

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. 2017-2088

Petitioner,
vs.

Kristen Gillis,

Respondent.

FILED

APR 30 2018

**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 Kristen Gillis ("RESPONDENT" or "GILLIS") 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.

JURISDICTION AND NOTICE

1. During all relevant times mentioned in this complaint, GILLIS held a supervisory community manager certificate from the Division (CAM.0001092-SUPR) and is, therefore, subject to the jurisdiction of the Division and the provisions of NRS Chapters 116 and 116A and NAC Chapters 116 and 116A.

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FACTUAL ALLEGATIONS

2. In June 2017, RESPONDENT KRISTEN GILLIS appeared before this Commission as the manager of Pecos Estates Homeowners Association (the "Association").

3. A complaint against the Association alleged underfunded reserves and a failure to respond to the investigation.

4. GILLIS was sworn in at the hearing and represented to the Commission that she did not have an opportunity to speak with the board as she was just hired the night before.

5. The Association entered into a contract with GILLIS on or about June 21, 2017.

6. GILLIS signed and submitted a change of community manager filing addendum to the Division on April 1, 2017, but had not been hired by the board at that time.

7. The Association's prior manager, Jeffrey Frederick, had his community manager certificate revoked in March 2017.

8. Mr. Frederick and his wife, Penny, started working for GILLIS at her office shortly after his revocation.

9. GILLIS informed the Commission that Mr. and Ms. Frederick were no longer in her office and were only there to help with the transition.

10. After the hearing, the Division opened an investigation against GILLIS.

11. GILLIS did not respond to the Division's investigation.

VIOLATIONS OF LAW

12. GILLIS violated NRS 116A.630(1)(a) and NAC 116A.320 by failing to act as a fiduciary in her relationship with the Association.

13. 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.

14. GILLIS violated NRS 116A.630(2)(a) and NAC 116A.320 by failing to comply

1 with state laws.

2 15. GILLIS violated NRS 116A.630(10) and NAC 116A.320 by failing to
3 cooperate with the Division in resolving complaints filed with the Division.

4 16. GILLIS violated NRS 116A.640(2)(a) and NAC 116A.345(2)(a) by impeding
5 or otherwise interfering with an investigation of the Division by failing to comply with a
6 request of the Division to provide documents.

7 17. GILLIS violated NRS 116A.640(2)(c) and NAC 116A.345(2)(c) by impeding or
8 otherwise interfering with an investigation of the Division by concealing facts or
9 documents relating to the business of a client.

10 18. GILLIS violated NRS 116A.620 and NAC 116A.325 by performing
11 community management services for the Association without a signed management
12 contract approved by the Association.

13 19. GILLIS violated NAC 116A.355(1)(a)(1) (through NAC 116A.355(2)(b)) by
14 committing unprofessional conduct by failing to disclose to the Association's board that
15 she was responsible for managing the Association.

16 20. GILLIS violated NAC 116A.355(1)(a)(1) (through NAC 116A.355(2)(f)) by
17 committing unprofessional conduct by failing to cooperate with the Division in the
18 investigation of a complaint including, without limitation, failure to produce any
19 document, book or record in the possession or control of the community manager after the
20 Division requests the production of such document, book or record in the course of an
21 investigation of a complaint.

22 21. GILLIS violated NAC 116A.355(1)(a)(1) (through NAC 116A.355(2)(i)) by
23 committing unprofessional conduct by exceeding the authority granted to her by the
24 Association.

25 22. GILLIS violated NAC 116A.355(1)(a)(2) (through NAC 116A.355(3)(a)) by
26 committing professional incompetence by demonstrating a significant lack of ability,
27 knowledge or fitness to perform a duty or obligation owed to a client.

28 23. 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.

24. 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.

DISCIPLINE AUTHORIZED

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

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.

1 THE HEARING WILL TAKE PLACE at the Commission meeting scheduled for
2 June 19-21, 2018, beginning at approximately 9:00 a.m. each day, or until such time as
3 the Commission concludes its business. The Commission meeting will be held at the
4 Nevada State Business Center, 3300 W. Sahara Avenue, Nevada Room, Suite 400, Las
5 Vegas, Nevada 89102 with videoconferencing to Department of Business & Industry,
6 Director's Office, 1830 East College Parkway, Suite 100, Carson City, Nevada 89706.

7 STACKED CALENDAR: Your hearing is one of several hearings that may be
8 scheduled at the same time as part of a regular meeting of the Commission that is
9 expected to take place on June 19-21, 2018. Thus, your hearing may be continued until
10 later in the day or from day to day. It is your responsibility to be present when your case
11 is called. If you are not present when your hearing is called, a default may be entered
12 against you and the Commission may decide the case as if all allegations in the complaint
13 were true. If you need to negotiate a more specific time for your hearing in advance
14 because of coordination with out of state witnesses or the like, please call Samiel
15 Williams, Commission Coordinator, at (702) 486-4606.

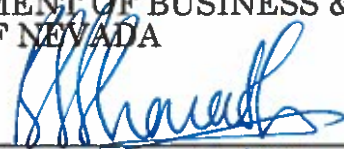
16 YOUR RIGHTS AT THE HEARING: Except as mentioned below, the hearing is an
17 open meeting under Nevada's open meeting law, and may be attended by the public.
18 After the evidence and arguments, the commission may conduct a closed meeting to
19 discuss your alleged misconduct or professional competence.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

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


1 You have the right to request that the Commission issue subpoenas to compel
2 witnesses to testify and/or evidence to be offered on your behalf. In making this request,
3 you may be required to demonstrate the relevance of the witness's testimony and/or
4 evidence. Other important rights and obligations, including your obligation to answer the
5 complaint, you have are listed in NAC 116A.560 through NAC 116A.655, NRS Chapter
6 233B, and NRS Chapters 116 and 116A and NAC 116 and 116A. Note that under NAC
7 116A.585, not less than five (5) working days before a hearing, RESPONDENT must
8 provide to the Division a copy of all reasonably available documents that are reasonably
9 anticipated to be used to support his or her position, and a list of witnesses
10 RESPONDENT intends to call at the time of the hearing. Failure to provide any
11 document or to list a witness may result in the document or witness being excluded from
12 RESPONDENT'S defense. The purpose of the hearing is to determine if the
13 RESPONDENT has violated any of the provisions of NRS and NAC Chapters 116 and
14 116A, and to determine what administrative penalty is to be assessed against
15 RESPONDENT, if any, pursuant to NAC 116A.360.

16 DATED: April 25, 2018.

17 REAL ESTATE DIVISION,
18 DEPARTMENT OF BUSINESS & INDUSTRY,
STATE OF NEVADA

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