

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

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

Case No. 2018-1027

5 Petitioner,

FILED

6 vs.

JAN 31 2019

7 Malinda Ann Baldrige,

**NEVADA COMMISSION OF
COMMON INTEREST COMMUNITIES
AND CONDOMINIUM HOTELS**

8 Respondent.
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10 **COMPLAINT FOR DISCIPLINARY
11 ACTION AND NOTICE OF HEARING**

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

22 **JURISDICTION**

23 1. During all relevant times mentioned in this complaint, BALDRIDGE held and
24 currently holds a supervisory community manager certificate from the Division,
25 CAM.0001405-SUPR, and is, therefore, subject to the jurisdiction of the Division and the
26 provisions of NRS Chapters 116 and 116A and NAC Chapters 116 and 116A.

27 2. BALDRIDGE currently or at relevant times referenced in this complaint did
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1 serve as a board member and treasurer for Sky Vista Homeowners' Association, and is,
2 therefore, subject to the jurisdiction of the Division and the provisions of NRS and NAC
3 116.

4 ALLEGATIONS OF FACT

5 3. BALDRIDGE worked as a supervisory community manager for Eugene
6 Burger Management Company (EBMC) until resigning in June 2018.

7 4. EBMC discovered certain financial discrepancies concerning BALDRIDGE
8 and investigated their records.

9 5. EBMC notified the Division of its investigation which was still in progress.

10 6. According to evidence provided by EBMC, BALDRIDGE, as an officer and
11 board member for Sky Vista Homeowners' Association which was managed by EBMC, but
12 not BALDRIDGE herself, redrafted and falsified Sky Vista's May 27, 2014 meeting minutes
13 to include board approval for payment to "Gorg E. French" in the amount of \$65,000 for
14 alleged damage caused to Mr. French as a result of an overflowing ditch on Sky Vista's
15 property.

16 7. BALDRIDGE falsified letters to Mr. French and signed Sky Vista's
17 community manager's signature.

18 8. Using the falsified documents, BALDRIDGE first tried to have a check
19 generated for the full \$65,000, but was told by the EBMC accounting department that
20 checks over \$45,000 require the actual signature of the board's president.

21 9. On June 11, 2018, BALDRIDGE forged the board president's name on a check
22 request for Mr. French in the amount of \$45,000.

23 10. EBMC determined that there is no such person as "Gorg E. French" and no
24 check was generated in that name.

25 11. After being confronted about the discrepancy, BALDRIDGE resigned from
26 EBMC on June 27, 2018.

27 12. EBMC then conducted audits of the associations managed by BALDRIDGE
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1 and discovered additional nefarious conduct.

2 13. There are two vendor accounts for Eldorado Villas Homeowners' Association
3 and Stonefield II Homeowners' Association that cannot be verified.

4 14. George Frank / Angels Landscaping and Construction received 29 checks
5 totaling \$221,589.00 since July 2016 for alleged landscaping services and construction work
6 at Eldorado Villas.

7 15. George Thomas / Wolf Pack Lawn and Landscaping received 43 checks
8 totaling \$197,953.52 since November 2012 for landscaping work at Stonefield II.

9 16. BALDRIDGE took possession of the checks for those vendors with the
10 expectation that she hand-delivered them.

11 17. Checks paid to both Mr. Frank and Mr. Thomas are deposited in the same
12 bank account and endorsed by the same person.

13 18. The addresses on file for Mr. Frank and Mr. Thomas do not exist, and the
14 company names do not exist.

15 19. Invoices from the two vendors contain forged board members' signatures for
16 approval of payment and incorrect contractor's licenses.

17 20. BALDRIDGE admitted to EBMC that she never met the vendors.

18 21. BALDRIDGE'S desk contained IRS documents addressed to the vendors for
19 the prior year.

20 22. BALDRIDGE created and signed a letter purporting to be on behalf of
21 Stonefield II's attorney requesting payment in the amount of \$4,900 be paid to George
22 Thomas.

23 23. The letter references parcels that do not exist and a transaction that never
24 occurred.

25 24. The association's attorney confirmed that the letter did not come from her or
26 her office.

27 25. BALDRIDGE'S father's name is George Francl, and association checks were
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1 deposited into his account and transferred to BALDRIDGE'S personal bank accounts.

2 26. Bank statements from George Francl's bank were found on BALDRIDGE'S
3 work computer and show checks from the associations were deposited into his account.

4 27. BALDRIDGE'S personal bank account records recovered from her work
5 computer show multiple transfers of money.

6 28. BALDRIDGE received a check from Eldorado Villas in the amount of \$9,700
7 in 2016 support for which says a tree limb fell on her car and the association's insurance
8 company was not to be notified.

9 29. BALDRIDGE unlawfully received approximately \$419,542.52 from the
10 associations.

11 30. The Division obtained subpoenaed bank records to confirm the amounts taken
12 from the associations deposited into Mr. Francl's bank account and subsequent transfers
13 to bank accounts belonging to BALDRIDGE.

14 VIOLATIONS OF LAW

15 31. BALDRIDGE violated NAC 116A.355(1)(a)(1) (NAC 116A.355(2)(c)) 72 times
16 by engaging in deceitful, fraudulent or dishonest conduct by submitting phony invoices for
17 payment to be made by her clients.

18 32. BALDRIDGE violated NAC 116A.355(1)(a)(1) (NAC 116A.355(2)(c)) 72 times
19 by engaging in deceitful, fraudulent or dishonest conduct by taking checks from her clients
20 that were payable to people or companies that do not exist and did not provide services to
21 the clients.

22 33. BALDRIDGE violated NAC 116A.355(1)(a)(1) (NAC 116A.355(2)(c)) by
23 engaging in deceitful, fraudulent or dishonest conduct by falsifying an attorney's letter and
24 signature to obtain money from a client.

25 34. BALDRIDGE violated NAC 116A.345(3) and NRS 116A.640(4) by using
26 money of a client for her own personal use.

27 35. BALDRIDGE violated NRS 116A.630(6)(a) 144 times by failing to ensure that
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1 the financial transactions of her clients' are current, accurate and properly documented.

2 36. BALDRIDGE violated NAC 116A.355(1)(a)(1) (NAC 116A.355(2)(g)) 144 times
3 by failing to act in the best interest of her clients.

4 37. BALDRIDGE violated NAC 116A.355(1)(a)(2) (NAC 116A.355(3)(a)) more
5 than 144 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.

8 38. BALDRIDGE violated NAC 116A.355(1)(a)(2) (NAC 116A.355(3)(b)) more
9 than 144 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 her clients.

11 39. BALDRIDGE violated NRS 116A.630(1)(a) more than 144 times by failing to
12 act as a fiduciary in her relationship with her clients.

13 40. BALDRIDGE violated NRS 116A.630(1)(b) more than 144 times by failing to
14 exercise ordinary and reasonable care in the performance of her duties for her clients.

15 41. BALDRIDGE violated NRS 116A.630(2)(a) by failing to comply with federal
16 and state laws.

17 42. BALDRIDGE violated NRS 116.3103 (through NAC 116.405(2)) by breaching
18 her fiduciary duty to Sky Vista and failing to act in its best interests when she acted for
19 reasons of self-interest and gain by forging a board member's signature on a check request.

20 43. BALDRIDGE violated NRS 116.3103 (through NAC 116.405(2)) by breaching
21 her fiduciary duty to Sky Vista and failing to act in its best interests when she acted for
22 reasons of self-interest and gain by falsifying minutes to be used to obtain money from the
23 association.

24 44. BALDRIDGE violated NRS 116.3103 (through NAC 116.405(2)) by breaching
25 her fiduciary duty to Sky Vista and failing to act in its best interests when she acted for
26 reasons of self-interest and gain by forging the association's manager's signature on a check
27 request.

1 45. BALDRIDGE violated NRS 116.3103 (through NAC 116.405(3)) by breaching
2 her fiduciary duty to Sky Vista and failing to act in its best interests when she committed
3 acts which amount to incompetence or gross negligence by forging a board member's
4 signature on a check request.

5 46. BALDRIDGE violated NRS 116.3103 (through NAC 116.405(3)) by breaching
6 her fiduciary duty to Sky Vista and failing to act in its best interests when she committed
7 acts which amount to incompetence or gross negligence by falsifying minutes to be used to
8 obtain money from the association.

9 47. BALDRIDGE violated NRS 116.3103 (through NAC 116.405(3)) by breaching
10 her fiduciary duty to Sky Vista and failing to act in its best interests when she committed
11 acts which amount to incompetence or gross negligence by forging the association's
12 manager's signature on a check request.

13 48. BALDRIDGE violated NRS 116.3103 (through NAC 116.405(8)(g)) by
14 breaching her fiduciary duty to Sky Vista and failing to act in its best interests when she
15 acted deliberately not to maintain current, accurate and properly documented financial
16 records by requesting a check with forged signatures and false minutes.

17 DISCIPLINE AUTHORIZED

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

- 21 1. Revoke or suspend the certificate;
- 22 2. Refuse to renew or reinstate the certificate;
- 23 3. Place the community manager on probation;
- 24 4. Issue a reprimand or censure to the community manager;
- 25 5. Impose a fine of not more than \$5,000 for each violation of a statute or
26 regulation;
- 27 6. Require the community manager to pay restitution;
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1 7. Require the community manager to pay the costs of the investigation and
2 hearing;

3 8. Require the community manager to obtain additional education relating to
4 the management of common-interest communities; and

5 9. Take such other disciplinary action as the Commission deems appropriate.

6 Pursuant to the provisions of NRS 116.615; NRS 116.755; NRS 116.785; and NRS
7 116.790 the Commission has discretion to take any or all of the following actions:

8 1. Issue an order directing RESPONDENT to cease and desist from continuing
9 to engage in the unlawful conduct that resulted in the violation.

10 2. Issue an order directing RESPONDENT to take affirmative action to correct
11 any conditions resulting from the violation.

12 3. Impose an administrative fine of up to \$1,000 for each violation by
13 RESPONDENT.

14 4. IF RESPONDENT IS FOUND TO HAVE KNOWINGLY AND WILLFULLY
15 COMMITTED A VIOLATION of NRS or NAC 116 AND it is in the best interest of the
16 Association, such RESPONDENT may be removed from his/her position as a director
17 and/or officer.

18 5. Order an audit of the ASSOCIATION, at the expense of the ASSOCIATION.

19 6. Require the BOARD MEMBERS to hire a community manager who holds a
20 certificate.

21 7. Require RESPONDENT to pay the costs of the proceedings incurred by the
22 Division, including, without limitation, the cost of the investigation and reasonable
23 attorney's fees.

24 8. Take whatever further disciplinary action as the Commission deems
25 appropriate.

26 The Commission may order one or any combination of the discipline described above.
27 If the Commission finds that the RESPONDENT knowingly and willfully violated the
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1 provisions of NRS or NAC 116, the Commission may order that RESPONDENT be
2 personally liable for all fines and costs imposed.

3 **NOTICE OF HEARING**

4 **PLEASE TAKE NOTICE**, that a disciplinary hearing has been set to consider this
5 Administrative Complaint against the above-named RESPONDENT in accordance with
6 Chapters 233B and 116 and 116A of the Nevada Revised Statutes and Chapters 116 and
7 116A of the Nevada Administrative Code.

8 **THE HEARING WILL TAKE PLACE** at the Commission meeting scheduled for
9 March 12-14, 2019, beginning at approximately 9:00 a.m. each day, or until such time as
10 the Commission concludes its business. The Commission meeting will be held at the
11 Nevada State Business Center, 3300 W. Sahara Avenue, Nevada Room, Suite 400, Las
12 Vegas, Nevada 89102 with videoconferencing to Division of Insurance, 1818 E. College
13 Parkway, Carson City, Nevada 89706.

14 **STACKED CALENDAR:** Your hearing is one of several hearings that may be
15 scheduled at the same time as part of a regular meeting of the Commission that is expected
16 to take place on March 12-14, 2019. Thus, your hearing may be continued until later in the
17 day or from day to day. It is your responsibility to be present when your case is called. If
18 you are not present when your hearing is called, a default may be entered against you and
19 the Commission may decide the case as if all allegations in the complaint were true. If you
20 need to negotiate a more specific time for your hearing in advance because of coordination
21 with out of state witnesses or the like, please call Samiel Williams, Commission
22 Coordinator, at (702) 486-4606.

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

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

9 You have the right to request that the Commission issue subpoenas to compel
10 witnesses to testify and/or evidence to be offered on your behalf. In making this request,
11 you may be required to demonstrate the relevance of the witness' testimony and/or
12 evidence. Other important rights and obligations, including your obligation to answer the
13 complaint, you have are listed in NAC 116A.560 through NAC 116A.655, NRS Chapter
14 233B, and NRS Chapters 116 and 116A and NAC 116 and 116A.

15 Note that under NAC 116A.585, not less than five (5) working days before a hearing,
16 RESPONDENT must provide to the Division a copy of all reasonably available documents
17 that are reasonably anticipated to be used to support his or her position, and a list of
18 witnesses RESPONDENT intends to call at the time of the hearing. Failure to provide any
19 document or to list a witness may result in the document or witness being excluded from
20 Respondent's defense. The purpose of the hearing is to determine if the RESPONDENT
21 has violated any of the provisions of NRS and NAC Chapters 116 and

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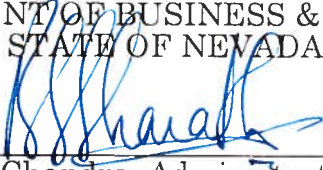
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1 116A, and to determine what administrative penalty is to be assessed against
2 RESPONDENT, if any, pursuant to NAC 116A.360 and NRS 116.615; NRS 116.755; NRS
3 116.785; and NRS 116.790.

4 DATED: January 31, 2019.

5 REAL ESTATE DIVISION,
6 DEPARTMENT OF BUSINESS &
7 INDUSTRY, STATE OF NEVADA

8 By: 
9 Sharath Chandra, Administrator
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12 (702) 486-4034

11 AARON D. FORD
12 Attorney General

13 By: 
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18 (702) 486-3420
19 Attorneys for Nevada Real Estate Division
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CERTIFICATE OF SERVICE
(NRS 116.770)

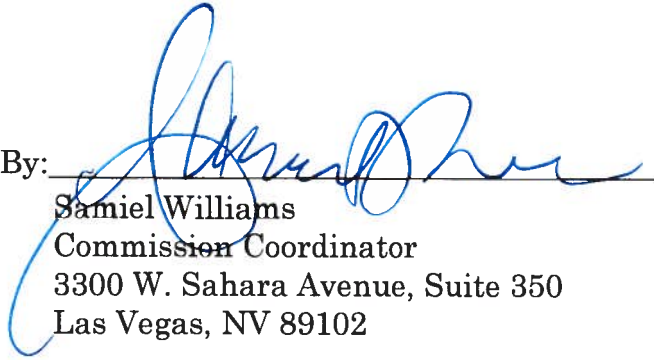
I hereby certify that on this 6th day of February 2019; I deposited a true and correct copy of the foregoing:

**COMPLAINT AND NOTICE OF HEARING,
NOTICE OF DOCUMENTS PRODUCED,
And NOTICE OF COMPLAINT AND OBLIGATION TO RESPOND**

in the United States Mail, postage pre-paid, in Las Vegas, Nevada, through the State of Nevada mailroom, by certified mail addressed to the following respondents at his last known address as follows

Certified No. 7017 1450 0000 8967 9736
Malinda Ann Baldrige
9950 Vintage Drive
Reno, Nevada 89506

By: _____


Samuel Williams
Commission Coordinator
3300 W. Sahara Avenue, Suite 350
Las Vegas, NV 89102