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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,

Petitioner,

vs.

Green Valley Country Club Estates  
Homeowners Association, Michael Hayden,  
Darla Hayden, Gerard Capra, and Charles  
Damus,

Respondents.

Case No. 2016-2462

FILED

JUN 26 2018

NEVADA COMMISSION OF  
COMMON INTEREST COMMUNITIES  
AND CONDOMINIUM HOTELS



**STIPULATION AND ORDER**

**FOR SETTLEMENT OF DISCIPLINARY ACTION**

This Stipulation and Order for Settlement of Disciplinary Action ("Stipulation and Order" or "Stipulation") is entered into between the Petitioner, Real Estate Division of the Department of Business and Industry, State of Nevada (the "Division"), through its Administrator, Sharath Chandra, and Respondents, Green Valley Country Club Estates Homeowners Association, Michael Hayden and Darla Hayden.

**JURISDICTION AND NOTICE**

1. During the relevant times mentioned in this complaint, Michael Hayden and, Darla Hayden, Gerard Capra, and Charles Damus served as board members and/or officers of RESPONDENT Green Valley Country Club Estates Homeowners Association (the "Association"), a common-interest community located in Henderson, Nevada.

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



1 bank, maintaining financial records, preparing financial records, preparing owner accounts,  
2 and contracting for new reserve study.

3 15. Invoices from Katie Jager Bookkeeping Services just state the month and year  
4 with payment due of \$150 per month.

5 16. The HAYDENS both responded to the Division that the board approved the  
6 hiring of HEH and Ms. Jager, and the board approved all invoices from them.

7 17. RESPONDENT MICHAEL HAYDEN responded to the Division saying with  
8 regard to the allegation that undisclosed family members were providing services to the  
9 Association:

10 The expenses were approved by the Board and it was neither hidden nor  
11 questioned. This was a cost driven decision as we only collect  
12 \$200/year/home in HOA fees. When shopping the market for a CPA to do the  
work, there was no way to afford regular management companies.

13 18. The Association's CC&R's at Section 18(f) state with regard to the limit on  
14 assessments:

15 ...nor exceed in any one year the sum of \$200.00 for each lot; and provided  
16 further that the limitations and conditions in the paragraph above shall not  
apply to charges for special services rendered...

17 19. RESPONDENT DAMUS stated to the Division that he did not know "the  
18 existence or identity of HEH" or Katie Jager.

19 20. RESPONDENT CAPRA stated to the Division that he did not know of any  
20 familial relationship between the Association's vendors and the HAYDENS, and that he and  
21 RESPONDENT DAMUS tried to request meetings of the board but they were "continually  
22 cancelled and rescheduled."

23 21. The Association has no contracts with HEH or Katie Jager.

24 22. The Association does not have minutes or audio from board meetings in 2013  
25 to 2016.

26 23. The Association has no bids for services provided.

27 24. RESPONDENT DAMUS stated to the Division that RESPONDENT  
28 MICHAEL HAYDEN maintained all the records for the Association in 2013 through 2015.

1           25.   RESPONDENT MICHAEL HAYDEN listed himself as the Custodian of  
2 Records in 2013 and 2015.

3           26.   RESPONDENT DAMUS stated to the Division that RESPONDENTS  
4 MICHAEL AND DARLA HAYDEN “acted unilaterally without consulting the other board  
5 members, and without properly noticed board meetings.”

6           27.   RESPONDENT MICHAEL HAYDEN stated to the Division that all 2013-2016  
7 contracts and bids were “lost as emails, and in the closing of the website and data  
8 warehouse.”

9           28.   RESPONDENT DARLA HAYDEN stated to the Division that she “was never  
10 responsible for any of the records.”

11          29.   The Association’s Treasurer’s report from the end of 2015 reflects cash – in  
12 excess of reserves – totaling approximately \$88,000.

13                                   **VIOLATIONS OF LAW ALLEGED IN THE COMPLAINT**

14          The following violations of law are alleged in the complaint:

15          30.   RESPONDENTS violated NRS 116.3103 (through NAC 116.405(3)) by  
16 committing an act or omission which amounts to incompetence, negligence or gross  
17 negligence.

18          31.   RESPONDENTS violated NRS 116.3103 (through NAC 116.405(8)(a)) by  
19 failing to cause the Association to comply with all applicable state laws.

20          32.   RESPONDENTS violated NRS 116.31175 by failing to maintain the  
21 Association’s records for 10 years.

22          33.   RESPONDENTS violated NRS 116.31083 by failing to maintain all minutes of  
23 board meetings.

24          34.   RESPONDENTS violated NRS 116.31083 by failing to hold meetings of the  
25 board every 100 days.

26          35.   RESPONDENTS MICHAEL HAYDEN and DARLA HAYDEN violated NRS  
27 116.31084(2) by failing to disclose their familial relationship with vendors of the  
28 Association.



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

5 **SETTLEMENT**

6 38. RESPONDENTS MICHAEL HAYDEN AND DARLA HAYDEN agree not to  
7 serve as a board member or officer of any common-interest community located in the state of  
8 Nevada for a period of no less than 5 years from the date of this Order.

9 39. RESPONDENT GREEN VALLEY COUNTRY CLUB ESTATES  
10 HOMEOWNERS ASSOCIATION agrees to hire and maintain a community manager who  
11 holds a certificate from the Division for no less than 5 years from the date of this Order.

12 40. RESPONDENT GREEN VALLEY COUNTRY CLUB ESTATES  
13 HOMEOWNERS ASSOCIATION agrees not to use its funds for any purpose not expressly  
14 permitted in its governing documents.

15 41. RESPONDENTS and the Division agree that by entering into this Stipulation  
16 and Order, the Division does not concede any defense or mitigation RESPONDENT may  
17 assert and that once this Stipulation and Order is approved and fully performed, the  
18 Division will close its file in this matter, including the claims against RESPONDENTS  
19 DAMUS AND CAPRA.

20 42. This Stipulation and Order includes any claims that could have been included  
21 in a supplemental or amended complaint arising from the same operative facts, transactions  
22 and occurrences in existence as of the effective date of this Stipulation and Order. However,  
23 this Stipulation and Order does not include claims arising from facts or circumstances  
24 which have been concealed by RESPONDENTS.

25 43. RESPONDENTS agree that if the terms and conditions of this Stipulation and  
26 Order are not met, the Division may, at its option, rescind this Stipulation and Order and  
27 proceed with prosecuting the Complaint before the Commission.

28 44. RESPONDENTS agree and understand that by entering into this Stipulation

1 and Order, RESPONDENTS are waiving their right to a hearing at which RESPONDENTS  
2 may present evidence in their defense, their right to a written decision on the merits of the  
3 Complaint, their rights to reconsideration and/or rehearing, appeal and/or judicial review,  
4 and all other rights which may be accorded by the Nevada Administrative Procedure Act,  
5 the Nevada Common Interest Ownership statutes and accompanying regulations, and the  
6 federal and state constitutions. RESPONDENTS understand that this Stipulation and  
7 Order and other documentation may be subject to public records laws. The Commission  
8 members who review this matter for approval of this Stipulation and Order may be the  
9 same members who ultimately hear, consider and decide the Complaint if this Stipulation  
10 and Order is either not approved by the Commission or is not timely performed by  
11 RESPONDENTS. RESPONDENTS fully understand that they have the right to be  
12 represented by legal counsel in this matter at his own expense.

13 45. Each party shall bear its own attorney's fees and costs.

14 46. Stipulation and Order is Not Evidence. Neither this Stipulation and Order nor  
15 any statements made concerning this Stipulation and Order may be discussed or introduced  
16 into evidence at any hearing on the Complaint, if the Division must ultimately present its  
17 case based on the Complaint filed in this matter.

18 47. Release. In consideration of execution of this Stipulation and Order,  
19 RESPONDENTS for themselves, their heirs, executors, administrators, successors, and  
20 assigns, hereby releases, remises, and forever discharges the State of Nevada, the  
21 Department of Business and Industry and the Division, and each of their respective  
22 members, agents, employees and counsel in their individual and representative capacities,  
23 from any and all manner of actions, causes of action, suits, debts, judgments, executions,  
24 claims, and demands whatsoever, known and unknown, in law or equity, that the  
25 RESPONDENTS ever had, now has, may have, or claim to have, against any or all of the  
26 persons or entities named in this section, arising out of or by reason of the Division's  
27 investigation, this disciplinary action, and all other matters relating thereto.

28 48. Indemnification. RESPONDENTS hereby indemnify and hold harmless the

1 State of Nevada, the Department of Business and Industry, the Division, and each of their  
2 respective members, agents, employees and counsel in their individual and representative  
3 capacities against any and all claims, suits, and actions brought against said persons and/or  
4 entities by reason of the Division's investigation, this disciplinary action and all other  
5 matters relating thereto, and against any and all expenses, damages, and costs, including  
6 court costs and attorney fees, which may be sustained by the persons and/or entities named  
7 in this section as a result of said claims, suits, and actions.

8 49. RESPONDENTS have signed and dated this Stipulation and Order only after  
9 reading and understanding all terms herein.


10 DATED: June 26, 2018.

11 Real Estate Division,  
12 Department of Business & Industry,  
13 State of Nevada

14 By:   
15 Sharath Chandra, Administrator

16 DATED: June 19<sup>th</sup>, 2018.


17 Green Valley Country Club Estates  
18 Homeowners Association

19 By:   
20 Name: Rebecca J. Summers  
21 Title: President

22 DATED: June 18<sup>th</sup>, 2018.

23   
24 Darla Hayden

25 DATED: June 18<sup>th</sup>, 2018.

26   
27 Michael Hayden  
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**ORDER**

**IT IS ORDERED** that the foregoing Stipulation and Order for Settlement of Disciplinary Action is approved in full.

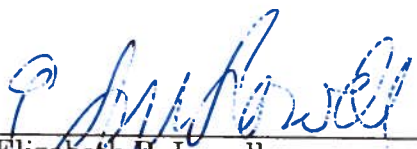
Dated: June 19, 2018.

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

By:   
Michael Burke, Chairman

Submitted by:  
ADAM PAUL LAXALT  
Attorney General

By:   
Michelle D. Briggs  
Senior Deputy Attorney General  
555 E. Washington Ave. Ste 3900  
Las Vegas, Nevada 89101  
(702) 486-3420  
Attorneys for Real Estate Division

By:   
Elizabeth B. Lowell  
Pergily Law Firm  
1995 Village Center Cir., Suite 190  
Las Vegas, NV 89134  
(702) 889-6665  
Attorney for Respondents