

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.

Shadow Wood Homeowners Association
and Jose Escalona,

Respondents.

Case No. 2018-680

FILED

APR 02 2019

NEVADA COMMISSION OF
COMMON INTEREST COMMUNITIES
AND CONDOMINIUM HOTELS

FINDINGS OF FACT, CONCLUSIONS OF LAW, AND ORDER

This matter came on for hearing before the Commission for Common-Interest Communities and Condominium Hotels, Department of Business and Industry, State of Nevada (the "Commission"), during a regular agenda on March 12, 2019, at the Nevada State Business Center, 3300 W. Sahara Avenue, Nevada Room, Suite 400, Las Vegas, Nevada 89102 with videoconferencing to Division of Insurance, 1818 East College Parkway, Suite 103, Carson City, Nevada 89706 (the "Hearing"). The **RESPONDENT, JOSE ESCALONA**, did not appear or submit an answer to the Complaint. Michelle D. Briggs, Esq., Senior Deputy Attorney General with the Nevada Attorney General's Office, appeared on behalf of the Real Estate Division of the Department of Business and Industry, State of Nevada (the "Division"). The Association's president, James Ma, contacted Division counsel, but could not attend. Teralyn Lewis, Administration Section Manager for the Division, testified regarding the notices sent to ESCALONA. The Commission voted unanimously to find ESCALONA in default. The Commission enters the following Findings of Fact, Conclusions of Law, and Order. Under Nevada Revised Statutes (NRS) and Nevada Administrative Code (NAC) Chapter 116, the Commission has legal jurisdiction and authority over this matter.

FINDINGS OF FACT

Based on the Commission's finding of a default against ESCALONA for failing to appear and failing to answer the Complaint, the Commission accepted as true all of the

1 following factual allegations by unanimous vote:

2 1. RESPONDENT ESCALONA performs bookkeeping services using the name
3 "J.E. & Associates."

4 2. ESCALONA served on the Association's board since at least September 2014,
5 and presently serves as the Association's treasurer.

6 3. During a separate investigation, the Division became aware that ESCALONA
7 was paid by the Association through J.E. & Associates to perform payroll services for the
8 Association.

9 4. From November 2016 to March 2018, J.E. & Associates was paid approximately
10 \$3,450 by the Association for payroll services.

11 5. No Association records reflect J.E. & Associates was hired to provide payroll
12 services.

13 6. J.E. & Associates is not a legal entity or registered fictitious firm name with any
14 government agency in Nevada.

15 7. According to on-line advertising for J.E. & Associates, ESCALONA is the
16 President.

17 8. ESCALONA responded to the Division's investigation stating that he's an
18 employee of J.E. & Associates.

19 9. ESCALONA provided invoices from J.E. & Associates, but did not say who his
20 supervisor was, who prepared the invoices, or who provided the payroll services.

21 10. The address for J.E. & Associates is the same address reported to the Division
22 for board member ESCALONA on annual registration forms.

23 CONCLUSIONS OF LAW

24 Based on the foregoing factual findings, the Commission concludes by unanimous
25 vote that the following violations of law occurred:

26 11. RESPONDENT ESCALONA violated NRS 116.31187(1) by receiving
27 compensation from the Association through his business name J.E. & Associates in exchange
28 for services to the Association.

1 12. RESPONDENT ESCALONA violated NRS 116.31034(10)(a)(2) by serving as a
2 board member and officer of the Association when he stood to gain personal profit or
3 compensation of any kind from a matter before the executive board of the Association.

4 13. RESPONDENT ESCALONA violated NRS 116.3103 (through NAC 116.405(2))
5 by failing to act in the best interests of the Association by acting for reasons of self-interest or
6 gain.

7 14. RESPONDENT ESCALONA violated NRS 116.3103 (through NAC 116.405(3))
8 by failing to act in the best interests of the Association by committing an act or omission which
9 amounts to incompetence, negligence or gross negligence.

10 15. RESPONDENT ESCALONA violated NRS 116.3103 (through NAC
11 116.405(5)(c)) failing to act in the best interests of the Association by impeding the Division's
12 investigation by concealing facts and documents regarding his work for the Association.

13 **ORDER**

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

16 1. ESCALONA is removed from the Association's board and as an officer and
17 may not serve as a board member or officer for any common-interest community in the
18 state of Nevada for a period of no less than ten years from the date of this Order, but in no
19 event sooner than all fines and restitution imposed by the Commission are paid in full.

20 2. ESCALONA shall pay an administrative fine to the Division in the total
21 amount of \$4,962.87 – which includes a fine of \$2,500 for the violations of law and \$2,462.87
22 representing the total amount due for the Division's attorney's fees and costs – no later
23 than 60 days from the date of this Order.

24 3. ESCALONA shall pay restitution to the Association in the amount of \$3,450
25 no later than 60 days from the date of this Order.

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


1 collection.

2 Dated: March 22, 2019.

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

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6 By: 
James Rizzi, Vice-Chairman

7 Submitted by:
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9
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