

1 BEFORE THE COMMISSION FOR COMMON-INTEREST
2 COMMUNITIES AND CONDOMINIUM HOTELS
3 STATE OF NEVADA

4 Sharath Chandra, Administrator,
5 Real Estate Division, Department of
6 Business & Industry, State of Nevada,
7 Petitioner,

8 vs.

9 Greenridge Homeowners Association, Leslie
10 Holland, Diane Leyva, Joshua Schaper,
11 Carline Roks, Steve Hall, Dave Reid and
12 Janet Meyers,

13 Respondents.

Case No. 2018-993

FILED

APR 25 2019

NEVADA COMMISSION OF
COMMON INTEREST COMMUNITIES
AND CONDOMINIUM HOTELS

14 **COMPLAINT FOR DISCIPLINARY
15 ACTION AND NOTICE OF HEARING**

16 The Real Estate Division of the Department of Business and Industry, State of
17 Nevada (the "Division"), by and through its counsel, Aaron D. Ford, Attorney General of
18 the State of Nevada, and Michelle D. Briggs, Senior Deputy Attorney General, hereby
19 notifies RESPONDENTS GREENRIDGE HOMEOWNERS ASSOCIATION, LESLIE
20 HOLLAND, DIANE LEYVA, JOSHUA SCHAPER, CARLINE ROKS, STEVE HALL,
21 DAVE REID, AND JANET MEYERS (hereinafter, "RESPONDENTS") of an
22 administrative hearing before the Commission for Common-Interest Communities and
23 Condominium Hotels, State of Nevada, which is to be held pursuant to Chapters 233B
24 and 116 of the Nevada Revised Statutes ("NRS") and Chapter 116 of the Nevada
25 Administrative Code ("NAC"). The purpose of the hearing is to consider the allegations
26 stated below and to determine if an administrative penalty will be imposed on the
27 RESPONDENTS pursuant to the provisions of NRS and NAC including, but not limited
28 to, NRS 116.785 and NRS 116.790.

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2 **JURISDICTION AND NOTICE**

3 1. During the relevant times mentioned in this complaint, RESPONDENTS
4 LESLIE HOLLAND, DIANE LEYVA, JOSHUA SCHAPER, CARLINE ROKS, STEVE
5 HALL, DAVE REID, AND JANET MEYERS served as board members and/or officers of
6 GREENRIDGE HOMEOWNERS ASSOCIATION (the “Association”), a common-interest
7 community located in Las Vegas, Nevada.

8 2. RESPONDENTS are subject to the provisions of Chapter 116 of each the
9 Nevada Revised Statutes (“NRS”) and the Nevada Administrative Code (“NAC”)
10 (hereinafter collectively referred to as “NRS 116”) and are subject to the jurisdiction of
11 the Division, and the Commission for Common-Interest Communities pursuant to the
12 provisions of NRS 116.750.

13 **FACTUAL ALLEGATIONS**

14 3. GREENRIDGE HOMEOWNERS ASSOCIATION (the “Association”), is a
15 self-managed, planned community consisting of 83 units.

16 4. The Association has an annual budget of \$64,740.

17 5. The Association failed to submit a reserve study summary form and
18 appeared to be underfunded in its reserves.

19 6. The Division initiated an audit of the Association’s records.

20 7. After reviewing Association records, the auditor discovered the following:

- 21 a. No reserve study since 2010;
- 22 b. Reserves funded approximately 14%;
- 23 c. No reserve contributions in 2015 through 2018;
- 24 d. RESPONDENT DIANE LEYVA’s husband is a vendor for the Association;
- 25 e. The Association could not provide a balance sheet, an income statement, or
26 a general ledger;
- 27 f. The bank signature card does not have any board member listed as a signor;
- 28 g. Two board members, RESPONDENTS DIANE LEYVA AND JANET
MYERS do not appear to pay assessments;

1 h. The Association's bank records show multiple overdraft charges; and

2 i. The assessments have not increased since 2009.

3 8. The Division initiated an investigation of the Association and requested the
4 board members respond to the allegations.

5 9. The Division sent four certified letters to the board for a response to the
6 allegations and requesting Association documents.

7 10. RESPONDENT DIANE LEYVA said she paid her assessments through the
8 money owed to her husband for services he provided to the Association.

9 11. RESPONDENTS provided no documents to the Division's investigator and
10 no other response to the allegations.

11 12. The Association is not in good standing with the Division.

12 13. The Division could not complete its investigation of the Association due to
13 RESPONDENTS failure to cooperate during the investigation.

14 **VIOLATIONS OF LAW**

15 14. RESPONDENTS violated NRS 116.31152 by failing to have a reserve study
16 conducted once every five years.

17 15. RESPONDENTS violated NRS 116.3115(2)(b) by failing to adequately fund
18 its reserves.

19 16. RESPONDENTS violated NRS 116.3103 (through NAC 116.405(3)) by
20 failing to act in good faith and in the best interests of the Association when they
21 committed an act or omission which amounts to incompetence, negligence or gross
22 negligence by failing to comply with Nevada law.

23 17. RESPONDENTS violated NRS 116.3103 (through NAC 116.405(8)(a)) by
24 failing to act in good faith and in the best interests of the Association when they failed to
25 cause the Association to comply with all state laws.

26 18. RESPONDENTS violated NRS 116.3103 (through NAC 116.405(5)) by
27 failing to act in good faith and in the best interests of the Association when they failed to
28 comply with a request by the Division to provide documents and concealed facts and

1 documents relating to the business of the Association.

2 19. RESPONDENT DIANE LEYVA violated NRS 116.31034(10) by serving on
3 the board when she stood to gain personal profit or compensation from a matter before
4 the executive board.

5 20. RESPONDENTS violated NRS 116.3103 (through NAC 116.405(8)(g)) by
6 failing to maintain current, accurate and properly documented financial records.

7 21. RESPONDENTS violated NRS 116.3103 (through NAC 116.405(8)(i)) by
8 failing to establish policies and procedures that are designed to provide reasonable
9 assurances in the reliability of financial reporting, including, without limitation, proper
10 maintenance of accounting records, documentation of the authorization for receipts and
11 disbursements, verification of the integrity of the data used in making business decisions,
12 facilitation of fraud detection and prevention, and compliance with the applicable laws
13 and regulations governing financial records.

14 22. RESPONDENTS violated NRS 116.3103 (through NAC 116.405(8)(j)) by
15 failing to prepare interim and annual financial statements that will allow the Division,
16 the executive board, the units' owners and the accountant or auditor to determine
17 whether the financial position of the association is fairly presented in accordance with
18 the provisions of NAC 116.451 to 116.461, inclusive.

19 **DISCIPLINE AUTHORIZED**

20 Pursuant to the provisions of NRS 116.615; NRS 116.755; NRS 116.785; and NRS
21 116.790 the Commission has discretion to take any or all of the following actions:

22 1. Issue an order directing RESPONDENT to cease and desist from continuing
23 to engage in the unlawful conduct that resulted in the violation.

24 2. Issue an order directing RESPONDENT to take affirmative action to correct
25 any conditions resulting from the violation.

26 3. Impose an administrative fine of up to \$1,000 for each violation by
27 RESPONDENT.

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1 4. IF RESPONDENTS ARE FOUND TO HAVE KNOWINGLY AND
2 WILLFULLY COMMITTED A VIOLATION of NRS or NAC 116 AND it is in the best
3 interest of the Association, such RESPONDENTS may be removed from his/her position
4 as a director and/or officer.

5 5. Order an audit of the ASSOCIATION, at the expense of the ASSOCIATION.

6 6. Require the BOARD MEMBERS to hire a community manager who holds a
7 certificate.

8 7. Require RESPONDENTS to pay the costs of the proceedings incurred by the
9 Division, including, without limitation, the cost of the investigation and reasonable
10 attorney's fees.

11 8. Take whatever further disciplinary action as the Commission deems
12 appropriate.

13 The Commission may order one or any combination of the discipline described
14 above. If the Commission finds that the RESPONDENTS knowingly and willfully
15 violated the provisions of NRS or NAC 116, the Commission may order that
16 RESPONDENTS be personally liable for all fines and costs imposed.

17 NOTICE OF HEARING

18 PLEASE TAKE NOTICE, that a disciplinary hearing has been set to consider
19 this Administrative Complaint against the above-named RESPONDENTS in accordance
20 with Chapters 233B and 116 of the Nevada Revised Statutes and Chapter 116 of the
21 Nevada Administrative Code.

22 THE HEARING WILL TAKE PLACE at the Commission meeting scheduled for June
23 4-6, 2019, beginning at approximately 9:00 a.m. each day, or until such time as the
24 Commission concludes its business. On June 4 and 5, 2019, the Commission meeting will
25 be held at the Nevada State Business Center, 3300 W. Sahara Avenue, Nevada Room, Suite
26 400, Las Vegas, Nevada 89102 with videoconferencing to Division of Insurance, 1818 E.
27 College Parkway, Carson City, Nevada 89706. On June 6, 2019, the Commission meeting
28 will be held at the Nevada State Business Center, 3300 W. Sahara Avenue, Tahoe Room,

1 Fourth Floor, Las Vegas, Nevada 89102, with videoconferencing to Division of Insurance,
2 1818 E. College Parkway, Carson City, Nevada 89706.

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

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

18 As a **RESPONDENT**, you are specifically informed that you have the right to
19 appear and be heard in your defense, either personally or through your counsel of choice.
20 At the hearing, the Division has the burden of proving the allegations in the complaint
21 and will call witnesses and present evidence against you. You have the right to respond
22 and to present relevant evidence and argument on all issues involved. You have the right
23 to call and examine witnesses, introduce exhibits, and cross-examine opposing witnesses
24 on any matter relevant to the issues involved.

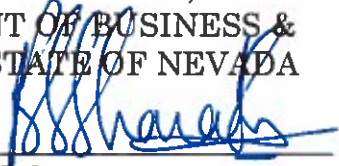
25 You have the right to request that the Commission issue subpoenas to compel
26 witnesses to testify and/or evidence to be offered on your behalf. In making this request,
27 you may be required to demonstrate the relevance of the witness' testimony and/or
28 evidence. Other important rights and obligations, including your obligation to answer the

1 complaint, you have are listed in NRS Chapter 116 and NAC Chapter 116, including
2 without limitation, NRS 116.770 through 116.780, and NAC 116.500 through NAC
3 116.635 and NRS Chapter 233B.

4 Note that under NAC 116.575, not less than five (5) working days before a hearing,
5 RESPONDENTS must provide to the Division a copy of all reasonably available
6 documents that are reasonably anticipated to be used to support his position, and a list
7 of witnesses RESPONDENTS intend to call at the time of the hearing. Failure to provide
8 any document or to list a witness may result in the document or witness
9 being excluded from RESPONDENTS' defense. The purpose of the hearing is to
10 determine if the RESPONDENTS have violated the provisions of NRS 116, and to
11 determine what administrative penalty is to be assessed against RESPONDENTS.

12 DATED: April 24, 2019.

14 REAL ESTATE DIVISION,
15 DEPARTMENT OF BUSINESS &
16 INDUSTRY, STATE OF NEVADA

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