

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**
5 **Business & Industry, State of Nevada,**

Case No. 2017-2082

6 **Petitioner,**

FILED

7 **vs.**

MAR 13 2018

8 **Kristen Gillis,**

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

9 **Respondent.**

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 March 6, 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 GILLIS voluntarily surrendered her
24 certificate, but did not do so in lieu of discipline. Due to GILLIS'S failure to appear for the
25 Hearing or answer the complaint, the Division requested a finding of default against
26 GILLIS. The Commission voted unanimously (with one recusal) to find GILLIS in default.
27 The Commission enters the following Findings of Fact, Conclusions of Law, and Order.
28 Under Nevada Revised Statutes (NRS) and Nevada Administrative Code (NAC) Chapters

1 116 and 116A, the Commission has legal jurisdiction and authority over this matter.

2 **FINDINGS OF FACT**

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

6 1. In July 2017, the Division opened an investigation against Jeffrey and
7 Penny Frederick based on information it received from a board member within
8 Springfield Property Owners Association (the "Association").

9 2. Penny and Jeffrey Frederick own PW James Management and Consulting,
10 LLC ("PW James") and Jeffrey Frederick had his community manager certificate revoked
11 by the Commission in March 2017.

12 3. The Association's board member received from the Fredericks a
13 management contract to sign dated April 1, 2017 which lists Harmony Management, LLC
14 and PW James as the management company.

15 4. The board member also received a check payable to PW James for his
16 signature for management services for April 2017.

17 5. GILLIS owns Harmony Management.

18 6. In addition to the management contract and check, the board member
19 received from Jeffrey Frederick a bank signature card to sign that was already signed by
20 GILLIS.

21 7. The Association owners received notice that PW James merged with
22 Harmony Management and that assessments were to be sent to Harmony Management.

23 8. The Association's board never met with GILLIS or to discuss the
24 management contract.

25 9. The Division requested a response from GILLIS regarding her involvement
26 with the Association by letters dated August 14, 2017 and September 1, 2017.

27 10. GILLIS did not respond, so the Division opened this matter against GILLIS
28 for failing to cooperate with the Division's investigation.

1 11. The Division sent three letters requesting additional information and a
2 response to the investigation, dated September 20, 2017, October 6, 2017, and October 19,
3 2017.

4 12. GILLIS did not respond.

5 13. The Division sent a final letter dated December 27, 2017 to notify GILLIS
6 that the Division intended to file a complaint with this Commission.

7 14. GILLIS did not respond.

8 CONCLUSIONS OF LAW

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

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

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

15 17. GILLIS violated NRS 116A.630(2)(a) and NAC 116A.320 by failing to comply
16 with state laws.

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

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

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

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

28 22. GILLIS violated NAC 116A.355(1)(a)(1) (through NAC 116A.355(2)(b)) by

1 committing unprofessional conduct by failing to disclose to the Association's board that
2 she was responsible for managing the Association.

3 23. GILLIS violated NAC 116A.355(1)(a)(1) (through NAC 116A.355(2)(f)) by
4 committing unprofessional conduct by failing to cooperate with the Division in the
5 investigation of a complaint including, without limitation, failure to produce any
6 document, book or record in the possession or control of the community manager after the
7 Division requests the production of such document, book or record in the course of an
8 investigation of a complaint.

9 24. GILLIS violated NAC 116A.355(1)(a)(1) (through NAC 116A.355(2)(i)) by
10 committing unprofessional conduct by exceeding the authority granted to her by the
11 Association.

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

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

18 27. GILLIS violated NAC 116A.355(1)(a)(1) and (2) (through NAC
19 116A.355(4)(g)) by committing unprofessional conduct or professional incompetence by
20 failing to act in the best interests of the Association.

21 **ORDER**

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

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


27 2. GILLIS shall pay an administrative fine to the Division in the total amount
28 of \$15,595.72 - which includes a fine of \$13,000 for the violations of law and \$2,595.72

1 representing the total amount due for the Division's attorney's fees and costs – no later
2 than 30 days from the date of this Order.

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

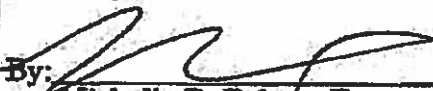
7 Dated: March 13, 2018.

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

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11 By: 
Michael Burke, Chairman

12 Submitted by:

13 ADAM PAUL LAXALT
14 Attorney General

15 By: 
16 Michelle D. Briggs, Esq.
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