

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

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

Case Nos. 2016-3229; 2016-3078;
 2016-3079; 2016-2920;
 2016-3363

6 Petitioner,

7 vs.

8 Leslie White,

9 Respondent.

FILED

MAY 16 2017

NEVADA COMMISSION OF
COMMON INTEREST COMMUNITIES
AND CONDOMINIUM HOTELS

11 **COMPLAINT FOR DISCIPLINARY**
12 **ACTION AND NOTICE OF HEARING**

13 The Real Estate Division of the Department of Business and Industry, State of
14 Nevada (the "Division"), by and through its counsel, Adam Paul Laxalt, Attorney General
15 of the State of Nevada, and Michelle D. Briggs, Senior Deputy Attorney General, hereby
16 notifies Respondent **LESLIE WHITE** (the "RESPONDENT" or "WHITE") of an
17 administrative hearing before the Commission for Common-Interest Communities and
18 Condominium Hotels, State of Nevada, which is to be held pursuant to Chapters 233B
19 and Chapters 116 and 116A of the Nevada Revised Statutes ("NRS") and Chapters 116
20 and 116A of the Nevada Administrative Code ("NAC"). The purpose of the hearing is to
21 consider the allegations stated below and to determine if an administrative penalty will
22 be imposed on **WHITE** pursuant to the provisions of NRS and NAC including, but not
23 limited to, NRS 116A.900 and NAC 116A.360.

24 **JURISDICTION AND NOTICE**

25 1. At all relevant times mentioned in this complaint, **WHITE** engaged in the
26 management of a common-interest community as defined by NRS 116A.110 in the state of
27 Nevada.

28 2. **WHITE** is subject to the provisions of Chapters 116 and 116A of both the

1 Nevada Revised Statutes ("NRS") and the Nevada Administrative Code ("NAC") and is
2 subject to the jurisdiction of the Division, and the Commission for Common-Interest
3 Communities and Condominium Hotels.

4 FACTUAL ALLEGATIONS

5 3. On September 22, 2015, this Commission accepted a settlement with
6 WHITE whereby WHITE voluntarily surrendered her community manager certificate,
7 No. CAM.0000070.SUPR.

8 4. WHITE'S daughter, Audra Collins, and her son-in-law, Ryon Collins,
9 surrendered their community manager certificates as well.

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

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

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

22 8. WHITE had been providing community management services under her
23 company NCF Corporation, doing business as, Associated Community Management.

24 9. After surrendering her certificate, WHITE hired two community managers
25 to work for her under her new name, Path Community Management.

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

28 11. The community managers hired by WHITE, Jodi Mehr (CAM.0001214) and

1 Yvonne Jones (CAM.0001220-SUPR), eventually provided documentation requested by
2 the Division.

3 12. Upon inspection of the documents, the Division determined that income and
4 expense statements provided to board members did not match bank records for the
5 associations.

6 13. Path Community Management was paid in excess of its contract for virtually
7 every association it managed.

8 14. Both Jodi Mehr and Yvonne Jones denied any knowledge of the extra
9 payments to Path Community Management and said WHITE controlled the bank
10 accounts and financial records for all the associations.

11 15. Yvonne Jones terminated her employment with WHITE on or about May 20,
12 2016.

13 16. Jodi Mehr terminated her employment with WHITE on or about August 10,
14 2016.

15 17. By letter dated August 12, 2016, the Division issued a cease and desist order
16 to WHITE directing her to stop providing community management services to
17 associations.

18 18. According to the associations' financial records, after the settlement was
19 approved by this Commission in September of 2015, WHITE took funds from the
20 following associations (hereinafter collectively, the "Associations") without authority and
21 in excess of her contracts in the amount of approximately \$570,000, as follows:

- | | | | |
|----|----|--------------------------------------|-----------|
| 22 | 1. | Alterra Homeowners Association: | \$7,892. |
| 23 | 2. | Amber Wood Homeowners Association: | \$12,400. |
| 24 | 3. | Avignon Homeowners Association: | \$21,500. |
| 25 | 4. | Avila Court Homeowners Association: | \$9,841. |
| 26 | 5. | Bella Lago Homeowners Association: | \$27,400. |
| 27 | 6. | Benton Homeowners Association: | \$12,163. |
| 28 | 7. | Bonita Vista Homeowners Association: | \$17,000. |

1	8.	Brighton Homeowners Association:	\$5,621.
2	9.	Calabria Homeowners Association:	\$19,000.
3	10.	Carmel Ridge Homeowners Association:	\$19,354.
4	11.	Centennial and Lamb Association:	\$28,318.
5	12.	Chatham Hills Homeowners Association:	\$31,500.
6	13.	Cherry Lane Homeowners Association:	\$21,075.
7	14.	Country Glen Homeowners Association:	\$14,100.
8	15.	Crestwood Homeowners Association:	\$2,700.
9	16.	Cumberland Homeowners Association:	\$14,800.
10	17.	Fiore Homeowners Association:	\$23,000.
11	18.	Greenwood Homeowners Association:	\$17,350.
12	19.	Hillcrest Homeowners Association:	\$6,980.
13	20.	La Siena Homeowners Association:	\$18,215.
14	21.	Manchester Homeowners Association:	\$46,800.
15	22.	Mesa Verde Homeowners Association:	\$17,950.
16	23.	Moreno Homeowners Association:	\$32,300.
17	24.	Murano Homeowners Association:	\$10,000.
18	25.	Newbury Homeowners Association:	\$20,886.
19	26.	Paloma Homeowners Association:	\$14,740.
20	27.	Pinecrest Homeowners Association:	\$20,947.
21	28.	Sheffield Homeowners Association:	\$1,800.
22	29.	Somerset Landscape Maintenance	
23		Association:	\$13,853.
24	30.	Sterling Court Homeowners Association:	\$4,579.
25	31.	Sunrise Valley Estates Homeowners	
26		Association:	\$2,200.
27	32.	Terraza Homeowners Association:	\$23,750.
28	33.	Trailwood Homeowners Association:	\$6,137.

1 34. Whisper Rock Homeowners Association: \$23,461.

2 19. The Associations' checks paid to the management company reflected
3 electronic signatures of board members, but were not authorized by the board members.

4 20. RESPONDENT received approximately \$1,014,101.57 in compensation and
5 other payments from the Associations between October 2015 and August 2016, after her
6 certificate was surrendered.

7 21. Based on records received from the Associations, WHITE received more than
8 \$1,072,000 in excess of her contracted fee from January 2014 through September 2015.

9 22. For virtually all the transactions made in 2014 and up to the settlement date
10 in September 2015, WHITE took the Associations' funds by electronic transfers.

11 23. Most of the Associations did not have a contract with WHITE'S company to
12 provide management services for 2014 through October 2015.

13 24. On or about February 10, 2017, WHITE filed for Chapter 7 Bankruptcy
14 protection for her company, NCF Corporation.

15 25. The bankruptcy petition lists approximately 25 homeowners' associations as
16 unsecured creditors with over \$600,000 in liability owed to them.

17 **VIOLATIONS OF LAW**

18 26. WHITE violated NRS 116A.400(1) by engaging in the management of a
19 common-interest community without a community manager certificate from the Division
20 from October 2015 through August 2016.

21 27. WHITE violated NAC 116A.355(1)(a)(1) (NAC 116A.355(2)(c)) more than 100
22 times by committing unprofessional conduct by engaging in deceitful, fraudulent or
23 dishonest conduct from 2014 through September 2015 by receiving money from the
24 Associations by way of automatic transfers.

25 28. WHITE violated NAC 116A.355(1)(a)(1) (NAC 116A.355(2)(c)) more than 100
26 times by committing unprofessional conduct by engaging in deceitful, fraudulent or
27 dishonest conduct from 2014 through September 2015 by receiving money from the
28 Associations in excess of the amount authorized by a management contract.

1 29. WHITE violated NAC 116A.355(1)(a)(1) (NAC 116A.355(2)(i)) more than 100
2 times by committing unprofessional conduct by exceeding the authority granted to her by
3 the Associations from 2014 through September 2015.

4 30. WHITE violated NAC 116A.355(1)(a)(2) (NAC 116A.355(3)(a)) more than
5 100 times by engaging in conduct constituting professional incompetence by
6 demonstrating a significant lack of ability, knowledge or fitness to perform a duty or
7 obligation owed to the Associations from 2014 through September 2015.

8 31. WHITE violated NAC 116A.355(1)(a)(2) (NAC 116A.355(3)(b)) more than
9 100 times by engaging in conduct constituting professional incompetence by failing to
10 exercise reasonable skill and care with respect to a duty or obligation owed to the
11 Associations from 2014 through September 2015.

12 32. WHITE violated NAC 116A.355(1)(a)(2) (NAC 116A.355(4)(g)) more than 100
13 times by engaging in conduct constituting professional incompetence by failing to act in
14 the best interests of the Association from 2014 through September 2015.

15 33. WHITE violated NRS 116A.620 and NAC 116A.325 by failing to have a valid
16 management contract with the Associations for 2014 and 2015.

17 34. WHITE violated NRS 116A.630(1)(a) more than 100 times by failing to act
18 as a fiduciary in her relationship with the Associations from 2014 through September
19 2015.

20 35. WHITE violated NRS 116A.630(1)(b) more than 100 times by failing to
21 exercise ordinary and reasonable care in the performance of her duties for the
22 Associations from 2014 through September 2015.

23 36. WHITE violated NRS 116A.630(2) more than 100 times by failing to comply
24 with all federal, state and local laws, regulations and ordinances from 2014 through
25 September 2015.

26 37. WHITE violated NRS 116A.630(6)(a) by failing to ensure that the financial
27 transactions of the Associations are current, accurate and properly documented from
28 2014 through September 2015.

1 38. WHITE violated NRS 116A.630(6)(b) by failing to ensure that there are
2 policies and procedures designed to provide reasonable assurances in the reliability of the
3 financial reporting from 2014 through September 2015.

4 39. WHITE violated NRS 116A.630(7) by failing to prepare or cause to be
5 prepared interim and annual financial statements to allow the Division, the unit owners
6 and board members to determine whether the financial position of the Associations are
7 fairly presented in accordance with all applicable laws and regulations from 2014 through
8 September 2015.

9 40. WHITE violated NRS 116A.630(15) by failing to maintain internal
10 accounting controls, including without limitation, segregation of incompatible accounting
11 functions from 2014 through September 2015.

12 41. WHITE violated NRS 116A.630(18) by failing to take direction from the
13 Associations from 2014 through September 2015.

14 **DISCIPLINE AUTHORIZED**

15 Pursuant to the provisions of NRS 116A.900, for the violation of NRS 116A.400(1),
16 the Commission has discretion to impose discipline as it deems appropriate, including,
17 but not limited to one or more of the following actions:

18 1. Impose a fine not to exceed the amount of any gain or economic benefit
19 RESPONDENT derived from the violation or \$10,000, whichever is greater.

20 2. Require the RESPONDENT to pay the costs of the investigation and
21 hearing; and

22 3. Take such other disciplinary action as the Commission deems appropriate.

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

25 For all other violations of law, pursuant to the provisions of NAC 116A.360, the
26 Commission has discretion to impose discipline as it deems appropriate, including, but
27 not limited to one or more of the following actions:

28 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.

THE HEARING WILL TAKE PLACE at the Commission meeting scheduled for June 27-29, 2017, beginning at approximately 9:00 a.m. each day, or until such time as the Commission concludes its business. The Commission meeting will be held at the Nevada State Business Center, 3300 W. Sahara Avenue, Nevada Room, Suite 400, Las Vegas, Nevada 89102 with videoconferencing to Department of Business & Industry, Director's Office, 1830 East College Parkway, Suite 100, 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 27-29, 2017. 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

1 is called. If you are not present when your hearing is called, a default may be entered
2 against you and the Commission may decide the case as if all allegations in the complaint
3 were true. If you need to negotiate a more specific time for your hearing in advance
4 because of coordination with out of state witnesses or the like, please call Claudia
5 Rosolen, Commission Coordinator, at (702) 486-4606.

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

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

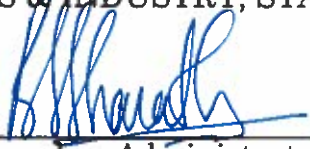
19 You have the right to request that the Commission issue subpoenas to compel
20 witnesses to testify and/or evidence to be offered on your behalf. In making this request,
21 you may be required to demonstrate the relevance of the witness' testimony and/or
22 evidence. Other important rights and obligations, including your obligation to answer the
23 complaint, you have are listed in NRS Chapters 116 and 116A and NAC 116 and 116A,
24 including without limitation, NRS 116.770 through 116.780, and NAC 116.500 through
25 NAC 116.635 and NRS Chapter 233B.

26 Note that under NAC 116.575, not less than five (5) working days before a hearing,
27 **RESPONDENT** must provide to the Division a copy of all reasonably available documents
28 that are reasonably anticipated to be used to support his or her position, and a list of

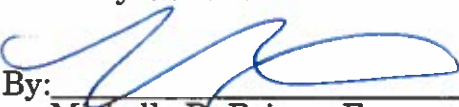
1 witnesses RESPONDENT intends to call at the time of the hearing. Failure to provide
2 any document or to list a witness may result in the document or witness being excluded
3 from a RESPONDENT'S defense. The purpose of the hearing is to determine if the
4 RESPONDENT has violated the provisions of NRS Chapter 116A, and to determine what
5 administrative penalty is to be assessed against RESPONDENT.

6 DATED this ____ day of May, 2017.

7
8 REAL ESTATE DIVISION, DEPARTMENT
9 OF BUSINESS & INDUSTRY, STATE OF
10 NEVADA

11 By: 
12 Sharath Chandra, Administrator
13 3300 W. Sahara Avenue, Ste 350
14 Las Vegas, NV 89102
15 (702) 486-4033

16 ADAM PAUL LAXALT,
17 Attorney General

18 By: 
19 Michelle D. Briggs, Esq.
20 Senior Deputy Attorney General
21 555 E. Washington Ave., Ste 3900
22 Las Vegas, Nevada 89101
23 (702) 486-3420
24 Attorneys for Nevada Real Estate Division
25
26
27
28