

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,

Case Nos. 2016-3229; 2016-3078;
 2016-3079; 2016-2920;
 2016-3363

6 Petitioner,

FILED

7 vs.

JUN 30 2017

8 Leslie White,

9 Respondent.

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

11 **FINDINGS OF FACT, CONCLUSIONS OF LAW, AND ORDER**

12 This matter came on for hearing before the Commission for Common-Interest
13 Communities and Condominium Hotels, Department of Business and Industry, State of
14 Nevada (the "Commission"), during a regular agenda on June 27, 2017, at the Nevada
15 State Business Center, 3300 West Sahara Avenue, Nevada Room, Suite 400, Las Vegas,
16 Nevada 89102 (the "Hearing"). The Respondent, Leslie White, did not appear. Michelle
17 Briggs, Esq., Senior Deputy Attorney General with the Nevada Attorney General's Office,
18 appeared on behalf of the Real Estate Division of the Department of Business and
19 Industry, State of Nevada (the "Division").

20 The Division presented testimony regarding notice to the last known address for
21 Ms. White. The Commission heard testimony from Compliance/Audit Investigator,
22 Christina Pitch. After hearing the testimony and having considered the evidence
23 introduced by the Division and being fully advised, the Commission enters the following
24 Findings of Fact, Conclusions of Law, and Order. Under Nevada Revised Statutes (NRS)
25 and Nevada Administrative Code (NAC) Chapters 116 and 116A, the Commission has
26 legal jurisdiction and authority over this matter.

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1 FINDINGS OF FACT

2 The Commission, based upon the evidence presented during the Hearing, finds
3 that by a preponderance of the evidence in the record the following facts have been
4 proven.

5 1. On September 22, 2015, this Commission accepted a settlement with
6 WHITE whereby WHITE voluntarily surrendered her community manager certificate,
7 No. CAM.0000070.SUPR.

8 2. WHITE'S daughter, Audra Collins, and her son-in-law, Ryon Collins,
9 surrendered their community manager certificates as well.

10 3. The settlement involved multiple investigations of the Division some of
11 which had resulted in complaints before this Commission and some had not yet been
12 filed.

13 4. The settlement detailed investigations of the Division involving
14 approximately 21 associations which, among other things, alleged that WHITE provided
15 forged contracts and checks to the Division; managed associations without board
16 members for several years; managed associations without a management contract for
17 several years; provided false information to the Division over the course of several years
18 regarding the associations; took multiple payments over the course of several years by
19 electronic transfer; and was the sole signor on multiple association checks.

20 5. The settlement required payment of an administrative fine and costs in the
21 amount of \$41,000.

22 6. WHITE had been providing community management services under her
23 company NCF Corporation, doing business as, Associated Community Management.

24 7. After surrendering her certificate, WHITE hired two community managers
25 to work for her under her new name, Path Community Management.

26 8. The Division requested contracts and other documents from the new
27 community managers to determine compliance with NRS 116.

28 9. The community managers hired by WHITE, Jodi Mehr (CAM.0001214) and

1 Yvonne Jones (CAM.0001220-SUPR), eventually provided documentation requested by
2 the Division.

3 10. Upon inspection of the documents, the Division determined that income and
4 expense statements provided to board members did not match bank records for the
5 associations.

6 11. Path Community Management was paid in excess of its contract for virtually
7 every association it managed.

8 12. Both Jodi Mehr and Yvonne Jones denied any knowledge of the extra
9 payments to Path Community Management and said WHITE controlled the bank
10 accounts and financial records for all the associations.

11 13. Yvonne Jones terminated her employment with WHITE on or about May 20,
12 2016.

13 14. Jodi Mehr terminated her employment with WHITE on or about August 10,
14 2016.

15 15. By letter dated August 12, 2016, the Division issued a cease and desist order
16 to WHITE directing her to stop providing community management services to
17 associations.

18 16. According to the associations' financial records, after the settlement was
19 approved by this Commission in September of 2015, WHITE took funds from the
20 following associations (hereinafter collectively, the "Associations") without authority and
21 in excess of her contracts in the amount of approximately \$570,000, as follows:

- | | | | |
|----|----|--------------------------------------|-----------|
| 22 | 1. | Alterra Homeowners Association: | \$7,892. |
| 23 | 2. | Amber Wood Homeowners Association: | \$12,400. |
| 24 | 3. | Avignon Homeowners Association: | \$21,500. |
| 25 | 4. | Avila Court Homeowners Association: | \$9,841. |
| 26 | 5. | Bella Lago Homeowners Association: | \$27,400. |
| 27 | 6. | Benton Homeowners Association: | \$12,163. |
| 28 | 7. | Bonita Vista Homeowners Association: | \$17,000. |

1	8.	Brighton Homeowners Association:	\$5,621.
2	9.	Calabria Homeowners Association:	\$19,000.
3	10.	Carmel Ridge Homeowners Association:	\$19,354.
4	11.	Centennial and Lamb Association:	\$28,318.
5	12.	Chatham Hills Homeowners Association:	\$31,500.
6	13.	Cherry Lane Homeowners Association:	\$21,075.
7	14.	Country Glen Homeowners Association:	\$14,100.
8	15.	Crestwood Homeowners Association:	\$2,700.
9	16.	Cumberland Homeowners Association:	\$14,800.
10	17.	Fiore Homeowners Association:	\$23,000.
11	18.	Greenwood Homeowners Association:	\$17,350.
12	19.	Hillcrest Homeowners Association:	\$6,980.
13	20.	La Siena Homeowners Association:	\$18,215.
14	21.	Manchester Homeowners Association:	\$46,800.
15	22.	Mesa Verde Homeowners Association:	\$17,950.
16	23.	Moreno Homeowners Association:	\$32,300.
17	24.	Murano Homeowners Association:	\$10,000.
18	25.	Newbury Homeowners Association:	\$20,886.
19	26.	Paloma Homeowners Association:	\$14,740.
20	27.	Pinecrest Homeowners Association:	\$20,947.
21	28.	Sheffield Homeowners Association:	\$1,800.
22	29.	Somerset Landscape Maintenance Association:	\$13,853.
23			
24	30.	Sterling Court Homeowners Association:	\$4,579.
25	31.	Sunrise Valley Estates Homeowners Association:	\$2,200.
26			
27	32.	Terraza Homeowners Association:	\$23,750.
28	33.	Trailwood Homeowners Association:	\$6,137.

1 34. Whisper Rock Homeowners Association: \$23,461.

2 17. The Associations' checks paid to the management company reflected
3 electronic signatures of board members, but were not authorized by the board members.

4 18. RESPONDENT received approximately \$1,014,101.57 in compensation and
5 other payments from the Associations between October 2015 and August 2016, after her
6 certificate was surrendered.

7 19. Based on records received from the Associations, WHITE received more than
8 \$1,072,000 in excess of her contracted fee from January 2014 through September 2015.

9 20. For virtually all the transactions made in 2014 and up to the settlement date
10 in September 2015, WHITE took the Associations' funds by electronic transfers.

11 21. Most of the Associations did not have a contract with WHITE'S company to
12 provide management services for 2014 through October 2015.

13 22. On or about February 10, 2017, WHITE filed for Chapter 7 Bankruptcy
14 protection for her company, NCF Corporation.

15 23. The bankruptcy petition lists approximately 25 homeowners' associations as
16 unsecured creditors with over \$600,000 in liability owed to them.

17 **CONCLUSIONS OF LAW**

18 Based on the foregoing factual findings, the Commission concludes by unanimous
19 vote that the money procured by WHITE was on the basis of fraud and that the following
20 violations of law occurred:

21 24. WHITE violated NRS 116A.400(1) by engaging in the management of a
22 common-interest community without a community manager certificate from the Division
23 from October 2015 through August 2016.

24 25. WHITE violated NAC 116A.355(1)(a)(1) (NAC 116A.355(2)(c)) more than 100
25 times by committing unprofessional conduct by engaging in deceitful, fraudulent or
26 dishonest conduct from 2014 through September 2015 by receiving money from the
27 Associations by way of automatic transfers.

28 26. WHITE violated NAC 116A.355(1)(a)(1) (NAC 116A.355(2)(c)) more than 100

1 times by committing unprofessional conduct by engaging in deceitful, fraudulent or
2 dishonest conduct from 2014 through September 2015 by receiving money from the
3 Associations in excess of the amount authorized by a management contract.

4 27. WHITE violated NAC 116A.355(1)(a)(1) (NAC 116A.355(2)(i)) more than 100
5 times by committing unprofessional conduct by exceeding the authority granted to her by
6 the Associations from 2014 through September 2015.

7 28. WHITE violated NAC 116A.355(1)(a)(2) (NAC 116A.355(3)(a)) more than
8 100 times by engaging in conduct constituting professional incompetence by
9 demonstrating a significant lack of ability, knowledge or fitness to perform a duty or
10 obligation owed to the Associations from 2014 through September 2015.

11 29. WHITE violated NAC 116A.355(1)(a)(2) (NAC 116A.355(3)(b)) more than
12 100 times by engaging in conduct constituting professional incompetence by failing to
13 exercise reasonable skill and care with respect to a duty or obligation owed to the
14 Associations from 2014 through September 2015.

15 30. WHITE violated NAC 116A.355(1)(a)(2) (NAC 116A.355(4)(g)) more than 100
16 times by engaging in conduct constituting professional incompetence by failing to act in
17 the best interests of the Association from 2014 through September 2015.

18 31. WHITE violated NRS 116A.620 and NAC 116A.325 by failing to have a valid
19 management contract with the Associations for 2014 and 2015.

20 32. WHITE violated NRS 116A.630(1)(a) more than 100 times by failing to act
21 as a fiduciary in her relationship with the Associations from 2014 through September
22 2015.

23 33. WHITE violated NRS 116A.630(1)(b) more than 100 times by failing to
24 exercise ordinary and reasonable care in the performance of her duties for the
25 Associations from 2014 through September 2015.

26 34. WHITE violated NRS 116A.630(2) more than 100 times by failing to comply
27 with all federal, state and local laws, regulations and ordinances from 2014 through
28 September 2015.

1 35. WHITE violated NRS 116A.630(6)(a) by failing to ensure that the financial
2 transactions of the Associations are current, accurate and properly documented from
3 2014 through September 2015.

4 36. WHITE violated NRS 116A.630(6)(b) by failing to ensure that there are
5 policies and procedures designed to provide reasonable assurances in the reliability of the
6 financial reporting from 2014 through September 2015.

7 37. WHITE violated NRS 116A.630(7) by failing to prepare or cause to be
8 prepared interim and annual financial statements to allow the Division, the unit owners
9 and board members to determine whether the financial position of the Associations are
10 fairly presented in accordance with all applicable laws and regulations from 2014 through
11 September 2015.

12 38. WHITE violated NRS 116A.630(15) by failing to maintain internal
13 accounting controls, including without limitation, segregation of incompatible accounting
14 functions from 2014 through September 2015.

15 39. WHITE violated NRS 116A.630(18) by failing to take direction from the
16 Associations from 2014 through September 2015.

17 **ORDER**

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

20 1. For Violation of Law #24, WHITE shall pay an administrative fine to the
21 Division in the amount of \$1,014,101.57.

22 2. For Violation of Law #25-39, WHITE shall pay an administrative fine to the
23 Division in the amount of \$75,000.

24 3. WHITE shall pay an administrative fine representing the attorney's fees and
25 costs of the Division in the amount of \$15,793.42.

26 4. WHITE shall pay restitution totaling \$1,642,451.25 to the Associations as
27 follows:

28 Alterra Homeowners Association: \$19,592.71

1	Amber Wood Homeowners Association:	\$36,535.33
2	Avignon Homeowners Association:	\$67,070.70
3	Avila Court Homeowners Association:	\$22,980.36
4	Bella Lago Homeowners Association:	\$83,900.14
5	Benton Homeowners Association:	\$30,485.73
6	Bonita Vista Homeowners Association:	\$34,893.77
7	Brighton Homeowners Association:	\$35,873.21
8	Calabria Homeowners Association:	\$36,353.90
9	Carmel Ridge Homeowners Association:	\$42,346.78
10	Centennial and Lamb Association:	\$75,958.23
11	Chatham Hills Homeowners Association:	\$61,536.65
12	Cherry Lane Homeowners Association:	\$81,207.34
13	Country Glen Homeowners Association:	\$27,208.24
14	Crestwood Homeowners Association:	\$9,000.00
15	Cumberland Homeowners Association:	\$26,448.00
16	Fiore Homeowners Association:	\$78,984.92
17	Greenwood Homeowners Association:	\$19,650.00
18	Hillcrest Homeowners Association:	\$6,980.00
19	La Siena Homeowners Association:	\$56,763.41
20	Manchester Homeowners Association:	\$159,495.74
21	Mesa Verde Homeowners Association:	\$36,175.54
22	Moreno Homeowners Association:	\$91,114.62
23	Murano Homeowners Association:	\$62,897.04
24	Newbury Homeowners Association:	\$75,795.43
25	Paloma Homeowners Association:	\$35,063.94
26	Pinecrest Homeowners Association:	\$43,813.86
27	Sheffield Homeowners Association:	\$21,971.60
28		

1 Somerset Landscape Maintenance

2 Association: \$15,653.17

3 Sterling Court Homeowners Association: \$53,856.06

4 Sunrise Valley Estates Homeowners

5 Association: \$87,050.91

6 Terraza Homeowners Association: \$32,350.00

7 Trailwood Homeowners Association: \$13,622.50

8 Whisper Rock Homeowners Association: \$59,822.42

9 5. The total administrative fines and restitution detailed above shall be due no
10 later than 60 days from the date of this Order.

11 6. The Division may institute debt collection proceedings for failure to timely
12 pay the total fine. Further, if collection goes through the State of Nevada, then WHITE
13 shall also pay the costs associated with collection.

14 Dated: June 30, 2017.

15 Commission for Common-Interest Communities
16 and Condominium Hotels, Department of Business
& Industry, State of Nevada

17 By: 
18 James Rizzi, Chairman

19 Submitted by:

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