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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,

Case No. 2018-189

FILED

JUN 20 2019

NEVADA COMMISSION OF  
COMMON INTEREST COMMUNITIES  
AND CONDOMINIUM HOTELS

Petitioner,

vs.

Peter Densmore,

Respondent.

STIPULATION AND ORDER

FOR SETTLEMENT OF DISCIPLINARY ACTION

Petitioner, Real Estate Division, Department of Business & Industry, State of Nevada (the "Division") through its Administrator, Sharath Chandra, and RESPONDENT, PETER DENSMORE, enter into this STIPULATION AND ORDER FOR SETTLEMENT OF DISCIPLINARY ACTION ("Stipulation and Order") as follows.

During all relevant times mentioned in this complaint, DENSMORE held, and currently holds, a supervising community manager certificate from the Division (CAM.0000360.SUPR) and is, therefore, subject to the jurisdiction of the Division and the provisions of NRS Chapters 116 and 116A and NAC Chapters 116 and 116A.

STIPULATED FACTS

1. After the Division's auditor reviewed records of Villas at Flamingo Homeowners Association (the "Association"), the auditor found checks signed only by the Association's manager and opened an investigation of the manager, RESPONDENT PETER DENSMORE.

2. The Division notified DENSMORE of the investigation and asked for a response as to why he was the sole signer on Association checks.

3. DENSMORE responded by providing copies of checks for 2016 and 2017 and the Association's bank account signature cards.

1 4. DENSMORE is not a signor on the Association's bank account according to  
2 the signature cards he provided.

3 5. After the Complaint was filed, DENSMORE provided the Division with a  
4 copy of: (1) the Wells Fargo Business Account Application and Exhibit "A" to the Business  
5 Account Application, which identified DENSMORE as an authorized signor on the  
6 Association's Operating Account, and (2) the minutes of the October 13, 2009 Board  
7 meeting wherein DENSMORE was named as an authorized signor on the Association's  
8 Operating Account.

9 6. The Division requested DENSMORE provide the management contract for  
10 2016 and 2017 that gave him authority to sign Association checks.

11 7. DENSMORE provided a management contract from September 2018 and it  
12 does not allow for the manager to sign any Association checks.

13 8. After the Complaint was filed, DENSMORE provided the Division with a  
14 copy of: (1) the 2005 Association Management Agreement, wherein the Association  
15 retained Cannon Management to perform community management services on behalf of  
16 the Association, and (2) the Cannon Management Association Management Agreement  
17 Addendum, dated April 24, 2019, wherein the 2018 Management Agreement was revised  
18 to address the authorized signors of future checks.

19 9. DENSMORE signed over 670 Association checks in 2016, 2017, and 2018.

20 10. Association checks reflect DENSMORE was the sole signor on over 30  
21 Association checks in 2016, 2017, and 2018.

22 **STIPULATED VIOLATIONS OF LAW**

23 11. DENSMORE violated NRS 116.31153(2) by being the sole signor on  
24 Association checks.

25 12. DENSMORE violated NRS 116A.630(1)(b) by failing to exercise ordinary and  
26 reasonable care in the performance of his duties for the Association.

27 13. DENSMORE violated NRS 116A.630(2)(a) and NAC 116A.320 by failing to  
28 comply with state laws.

1 14. DENSMORE violated NRS 116A.630(6)(a) by failing to ensure that the  
2 financial transactions of the Association are current, accurate and properly documented.

3 15. DENSMORE violated NAC 116A.355(3)(a) by committing acts of  
4 professional incompetence by demonstrating a significant lack of ability, knowledge or  
5 fitness to perform a duty or obligation owed to the Association.

6 16. DENSMORE violated NAC 116A.355(3)(b) by committing acts of  
7 professional incompetence by failing to exercise reasonable skill and care with respect to  
8 a duty or obligation owed to the Association.

9 **DISCIPLINE AUTHORIZED**

10 Pursuant to the provisions of NAC 116A.360 the Commission has discretion to  
11 impose discipline as it deems appropriate, including, but not limited to one or more of the  
12 following actions:

- 13 1. Revoke or suspend the certificate;
- 14 2. Refuse to renew or reinstate the certificate;
- 15 3. Place the community manager on probation;
- 16 4. Issue a reprimand or censure to the community manager;
- 17 5. Impose a fine of not more than \$5,000 for each violation of a statute or  
18 regulation;
- 19 6. Require the community manager to pay restitution;
- 20 7. Require the community manager to pay the costs of the investigation and  
21 hearing;
- 22 8. Require the community manager to obtain additional education relating to  
23 the management of common-interest communities; and
- 24 9. Take such other disciplinary action as the Commission deems appropriate.

25 The Commission may order one or any combination of the discipline described  
26 above.

27 **SETTLEMENT**

- 28 1. RESPONDENT shall pay an administrative fine in the amount of \$5,000 to

1 the Division within 90 days of the date of this Stipulation and Order.

2 2. RESPONDENT'S supervising community manager designation shall be on  
3 probation for a period of two years from the date of this Stipulation and Order.

4 3. RESPONDENT shall complete 10 hours of continuing education approved by  
5 the Commission to be completed within 90 days from the date of this Stipulation and  
6 Order. The hours of continuing education agreed to as part of this Stipulation and Order  
7 may not be applied to any educational requirement to maintain RESPONDENT'S  
8 certificate for renewal purposes.

9 4. RESPONDENT and the Division agree that by entering into this Stipulation  
10 and Order, the Division does not concede any defense or mitigation RESPONDENT may  
11 assert and that once this Stipulation and Order is approved and fully performed, the  
12 Division will close its file in this matter.

13 5. RESPONDENT agrees that if the terms and conditions of this Stipulation  
14 and Order are not met, the Division may, at its option, rescind this Stipulation and Order  
15 and proceed with prosecuting the Complaint before the Commission.

16 6. RESPONDENT agrees and understands that by entering into this  
17 Stipulation and Order, RESPONDENT is waiving his right to a hearing at which  
18 RESPONDENT may present evidence in his defense, his right to a written decision on the  
19 merits of the Complaint, his right to reconsideration and/or rehearing, appeal and/or  
20 judicial review, and all other rights which may be accorded by the Nevada Administrative  
21 Procedure Act, the Nevada Uniform Common-Interest Ownership Act and accompanying  
22 regulations, and the federal and state constitutions. RESPONDENT understands that  
23 this Stipulation and Order and other documentation may be subject to public records  
24 laws. The Commission members who review this matter for approval of this Stipulation  
25 and Order may be the same members who ultimately hear, consider and decide the  
26 Complaint if this Stipulation and Order is either not approved by the Commission or is  
27 not timely performed by RESPONDENT. RESPONDENT fully understands that he has  
28 the right to be represented by legal counsel in this matter at his own expense.

1           7.     Each party shall bear its own attorney's fees and costs.

2           8.     Stipulation and Order is Not Evidence. Neither this Stipulation and Order  
3 nor any statements made concerning this Stipulation and Order may be discussed or  
4 introduced into evidence at any hearing on the Complaint, if the Division must ultimately  
5 present its case based on the Complaint filed in this matter.

6           9.     Release. In consideration of execution of this Stipulation and Order,  
7 RESPONDENT for himself, his heirs, executors, administrators, successors, and assigns,  
8 hereby releases, remises, and forever discharges the State of Nevada, the Department of  
9 Business and Industry and the Division, and each of his respective members, agents,  
10 employees and counsel in their individual and representative capacities, from any and all  
11 manner of actions, causes of action, suits, debts, judgments, executions, claims, and  
12 demands whatsoever, known and unknown, in law or equity, that the RESPONDENT  
13 ever had, now have, may have, or claim to have, against any or all of the persons or  
14 entities named in this section, arising out of or by reason of the Division's investigation,  
15 this disciplinary action, and all other matters relating thereto.

16          10.    Indemnification. RESPONDENT hereby indemnifies and holds harmless  
17 the State of Nevada, the Department of Business and Industry, the Division, and each of  
18 their respective members, agents, employees and counsel in their individual and  
19 representative capacities against any and all claims, suits, and actions brought against  
20 said persons and/or entities by reason of the Division's investigation, this disciplinary  
21 action and all other matters relating thereto, and against any and all expenses, damages,  
22 and costs, including court costs and attorney fees, which may be sustained by the persons  
23 and/or entities named in this section as a result of said claims, suits, and actions.

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2 11. RESPONDENT has signed and dated this Stipulation and Order only after  
3 reading and understanding all terms herein.

4  
5 DATED: \_\_\_\_\_, 2019.

REAL ESTATE DIVISION,  
DEPARTMENT OF BUSINESS &  
INDUSTRY, STATE OF NEVADA

6  
7 By: \_\_\_\_\_  
8 Sharath Chandra, Administrator  
9 3300 W. Sahara Avenue, Suite 350  
10 Las Vegas, Nevada 89104  
11 (702) 486-4033

12 DATED: 5/28, 2019.

13  
14   
15 \_\_\_\_\_  
16 Peter Densmore

17 **ORDER**

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


20 Dated: June 4, 2019.


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

25 By:   
26 \_\_\_\_\_  
27 Michael Burke, Chairman

28 Submitted by:

AARON FORD, Attorney General

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

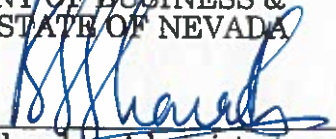
By:   
John E. Leach, Esq.  
Leach, Kern, Gruchow  
2525 Box Canyon Drive  
Las Vegas, Nevada 89128  
Attorney for Respondent

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11. RESPONDENT has signed and dated this Stipulation and Order only after reading and understanding all terms herein.

DATED: 05/30, 2019.

REAL ESTATE DIVISION,  
DEPARTMENT OF BUSINESS &  
INDUSTRY, STATE OF NEVADA

By: 

Sharath Chandra, Administrator  
3300 W. Sahara Avenue, Suite 350  
Las Vegas, Nevada 89104  
(702) 486-4033

DATED: 5/28, 2019.



Peter Densmore

**ORDER**

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

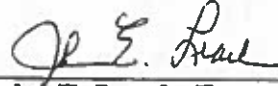
Dated: June \_\_\_\_, 2019.

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

By: \_\_\_\_\_  
Michael Burke, Chairman

Submitted by:  
AARON FORD, Attorney General

By: \_\_\_\_\_  
Michelle D. Briggs  
Senior Deputy Attorney General  
555 E. Washington Ave. Ste 3900  
Las Vegas, Nevada 89101  
Attorneys for Real Estate Division

By:  \_\_\_\_\_  
John E. Leach, Esq.  
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2525 Box Canyon Drive  
Las Vegas, Nevada 89128  
Attorney for Respondent

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