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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,

Case No. 2017-1743

Petitioner,

V8.

Kristen Gillis,

Respondent.

FILED

JUL 06 2018

NEVADA COMMISSION OF COMMON INTEREST COMMUNITIES AND CONDOMINIUM HOTELS

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 19, 2018, 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 (the "Hearing"). The RESPONDENT, KRISTEN GILLIS, did not appear or submit an answer to the Complaint. Michelle D. 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"). Commissioner Williams recused himself from the Hearing based on his personal relationship with GILLIS and her family.

Ms. Briggs informed the Commission that she sent GILLIS a notice of default. The Commission Coordinator testified to having mailed the complaint and notices to GILLIS at 7836 Cocoa Beach Cir., Las Vegas, NV 89128 and all were returned as undeliverable. Christina Pitch testified that the Cocoa Beach address was the last known address provided to the Division from GILLIS. Due to GILLIS'S failure to appear for the Hearing or answer the complaint, the Division requested a finding of default against GILLIS. The

Commission voted unanimously (with one recusal) to find GILLIS in default. The Commission enters the following Findings of Fact, Conclusions of Law, and Order. Under Nevada Revised Statutes (NRS) and Nevada Administrative Code (NAC) Chapters 116 and 116A, the Commission has legal jurisdiction and authority over this matter.

FINDINGS OF FACT

Based on the Commission's finding of a default against GILLIS for failing to appear and failing to answer the complaint, the Commission accepted as true all of the following factual allegations by unanimous vote (with one recusal):

- In June 2017, the Division received complaints from homeowners and board members for Hillcrest Community Association (the "Association").
- 2. The Association was managed by RESPONDENT KRISTEN GILLIS and had been for several years.
- 3. The complaints centered on the handling of a board meeting by GILLIS'S daughter who is not a community manager.
- 4. GILLIS permitted her daughter to chair the meeting which was at a restaurant.
- 5. The meeting was described as hostile, horrible, unprofessional, and unorganized.
- 6. The board member said GILLIS'S daughter threatened homeowners with legal action when they questioned what was happening.
- 7. GILLIS left during the meeting and her daughter continued to chair the meeting.
- 8. At a disciplinary hearing before this Commission in November against the Association and its board members, three of the board members were removed, one of which was not an owner within the Association.
- 9. The two remaining board members informed the Division that GILLIS or her family members owned two vendors of the Association, but her relationship to them was not disclosed.

- 10. The two companies are: "Nevada K" which was supposed to be doing parking inspections; and "A Family Affair" which performed unspecified services.
- 11. Nevada K received \$425 per month, but board members complained about parking inspections and enforcement not being done.
 - 12. GILLIS'S son was the contact person for Nevada K.
- 13. A Family Affair was paid approximately \$19,000 in 2015 and 2016 for unknown work, and GILLIS'S mother was the contact person.
- 14. GILLIS failed to respond to letters from the Division requesting that she provide a response to the allegations.

CONCLUSIONS OF LAW

Based on the foregoing factual findings, the Commission concludes by unanimous vote (with one recusal) that the following violations of law occurred:

- 15. GILLIS violated NRS 116A.630(1)(a) and NAC 116A.320 by failing to act as a fiduciary in her relationship with the Association.
- 16. GILLIS violated NRS 116A.630(1)(b) and NAC 116A.320 by failing to exercise ordinary and reasonable care in the performance of her duties.
- 17. GILLIS violated NRS 116A.630(2)(a) and NAC 116A.320 by failing to comply with state laws.
- 18. GILLIS violated NRS 116A.630(10) and NAC 116A.320 by failing to cooperate with the Division in resolving complaints filed with the Division.
- 19. GILLIS violated NRS 116A.640(2)(a) and NAC 116A.345(2)(a) by impeding or otherwise interfering with an investigation of the Division by failing to comply with a request of the Division to provide documents.
- 20. GILLIS violated NRS 116A.640(2)(c) and NAC 116A.345(2)(c) by impeding or otherwise interfering with an investigation of the Division by concealing facts or documents relating to the business of a client.
- 21. GILLIS violated NAC 116A.355(1)(a)(1) (through NAC 116A.355(2)(b)) by committing unprofessional conduct by failing to disclose to the Association's board that

her family members were vendors for the Association.

- 22. GILLIS violated NAC 116A.355(1)(a)(1) (through NAC 116A.355(2)(f)) by committing unprofessional conduct by failing to cooperate with the Division in the investigation of a complaint including, without limitation, failure to produce any document, book or record in the possession or control of the community manager after the Division requests the production of such document, book or record in the course of an investigation of a complaint.
- 23. GILLIS violated NAC 116A.355(1)(a)(2) (through NAC 116A.355(3)(a)) by committing professional incompetence by demonstrating a significant lack of ability, knowledge or fitness to perform a duty or obligation owed to a client.
- 24. GILLIS violated NAC 116A.355(1)(a)(2) (through NAC 116A.355(3)(b)) by committing professional incompetence by failing to exercise reasonable skill and care with respect to a duty or obligation owed to a client.
- 25. GILLIS violated NAC 116A.355(1)(a)(1) and (2) (through NAC 116A.355(4)(g)) by committing unprofessional conduct or professional incompetence by failing to act in the best interests of the Association.

ORDER

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

- 1. GILLIS'S community manager certificate is revoked for a period of no less than ten years from the date of this Order, but in no event sooner than all fines imposed by the Commission are paid in full.
- 2. GILLIS shall pay an administrative fine to the Division in the total amount of \$12,930.77 which includes a fine of \$11,000 for the violations of law and \$1,930.77 representing the total amount due for the Division's attorney's fees and costs no later than 60 days from the date of this Order.
- GILLIS shall pay to Hillcrest Community Association c/o Las Vegas Valley
 Community Management LLC, Attn: Julie Rogers, 7571 Tule Springs Rd, Las Vegas, NV

89131 restitution in the amount of \$21,550 no later than 60 days from the date of this 2 Order. The Division may institute debt collection proceedings for failure to timely 3 4. pay the total fine, including action to reduce this Order to a judgment. Further, if 4 collection goes through the State of Nevada, then GILLIS shall also pay the costs 5 6 associated with collection. 7 Commission for Common-Interest Communities 8 and Condominium Hotels, Department of Business & Industry, State of Nevada 9 10 11 Michael Burke, Chairman 12 Submitted by: 13 ADAM PAUL LAXALT Attorney General 14 15 By: Wichelle D. Briggs, Esq. Senior Deputy Attorney General 16 555 E. Washington Avenue, Suite 3900 17 Las Vegas, Nevada 89101 (702) 486-3420 18 Attorneys for Nevada Real Estate Division 19 20 21 22 23 24 25 26 27 28