

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

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

Case No. 2017-2088

7 Petitioner,

FILED

8 vs.

JUL 06 2018

9 Kristen Gillis,

Respondent.

NEVADA COMMISSION OF
COMMON INTEREST COMMUNITIES
AND CONDOMINIUM HOTELS

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

11 This matter came on for hearing before the Commission for Common-Interest
12 Communities and Condominium Hotels, Department of Business and Industry, State of
13 Nevada (the "Commission"), during a regular agenda on June 19, 2018, at the Nevada
14 State Business Center, 3300 W. Sahara Avenue, Nevada Room, Suite 400, Las Vegas,
15 Nevada 89102 with videoconferencing to Department of Business & Industry, Director's
16 Office, 1830 East College Parkway, Suite 100, Carson City, Nevada 89706 (the
17 "Hearing"). The RESPONDENT, KRISTEN GILLIS, did not appear or submit an answer
18 to the Complaint. Michelle D. Briggs, Esq., Senior Deputy Attorney General with the
19 Nevada Attorney General's Office, appeared on behalf of the Real Estate Division of the
20 Department of Business and Industry, State of Nevada (the "Division"). Commissioner
21 Williams recused himself from the Hearing based on his personal relationship with
22 GILLIS and her family.

23 Ms. Briggs informed the Commission that she sent GILLIS a notice of default. The
24 Commission accepted testimony from Case No. 2017-1743 regarding the last known
25 address for GILLIS as provided to the Division. The Commission Coordinator confirmed
26 that the complaint and notices for this matter were sent to the same address. Due to
27 GILLIS'S failure to appear for the Hearing or answer the complaint, the Division
28 requested a finding of default against GILLIS. The Commission voted unanimously (with

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

5 FINDINGS OF FACT

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

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

12 2. A complaint against the Association alleged underfunded reserves and a
13 failure to respond to the investigation.

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

17 4. The Association entered into a contract with GILLIS on or about June 21,
18 2017.

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

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

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

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

28 9. After the hearing, the Division opened an investigation against GILLIS.

1 10. GILLIS did not respond to the Division's investigation.

2 **CONCLUSIONS OF LAW**

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

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

7 12. GILLIS violated NRS 116A.630(1)(b) and NAC 116A.320 by failing to
8 exercise ordinary and reasonable care in the performance of her duties.

9 13. GILLIS violated NRS 116A.630(2)(a) and NAC 116A.320 by failing to comply
10 with state laws.

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

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

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

19 17. GILLIS violated NRS 116A.620 and NAC 116A.325 by performing
20 community management services for the Association without a signed management
21 contract approved by the Association.

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

25 19. GILLIS violated NAC 116A.355(1)(a)(1) (through NAC 116A.355(2)(f)) by
26 committing unprofessional conduct by failing to cooperate with the Division in the
27 investigation of a complaint including, without limitation, failure to produce any
28 document, book or record in the possession or control of the community manager after the

1 Division requests the production of such document, book or record in the course of an
2 investigation of a complaint.

3 20. GILLIS violated NAC 116A.355(1)(a)(1) (through NAC 116A.355(2)(i)) by
4 committing unprofessional conduct by exceeding the authority granted to her by the
5 Association.

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

9 22. GILLIS violated NAC 116A.355(1)(a)(2) (through NAC 116A.355(3)(b)) by
10 committing professional incompetence by failing to exercise reasonable skill and care with
11 respect to a duty or obligation owed to a client.

12 23. GILLIS violated NAC 116A.355(1)(a)(1) and (2) (through NAC
13 116A.355(4)(g)) by committing unprofessional conduct or professional incompetence by
14 failing to act in the best interests of the Association.

15 **ORDER**

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

18 1. GILLIS'S community manager certificate is revoked for a period of no less
19 than ten years from the date of this Order, but in no event sooner than all fines imposed
20 by the Commission are paid in full.


21 2. GILLIS shall pay an administrative fine to the Division in the total amount
22 of \$15,647.77 – which includes a fine of \$13,000 for the violations of law and \$2,647.77
23 representing the total amount due for the Division's attorney's fees and costs – no later
24 than 60 days from the date of this Order.

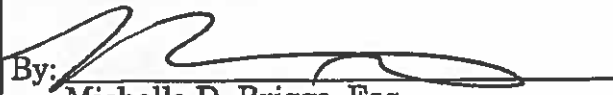
25 ///
26 ///
27 ///

1 3. The Division may institute debt collection proceedings for failure to timely
2 pay the total fine, including action to reduce this Order to a judgment. Further, if
3 collection goes through the State of Nevada, then GILLIS shall also pay the costs
4 associated with collection.

5 Dated: ~~June~~ ^{JULY} 3, 2018.

6 Commission for Common-Interest Communities
7 and Condominium Hotels, Department of Business
8 & Industry, State of Nevada

9 By:  _____
 Michael Burke, Chairman

10 Submitted by:
11 ADAM PAUL LAXALT
12 Attorney General
13 By:  _____
14 Michelle D. Briggs, Esq.
15 Senior Deputy Attorney General
16 555 E. Washington Avenue, Suite 3900
17 Las Vegas, Nevada 89101
18 (702) 486-3420
19 Attorneys for Nevada Real Estate Division
20
21
22
23
24
25
26
27
28