AUTHORIZED

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

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

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

### 25 NOTICE OF HEARING

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

1 116A of the Nevada Administrative Code.

2 THE HEARING WILL TAKE PLACE at the Commission meeting scheduled for June  
3 16, 17, and 18, 2015, beginning at approximately 9:00 a.m. each day, until such time as  
4 the Commission concludes its business. The Commission meeting will be held at the  
5 Gaming Control Meeting Room located at the Grant Sawyer Building, 555 E.  
6 Washington Ave., Room 2450, Las Vegas, Nevada 89101, with videoconferencing to  
7 the Gaming Control Meeting Room, 1919 College Parkway, Carson City, Nevada 89706.

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

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

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

1 relevant to the issues involved.

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

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

17       ///

18       ///

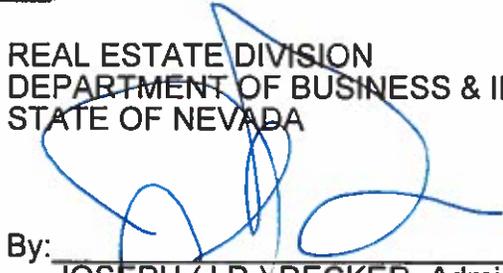
19       ///

20  
21  
22  
23  
24  
25  
26  
27  
28

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

DATED this 1 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  
(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, Nevada 89104  
(702) 486-3695  
Attorneys for Real Estate Division