

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. 2018-892

Petitioner,
vs.

Terra Linda Townhouse Homeowners
Association,

Respondent.

FILED

JAN 31 2019

NEVADA COMMISSION OF
COMMON INTEREST COMMUNITIES
AND CONDOMINIUM HOTELS

**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, Aaron D. Ford, Attorney General of the State of Nevada, and Michelle D. Briggs, Senior Deputy Attorney General, hereby notifies RESPONDENT TERRA LINDA TOWNHOUSE HOMEOWNERS ASSOCIATION (hereinafter, "RESPONDENT" or "ASSOCIATION") 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 116 of the Nevada Revised Statutes ("NRS") and Chapter 116 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 RESPONDENTS pursuant to the provisions of NRS and NAC including, but not limited to, NRS 116.785 and NRS 116.790.

JURISDICTION AND NOTICE

1. RESPONDENT TERRA LINDA TOWNHOUSE HOMEOWNERS ASSOCIATION is a common interest community located in Las Vegas, Nevada.

2. RESPONDENT is subject to the provisions of Chapter 116 of each the Nevada Revised Statutes ("NRS") and the Nevada Administrative Code ("NAC") (hereinafter collectively referred to as "NRS 116") and are subject to the jurisdiction of

1 the Division, and the Commission for Common Interest Communities pursuant to the
2 provisions of NRS 116.750.

3 **FACTUAL ALLEGATIONS**

4 3. RESPONDENT TERRA LINDA TOWNHOUSE HOMEOWNERS
5 ASSOCIATION (the "Association") consists of 144 townhomes built in 1971 with an
6 annual budget of \$233,280.

7 4. The Association has been managed by Cary DeGrosa since 1984.

8 5. Mr. DeGrosa does not have a management contract.

9 6. The Association's board consisted of three members until sometime in 2018
10 when two of them resigned, leaving Shirley Bellaflores.

11 7. Mr. DeGrosa informed the Division that Ms. Bellaflores is 84 years old and
12 has dementia.

13 8. The Division has a separate disciplinary case against Mr. DeGrosa.

14 9. Mr. DeGrosa provided unsigned executive session meeting minutes to the
15 Division reflecting the Association modified contracts, approved financials, approved
16 insurance coverages, and hired an auditor in executive session.

17 10. The Association's reserve study dated April 21, 2018 states that the
18 Association is 22.5% funded based on a projected starting reserve balance of \$85,905.

19 11. The reserve study recommended monthly reserve funding for 2018 in the
20 amount of \$6,400.

21 12. The bank records provided by the Association do not show any reserve
22 contributions in 2017 or 2018.

23 13. The Association's reserve funds stayed approximately \$53,000 for 2017 and
24 2018.

25 14. The Association pays excessive amounts of money to Mr. DeGrosa and
26 "Isaac Thorns" (purportedly doing landscaping) without contracts.

27 **VIOLATIONS OF LAW**

28 15. RESPONDENT is in violation of NRS 116.3115 by failing to fund reserves

1 and failing to establish adequate reserves.

2 16. RESPONDENT violated NRS 116.31085 by its board taking action in
3 executive session to modify and renew contracts, approve financials, approve insurance
4 coverages, and hire an auditor.

5 DISCIPLINE AUTHORIZED

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
9 continuing to engage in the unlawful conduct that resulted in the violation.

10 2. Issue an order directing RESPONDENT to take affirmative action to
11 correct 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 RESPONDENTS ARE FOUND TO HAVE KNOWINGLY AND
15 WILLFULLY COMMITTED A VIOLATION of NRS or NAC 116 AND it is in the best
16 interest of the Association, such RESPONDENTS may be removed from his/her position
17 as a director and/or officer.

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

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

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

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

27 The Commission may order one or any combination of the discipline described
28 above. If the Commission finds that the RESPONDENTS knowingly and willfully

1 violated the provisions of NRS or NAC 116, the Commission may order that
2 RESPONDENTS be 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
5 this Administrative Complaint against the above-named RESPONDENT in accordance
6 with Chapters 233B and 116 and 116A of the Nevada Revised Statutes and Chapters
7 116 and 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
10 as 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
16 expected to take place on March 12-14, 2019. Thus, your hearing may be continued until
17 later in the day or from day to day. It is your responsibility to be present when your
18 case is called. If you are not present when your hearing is called, a default may be
19 entered against you and the Commission may decide the case as if all allegations in the
20 complaint were true. If you need to negotiate a more specific time for your hearing in
21 advance because of coordination with out of state witnesses or the like, please call
22 Samiel Williams, Commission Coordinator, at (702) 486-4606.

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

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

8 You have the right to request that the Commission issue subpoenas to compel
9 witnesses to testify and/or evidence to be offered on your behalf. In making this request,
10 you may be required to demonstrate the relevance of the witness' testimony and/or
11 evidence. Other important rights and obligations, including your obligation to answer
12 the complaint, you have are listed in NRS Chapter 116 and NAC Chapter 116, including
13 without limitation, NRS 116.770 through 116.780, and NAC 116.500 through NAC
14 116.635 and NRS Chapter 233B.

15 Note that under NAC 116.575, not less than five (5) working days before a
16 hearing, RESPONDENT must provide to the Division a copy of all reasonably available
17 documents that are reasonably anticipated to be used to support his position, and a list
18 of witnesses RESPONDENT intend to call at the time of the hearing. Failure to provide
19 any document or to list a witness may result in the document or witness

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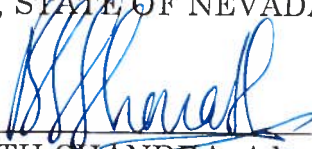
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1 being excluded from RESPONDENT'S defense. The purpose of the hearing is to
2 determine if the RESPONDENTS have violated the provisions of NRS 116, and to
3 determine what administrative penalty is to be assessed against RESPONDENT.

4 DATED: January 31, 2019.

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

8 By: 
9 SHARATH CHANDRA, Administrator
10 3300 W. Sahara Ave. Ste 350
11 Las Vegas, Nevada 89102
12 (702) 486-4033

13 AARON D. FORD
14 Attorney General

15 By: 
16 MICHELLE D. BRIGGS
17 Senior Deputy Attorney General
18 555 E. Washington Ave. Ste 3900
19 Las Vegas, Nevada 89101
20 (702) 486-3420
21 Attorneys for 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 9743
Terra Linda Townhouse Homeowners Association
PO Box 44124
Las Vegas, Nevada 89116**

**Certified No. 7017 1450 0000 8967 9767
Terra Linda Townhouse Homeowners Association
5026 Larkspur Street
Las Vegas, Nevada 89120**

REGULAR MAIL

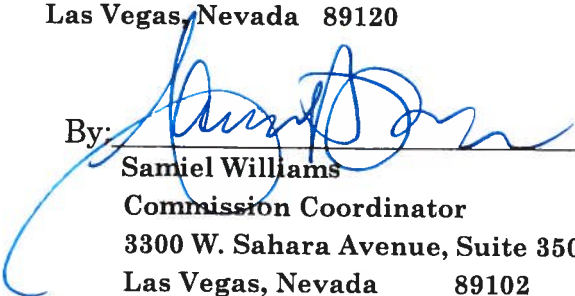
**Grahame Speer
4697 Mill Valley Drive
Las Vegas, Nevada 89120**

**Melanie Beck
6351 Bruma Avenue
Las Vegas, Nevada 89122**

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58 E. Texas Avenue
Henderson, Nevada 89015**

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**James Snow
5557 White Cap Street
Las Vegas, Nevada 89110**

By: 

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

**Shirley Bellafores
4633 Mill Valley Drive
Las Vegas, Nevada 89120**