

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
6 & Industry, State of Nevada,

6 **Petitioner,**

7 vs.

8 Yvonne Marie Jones,

9 **Respondent.**

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

FILED

MAY 16 2017

NEVADA COMMISSION OF *CR*
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 YVONNE MARIE JONES (the "RESPONDENT" or "JONES") 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 JONES pursuant to the provisions of NRS and NAC including, but not
23 limited to, NAC 116A.360.

24 **JURISDICTION AND NOTICE**

25 1. JONES engages in the management of common-interest communities as
26 defined by NRS 116A.110 in the state of Nevada under certificate number (CAM.0001220-
27 SUPR).
28

1 12. By letter dated October 9, 2015, the Division notified JONES of the
2 settlement between the Division and Ms. White that was approved by the Commission.

3 13. Based on the issues the Division had with the associations managed by Ms.
4 White, the Division requested the following documents for each association:

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

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

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

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

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

19 18. JONES and Ms. Mehr state in the letter that they
20 "are also aware that [they] are the licensed community managers that are responsible for
21 ensuring that the communities and boards are in compliance with the law."

22 19. The Division continued requesting bank records and financial statements.

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

26 21. Income and expense statements provided to board members did not
27 accurately reflect the association money paid to the management company.

28 22. In May 2016, Jones was notified that amounts paid to the management

1 company were much higher than the amounts noted in the income and expense
2 statements.

3 23. JONES terminated her employment with Ms. White on May 20, 2016 and
4 met with the Division's investigator on June 17.

5 24. JONES reported to the Division that she was unaware of the payments to
6 the management company and that she never saw any invoices from the management
7 company.

8 25. JONES said some board members complained about not seeing management
9 company invoices.

10 26. JONES stated that Ms. White controlled all the financial records of the
11 associations, prepared the board packets, and used board members' signatures on checks
12 without approval.

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

15	1. Bella Lago Homeowners Association	\$24,000.00
16	2. Benton Homeowners Association	\$6,763.53
17	3. Carmel Ridge Association	\$12,754.19
18	4. Centennial and Lamb Association	\$22,017.96
19	5. Chatham Hills Association	\$22,500.00
20	6. Cherry Lane Association	\$18,274.85
21	7. Fiore Homeowners Association	\$14,513.48
22	8. La Siena Association	\$18,215.58
23	9. Manchester at Westlake Association	\$36,500.00
24	10. Newbury Homeowners Association	\$20,886.00
25	11. Sheffield Homeowners Association	\$1,800.00
26	12. Somerset Landscape Maintenance Association	\$13,853.17
27	13. Sterling Court Homeowners Association	\$4,579.13
28	14. Sunrise Valley Estates Association	\$2,200.00

1	15. Terraza Homeowners Association	\$23,750.00
2	16. Trailwood Homeowners Association	\$6,136.78
3	17. Whisper Rock Homeowners Association	\$18,361.21

4 **VIOLATIONS OF LAW**

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

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

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

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

17 32. JONES violated NRS 116A.630(15) 17 times by failing to maintain internal
18 accounting controls, including, without limitation, segregation of incompatible accounting
19 functions.

20 33. JONES violated NAC 116A.355(1)(a)(1) (NAC 116A.355(4)(g)) more than 136
21 times by committing unprofessional conduct by failing to act in the best interests of the
22 associations by failing to disclose to the associations that Leslie White controlled the
23 financial records of the associations.

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

27 35. JONES violated NAC 116A.355(1)(a)(2) (NAC 116A.355(3)(b)) more than 136
28 times by committing professional incompetence by failing to exercise reasonable skill and

1 care with respect to a duty or obligation owed to a client.

2 **DISCIPLINE AUTHORIZED**

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

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

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

20 **NOTICE OF HEARING**

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

25 **THE HEARING WILL TAKE PLACE** at the Commission meeting scheduled for
26 June 27-29, 2017, beginning at approximately 9:00 a.m. each day, or until such time as
27 the Commission concludes its business. The Commission meeting will be held at the
28 Nevada State Business Center, 3300 W. Sahara Avenue, Nevada Room, Suite 400, Las

1 Vegas, Nevada 89102 with videoconferencing to Department of Business & Industry,
2 Director's Office, 1830 East College Parkway, Suite 100, Carson City, Nevada 89706.

3 **STACKED CALENDAR:** Your hearing is one of several hearings that may be
4 scheduled at the same time as part of a regular meeting of the Commission that is
5 expected to take place on June 27-29, 2017. Thus, your hearing may be continued until
6 later in the day or from day to day. It is your responsibility to be present when your case
7 is called. If you are not present when your hearing is called, a default may be entered
8 against you and the Commission may decide the case as if all allegations in the complaint
9 were true. If you need to negotiate a more specific time for your hearing in advance
10 because of coordination with out of state witnesses or the like, please call Claudia
11 Rosolen, Commission Coordinator, at (702) 486-4606.

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

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


25 You have the right to request that the Commission issue subpoenas to compel
26 witnesses to testify and/or evidence to be offered on your behalf. In making this request,
27 you may be required to demonstrate the relevance of the witness' testimony and/or
28 evidence. Other important rights and obligations, including your obligation to answer the

1 complaint, you have are listed in NRS Chapters 116 and 116A and NAC 116 and 116A,
2 including without limitation, NRS 116.770 through 116.780, and NAC 116.500 through
3 NAC 116.635 and NRS Chapter 233B.


4 Note that under NAC 116.575, not less than five (5) working days before a hearing,
5 RESPONDENT must provide to the Division a copy of all reasonably available documents
6 that are reasonably anticipated to be used to support his or her position, and a list of
7 witnesses RESPONDENT intends to call at the time of the hearing. Failure to provide
8 any document or to list a witness may result in the document or witness being excluded
9 from a RESPONDENT'S defense. The purpose of the hearing is to determine if the
10 RESPONDENT has violated the provisions of Chapter 116A, and to determine what
11 administrative penalty is to be assessed against RESPONDENT.

12 DATED this _____ day of May, 2017.

13
14 REAL ESTATE DIVISION, DEPARTMENT
15 OF BUSINESS & INDUSTRY, STATE OF
16 NEVADA

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