

1  
2  
3  
4  
5  
6  
7  
8  
9  
10

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

Sharath Chandra, Administrator, Real  
Estate Division, Department of Business  
& Industry, State of Nevada,

Petitioner,

vs.

Yvonne Marie Jones,

Respondent.

Case Nos. 2016-4196; 2015-3804; 2015-  
3806; 2015-3807; 2015-3809;  
2015-3811; 2015-3813

**FILED**

JUN 30 2017 *CR*

NEVADA COMMISSION OF  
COMMON INTEREST COMMUNITIES  
AND CONDOMINIUM HOTELS

11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

**FINDINGS OF FACT, CONCLUSIONS OF LAW, AND ORDER**

This matter came on for hearing before the Commission for Common-Interest Communities and Condominium Hotels, Department of Business and Industry, State of Nevada (the "Commission"), during a regular agenda on June 27, 2017, at the Nevada State Business Center, 3300 West Sahara Avenue, Nevada Room, Suite 400, Las Vegas, Nevada 89102 (the "Hearing"). The Respondent, Yvonne Marie Jones, did not appear. Michelle Briggs, Esq., Senior Deputy Attorney General with the Nevada Attorney General's Office, appeared on behalf of the Real Estate Division of the Department of Business and Industry, State of Nevada (the "Division").

The Division presented testimony regarding notice to the last known address for Ms. Jones. Commission Coordinator, Claudia Rosolen, provided testimony to the Commission that she received a voicemail message from Ms. Jones regarding the hearing. Ms. Jones informed Ms. Rosolen that she moved from the state and did not receive a copy of the complaint, but heard about it from a friend. Ms. Rosolen testified that she left two messages for Ms. Jones advising her that she could request a continuance prior to the hearing. Ms. Rosolen did not hear back from Ms. Jones. The Commission found Ms. Jones in default for failing to respond to the complaint and appear at the Hearing. Being fully

1 advised, the Commission enters the following Findings of Fact, Conclusions of Law, and  
2 Order. Under Nevada Revised Statutes (NRS) and Nevada Administrative Code (NAC)  
3 Chapters 116 and 116A, the Commission has legal jurisdiction and authority over this  
4 matter.

### 5 FINDINGS OF FACT

6 The Commission, based upon the evidence presented during the Hearing, finds  
7 that by a preponderance of the evidence in the record the following facts have been  
8 proven.

9 1. On September 22, 2015, this Commission accepted a settlement with Leslie  
10 White whereby Ms. White voluntarily surrendered her community manager certificate.

11 2. The settlement involved multiple investigations of the Division some of  
12 which had resulted in complaints before this Commission and some had not yet been  
13 filed.

14 3. The settlement detailed investigations of the Division involving  
15 approximately 21 associations which, among other things, alleged that Ms. White  
16 provided forged contracts and checks to the Division; managed associations without board  
17 members for several years; managed associations without a management contract for  
18 several years; provided false information to the Division over the course of several years  
19 regarding the associations; took multiple payments over the course of several years by  
20 electronic transfer; and was the sole signor on multiple association checks.

21 4. The settlement required payment of an administrative fine and costs in the  
22 amount of \$41,000.

23 5. Ms. White had been providing community management services under her  
24 company NCF Corporation, doing business as, Associated Community Management.

25 6. After surrendering her certificate, Ms. White hired two community  
26 managers to work for her under her new name, Path Community Management.

27 7. The Division requested contracts and other documents from the new  
28 community managers to determine compliance with NRS 116.

1 8. JONES was hired by Ms. White in September of 2015 along with Jodi Mehr.

2 9. JONES and Ms. Mehr were the only community managers working for Ms.  
3 White's company.

4 10. By letter dated October 9, 2015, the Division notified JONES of the  
5 settlement between the Division and Ms. White that was approved by the Commission.

6 11. Based on the issues the Division had with the associations managed by Ms.  
7 White, the Division requested the following documents for each association:

- 8 1. The management contract;
- 9 2. Names, addresses and phone numbers for each board member;
- 10 3. Copies of meeting minutes/elections that evidence the election of each  
11 board member; and
- 12 4. Copies of bank signature cards.

13 12. By email dated October 23, 2015, JONES provided management contracts  
14 for the associations she managed.

15 13. The management contracts permitted management fees to be taken by  
16 electronic transfers.

17 14. By letter dated January 8, 2016, the Division requested from JONES bank  
18 statements and financial statements.

19 15. By letter dated February 2, 2016, JONES and Ms. Mehr complained about  
20 the investigation to the ombudsman saying "we feel like we are being singled out and  
21 attacked simply because of where we are employed."

22 16. JONES and Ms. Mehr state in the letter that they  
23 "are also aware that [they] are the licensed community managers that are responsible for  
24 ensuring that the communities and boards are in compliance with the law."

25 17. The Division continued requesting bank records and financial statements.

26 18. Upon review of the financial records provided by JONES, the Division found  
27 that payments to the management company were much higher than what was stated in  
28 the income and expense statements and were in excess of the contracted fee.

1 19. Income and expense statements provided to board members did not  
2 accurately reflect the association money paid to the management company.

3 20. In May 2016, Jones was notified that amounts paid to the management  
4 company were much higher than the amounts noted in the income and expense  
5 statements.

6 21. JONES terminated her employment with Ms. White on May 20, 2016 and  
7 met with the Division's investigator on June 17.

8 22. JONES reported to the Division that she was unaware of the payments to  
9 the management company and that she never saw any invoices from the management  
10 company.

11 23. JONES said some board members complained about not seeing management  
12 company invoices.

13 24. JONES stated that Ms. White controlled all the financial records of the  
14 associations, prepared the board packets, and used board members' signatures on checks  
15 without approval.

16 25. From October 2015 through May 20, 2016, the associations managed by  
17 JONES overpaid the management company approximately \$267,000 as follows:

18	1. Bella Lago Homeowners Association	\$24,000.00
19	2. Benton Homeowners Association	\$6,763.53
20	3. Carmel Ridge Association	\$12,754.19
21	4. Centennial and Lamb Association	\$22,017.96
22	5. Chatham Hills Association	\$22,500.00
23	6. Cherry Lane Association	\$18,274.85
24	7. Fiore Homeowners Association	\$14,513.48
25	8. La Siena Association	\$18,215.58
26	9. Manchester at Westlake Association	\$36,500.00
27	10. Newbury Homeowners Association	\$20,886.00
28	11. Sheffield Homeowners Association	\$1,800.00

1	12. Somerset Landscape Maintenance Association	\$13,853.17
2	13. Sterling Court Homeowners Association	\$4,579.13
3	14. Sunrise Valley Estates Association	\$2,200.00
4	15. Terraza Homeowners Association	\$23,750.00
5	16. Trailwood Homeowners Association	\$6,136.78
6	17. Whisper Rock Homeowners Association	\$18,361.21

7 **CONCLUSIONS OF LAW**

8 Based on the foregoing factual findings, the Commission concludes by unanimous  
9 vote that the following violations of law occurred:

10 26. JONES violated NRS 116A.630(1)(a) more than 17 times by failing to act as  
11 a fiduciary in her relationship with the associations she managed by allowing Ms. White  
12 to control the financial records of the associations.

13 27. JONES violated NRS 116A.630(1)(b) more than 17 times by failing to  
14 exercise ordinary and reasonable care in the performance of her duties by allowing Ms.  
15 White to control the financial records of the associations.

16 28. JONES violated NRS 116A.630(6)(a) more than 136 times by failing to  
17 ensure that the financial transactions of a client are current, accurate and properly  
18 documented.

19 29. JONES violated NRS 116A.630(6)(b) 17 times by failing to establish policies  
20 and procedures that are designed to provide reasonable assurances in the reliability of  
21 the financial reporting.

22 30. JONES violated NRS 116A.630(15) 17 times by failing to maintain internal  
23 accounting controls, including, without limitation, segregation of incompatible accounting  
24 functions.

25 31. JONES violated NAC 116A.355(1)(a)(1) (NAC 116A.355(4)(g)) more than 136  
26 times by committing unprofessional conduct by failing to act in the best interests of the  
27 associations by failing to disclose to the associations that Leslie White controlled the  
28 financial records of the associations.

1 32. JONES violated NAC 116A.355(1)(a)(2) (NAC 116A.355(3)(a)) more than 136  
2 times by committing professional incompetence by demonstrating a significant lack of  
3 ability, knowledge or fitness to perform a duty or obligation owed to a client.

4 33. JONES violated NAC 116A.355(1)(a)(2) (NAC 116A.355(3)(b)) more than 136  
5 times by committing professional incompetence by failing to exercise reasonable skill and  
6 care with respect to a duty or obligation owed to a client.

7 **ORDER**

8 The Commission being fully apprised in the premises, and good cause appearing to  
9 the Commission, by a unanimous vote, ORDERS as follows:

10 1. JONES'S community manager certificate (CAM.0001220-SUPR) is revoked  
11 for a period of no less than 10 years from the date of this Order, and the Commission  
12 shall be petitioned if she chooses to reapply for her certificate.

13 2. JONES shall pay a total administrative fine to the Division in the amount of  
14 \$45,235.28, consisting of \$40,000 for the violations of law, and \$5,235.28 for the Division's  
15 attorney fees and costs, which shall be due no later than 60 days from the date of this  
16 Order.

17 ///

18 ///

19 ///

20

21

22

23

24

25

26


27

28

1           3.     The Division may institute debt collection proceedings for failure to timely  
2 pay the total fine. Further, if collection goes through the State of Nevada, then JONES  
3 shall also pay the costs associated with collection.


4           Dated: June 30, 2017.

5                                   Commission for Common-Interest Communities  
6                                   and Condominium Hotels, Department of Business  
7                                   & Industry, State of Nevada

8                                   By:   
9                                   James Rizzi, Chairman

9 Submitted by:

10 ADAM PAUL LAXALT  
11 Attorney General

11 By:   
12 Michelle D. Briggs  
13 Senior Deputy Attorney General  
14 555 East Washington Avenue, Suite 3900  
15 Las Vegas, Nevada 89101  
16 (702) 486-3809  
17 Attorneys for Real Estate Division  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28