

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  
Business & Industry, State of Nevada,

Case No. 2018-189

5                                   Petitioner,

6 vs.

**FILED**

**APR 25 2019**

7 Peter Densmore,

NEVADA COMMISSION OF  
COMMON INTEREST COMMUNITIES  
AND CONDOMINIUM HOTELS

8                                   Respondent.

9                                   **COMPLAINT FOR DISCIPLINARY**  
10                                  **ACTION AND NOTICE OF HEARING**

11           The Real Estate Division of the Department of Business and Industry, State of  
12 Nevada (the "Division"), by and through its counsel, Aaron D. Ford, Attorney General of  
13 the State of Nevada, and Michelle D. Briggs, Esq., Senior Deputy Attorney General, hereby  
14 notifies RESPONDENT PETER DENSMORE ("RESPONDENT" or "DENSMORE") of an  
15 administrative hearing before the Commission for Common-Interest Communities and  
16 Condominium Hotels, State of Nevada, which is to be held pursuant to Chapters 233B and  
17 Chapters 116 and 116A of the Nevada Revised Statutes ("NRS") and Chapter 116 and 116A  
18 of the Nevada Administrative Code ("NAC"). The purpose of the hearing is to consider the  
19 allegations stated below and to determine if an administrative penalty will be imposed on  
20 the RESPONDENT pursuant to the provisions of NRS and NAC including, but not limited  
21 to, NAC 116A.360.

22                                   **JURISDICTION AND NOTICE**

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

27                                   **FACTUAL ALLEGATIONS**

28           2.     After the Division's auditor reviewed records of Villas at Flamingo

1 Homeowners Association (the "Association"), the auditor found checks signed only by the  
2 Association's manager and opened an investigation of the manager, RESPONDENT  
3 PETER DENSMORE.

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

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

8 5. DENSMORE is not a signor on the Association's bank account according to  
9 the signature cards he provided.

10 6. The Division requested DENSMORE provide the management contract for  
11 2016 and 2017 that gave him authority to sign Association checks.

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

14 8. DENSMORE signed over 670 Association checks in 2016, 2017, and 2018.

15 9. Association checks reflect DENSMORE was the sole signor on over 30  
16 Association checks in 2016, 2017, and 2018.

#### 17 VIOLATIONS OF LAW

18 10. DENSMORE violated NRS 116.31153(2) by being the sole signor on  
19 Association checks.

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

22 12. DENSMORE violated NRS 116A.630(2)(a) and NAC 116A.320 by failing to  
23 comply with state laws.

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

26 14. DENSMORE violated NAC 116A.355(2)(i) by committing acts of  
27 unprofessional conduct by signing over 600 Association checks without authority from the  
28 Association in the management contract as required by NRS 116A.620(1)(p).



1 THE HEARING WILL TAKE PLACE at the Commission meeting scheduled for June  
2 4-6, 2019, beginning at approximately 9:00 a.m. each day, or until such time as the  
3 Commission concludes its business. On June 4 and 5, 2019, the Commission meeting will  
4 be held at the Nevada State Business Center, 3300 W. Sahara Avenue, Nevada Room, Suite  
5 400, Las Vegas, Nevada 89102 with videoconferencing to Division of Insurance, 1818 E.  
6 College Parkway, Carson City, Nevada 89706. On June 6, 2019, the Commission meeting  
7 will be held at the Nevada State Business Center, 3300 W. Sahara Avenue, Tahoe Room,  
8 Fourth Floor, Las Vegas, Nevada 89102, with videoconferencing to Division of Insurance,  
9 1818 E. College Parkway, Carson City, Nevada 89706.

10 STACKED CALENDAR: Your hearing is one of several hearings that may be  
11 scheduled at the same time as part of a regular meeting of the Commission that is expected  
12 to take place on June 4-6, 2019. Thus, your hearing may be continued until later in the day  
13 or from day to day. It is your responsibility to be present when your case is called. If you  
14 are not present when your hearing is called, a default may be entered against you and the  
15 Commission may decide the case as if all allegations in the complaint were true. If you need  
16 to negotiate a more specific time for your hearing in advance because of coordination with  
17 out of state witnesses or the like, please call Teralyn Lewis, Administration Section  
18 Manager, at (702) 486-4036.

19 YOUR RIGHTS AT THE HEARING: Except as mentioned below, the hearing is an  
20 open meeting under Nevada's open meeting law, and may be attended by the public. After  
21 the evidence and arguments, the commission may conduct a closed meeting to discuss your  
22 alleged misconduct or professional competence. A verbatim record will be made by a  
23 certified court reporter. You are entitled to a copy of the transcript of the open and closed  
24 portions of the meeting, although you must pay for the transcription.

25 As a RESPONDENT, you are specifically informed that you have the right to appear  
26 and be heard in your defense, either personally or through your counsel of choice. At the  
27 hearing, the Division has the burden of proving the allegations in the complaint and will  
28 call witnesses and present evidence against you. You have the right to respond and to

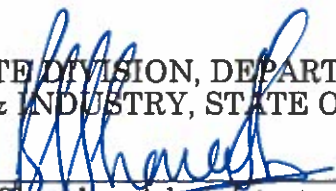
1 present relevant evidence and argument on all issues involved. You have the right to call  
2 and examine witnesses, introduce exhibits, and cross-examine opposing witnesses on any  
3 matter relevant to the issues involved.

4 You have the right to request that the Commission issue subpoenas to compel  
5 witnesses to testify and/or evidence to be offered on your behalf. In making this request,  
6 you may be required to demonstrate the relevance of the witness's testimony and/or  
7 evidence. Other important rights and obligations, including your obligation to answer the  
8 complaint, you have are listed in NAC 116A.560 through NAC 116A.655, NRS Chapter  
9 233B, and NRS Chapters 116 and 116A and NAC 116 and 116A.

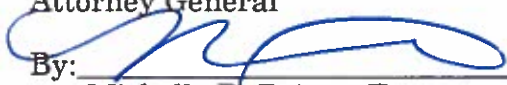
10 Note that under NAC 116A.585, not less than five (5) working days before a hearing,  
11 RESPONDENT must provide to the Division a copy of all reasonably available documents  
12 that are reasonably anticipated to be used to support his or her position, and a list of  
13 witnesses RESPONDENT intends to call at the time of the hearing. Failure to provide any  
14 document or to list a witness may result in the document or witness being excluded from  
15 RESPONDENT'S defense. The purpose of the hearing is to determine if the  
16 RESPONDENT has violated any of the provisions of NRS and NAC Chapters 116 and  
17 116A, and to determine what administrative penalty is to be assessed against  
18 RESPONDENT, if any, pursuant to NAC 116A.360.

19 DATED: April 24, 2019.

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

22 By:   
23 Sharath Chandra, Administrator  
24 3300 W. Sahara Avenue, Suite 350  
25 Las Vegas, Nevada 89104  
26 (702) 486-4033

27 AARON D. FORD  
28 Attorney General

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