

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,
 Petitioner,

6 vs.

7 Deborah Anderson,
8
9 Respondent.

Case No. 2020-269

FILED

DEC 13 2021

NEVADA COMMISSION FOR
COMMON INTEREST COMMUNITIES
AND CONDOMINIUM HOTELS

Kelly Valadez

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11 **STIPULATION AND ORDER**

12 **FOR SETTLEMENT OF DISCIPLINARY ACTION**

13 This Stipulation and Order for Settlement of Disciplinary Action ("Stipulation") is
14 entered into by and between the State of Nevada, Department of Business and Industry,
15 Real Estate Division ("Division"), through its Administrator Sharath Chandra
16 ("Petitioner"), by and through their attorney of record, Karissa D. Neff, Senior Deputy
17 Attorney General, and Deborah Anderson ("RESPONDENT"). The parties stipulate as
18 follows:

19 **JURISDICTION AND NOTICE**

20 During all relevant times mentioned in this complaint, RESPONDENT held a
21 community manager certificate from the Division (CAM.0000272) and is, therefore,
22 subject to the jurisdiction of the Division and the provisions of NRS Chapters 116 and
23 116A and NAC Chapters 116 and 116A. RESPONDENT'S certificate is currently in
24 "active" status.

25 **FACTUAL ALLEGATIONS SET FORTH IN COMPLAINT**

- 26 1. RESPONDENT holds a community manager certificate from the Division
27 (CAM.0000272), said license being in "active" status at the time of filing this complaint.
28 2. At all relevant times alleged herein, RESPONDENT was the community

1 manager of Hollywood Highland East Landscape Maintenance Association ("Association.")

2 3. The Association is limited purpose association comprised of 590 single family
3 homes and has common areas that consist of landscaping and perimeter walls.

4 4. On November 4, 2019, the Division initiated an audit of the Association after
5 the Division: (1) received a personal check from RESPONDENT for payment of the
6 Association's annual registration fee, (2) believed the Association's reserve account could
7 be underfunded, and (3) failed to timely receive the Association's reserve study summary
8 form in conjunction with its 2016 reserve study.

9 5. The Division's audit showed that RESPONDENT provided false information to
10 the Division on the Association's 2018 and 2019 Annual Registration forms by stating a
11 site inspection had been done in connection with the Association's 2016 reserve study,
12 when, in fact, no such site visit had been performed since 2010.

13 6. The Division's audit showed that RESPONDENT's management contract did
14 not comply with the requirements of NRS 116A.620.

15 7. RESPONDENT also charged fees that were not reflected in her management
16 agreement and did not provide any supporting documentation to the Division for those
17 additional fees she was paid by the Association.

18 8. The Division's audit showed that between January of 2017 and December of
19 2019, RESPONDENT transferred approximately \$189,800.00 from the Association's
20 reserve account in six separate transactions, four of which were transferred to the
21 Association's operating account and two to certificate of deposit accounts.

22 9. RESPONDENT failed to provide the Division with documentation showing
23 that the transfer of the \$189,800.00 from the Association's reserve account between
24 January of 2017 and December of 2019 was done at the direction of the Association's board.

25 10. On April 13, 2020, the Division properly notified RESPONDENT it had opened
26 an investigation against her and requested that she respond to the allegations set forth in
27 its April 13th letter as well as provide certain documents to the Division.

28 11. RESPONDENT responded to the Division's investigation by her affidavit dated

1 May 11, 2020.

2 12. In her response to the Division, RESPONDENT admitted that there had been no
3 on-site inspection performed in 2016 in connection with the Association's 2016 reserve
4 study, that she incorrectly stated there had been an on-site inspection in 2016 on the
5 Association's 2018 and 2019 annual registration renewals, and that an on-site inspection
6 was completed on January 9, 2020.

7 13. RESPONDENT provided the Division with an updated management agreement.

8 14. In response to the Division's investigation, RESPONDENT stated that all
9 reimbursements to her by the Association were always documented with the Association's
10 board and that her management agreement had since been updated to reflect most of the
11 foreseeable costs.

12 15. RESPONDENT stated that transfers totaling \$189,800.00 were done with
13 approval from the Association's board, that \$89,900.00 of this money was transferred to the
14 operating account for approved reserve account expenditures, and that two \$50,000
15 transfers were made to open CD accounts.

16 16. On June 25, 2020, the Division subsequently requested that RESPONDENT
17 describe in detail how she transferred \$189,800.00 from the Association's reserve funds in
18 the six transactions between January of 2017 and December of 2019, and provide
19 documentation that these transfers were done at the direction of the Association's board.

20 17. After not receiving a response, on July 17, 2020, the Division again requested
21 RESPONDENT describe in detail how she transferred \$189,800.00 from the Association's
22 reserve funds and provided documentation that these transfers were done at the direction
23 of the Association's board.

24 18. In response, RESPONDENT provided documentation showing the electronic
25 transfer of the funds, but failed to provide any documents reflecting that these transfers
26 were done at the direction of the Association's board.

27 19. On February 5, 2021, the Division properly notified RESPONDENT it
28 was bringing a complaint against her for disciplinary action by filing a complaint for

1 hearing before the Commission.

2 **VIOLATIONS OF LAW ALLEGED IN THE COMPLAINT**

3 20. RESPONDENT violated NRS 116A.630(6)(a) failing to ensure the financial
4 transactions of a client are current, accurate, and properly documented by paying certain
5 Association expenses with personal checks.

6 21. RESPONDENT violated NRS 116A.630(1)(b) by failing to exercise ordinary and
7 reasonable care in the performance of her duties by representing to the Division on the
8 Association's 2018 and 2019 Annual Registration forms, that a site inspection had been
9 done in connection with the Association's 2016 reserve study, when, in fact, no such site
10 visit had been performed since 2010.

11 22. RESPONDENT violated NRS 116A.620 by managing the Association under a
12 management agreement that did not comply with the requirements of Nevada law.

13 23. RESPONDENT violated NRS 116.31153(1) and NRS 116A.640(5) between
14 January of 2017 and December of 2019 by transferring \$189,800.00 from the reserve
15 account without providing any Association records establishing that these transfers were
16 done at the direction of the Association's board.

17 24. RESPONDENT violated 116A.630 (1)(b) by failing to exercise ordinary
18 and reasonable care in the performance of her duties as a community manager.

19 25. RESPONDENT violated NRS 116A.630(2)(a) and NAC 116A.320 by failing to
20 comply with state laws.

21 26. RESPONDENT violated NAC 116A.355(1)(a)(2) (through NAC 116A.355(3)(a)
22 and (b) by committing professional incompetence by demonstrating a significant lack of
23 ability, knowledge or fitness to perform a duty or obligation owed to a client and by failing
24 to exercise reasonable skill and care with respect to a duty or obligation owed to a client.

25 27. RESPONDENT violated NAC 116A.355(1)(a)(1) through NAC
26 116A.355(4)(g) by committing unprofessional conduct and/or professional incompetence
27 by failing to act in the best interests of the Association.

28

SETTLEMENT

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2 1. RESPONDENT shall pay the Division a total of \$1,487.50 ("Amount Due"),
3 consisting of a Division imposed fine in the amount of \$1,000.00 and the Division's
4 incurred costs in the amount of \$487.50, within 60 days of the date of the order approving
5 this Stipulation and Order.

6 2. RESPONDENT shall also complete the 60 hour Pre-Certification Course
7 approved by the Division for community management which shall be completed within
8 one year of the date of the order approving this Stipulation and Order. Said education
9 classes shall not count towards those necessary for RESPONDENT's annual license
10 renewal.

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

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

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

1 performed by RESPONDENT. RESPONDENT fully understands that she has the right
2 to be represented by legal counsel in this matter at her own expense.

3 6. Each party shall bear their own attorney's fees and costs, except as
4 otherwise set forth herein.

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

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

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

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

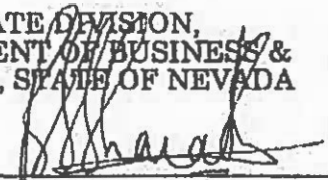
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11. Default. In the event of default under this Stipulation, RESPONDENT agrees that her license shall be immediately suspended, and the unpaid balance of the administrative fine and costs, together with any attorneys' fees and costs that may have been assessed, shall be due in full to the Division within ten calendar days of the date of default. Debt collection actions for unpaid monetary assessments in this case may be instituted by the Division or its assignee.

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

DATED: November 9, 2021.

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

By: 
Sharath Chandra, Administrator

DATED: November 9, 2021.


Deborah Anderson

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ORDER

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

Dated: December 16 2021.

**COMMISSION FOR COMMON-INTEREST
COMMUNITIES AND CONDOMINIUM
HOTELS, DEPARTMENT OF BUSINESS
& INDUSTRY, STATE OF NEVADA**

By: 
Michael Burke, Chairman

Submitted by:

AARON D. FORD
Attorney General

By: *1st Karissa Neff*

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