

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.

Richard Bianco,

Respondent.

Case No. 2017-2427

FILED

JUN 08 2021

NEVADA COMMISSION FOR
COMMON INTEREST COMMUNITIES
AND CONDOMINIUM HOTELS

Kelly Valadez

STIPULATION AND ORDER

FOR SETTLEMENT OF DISCIPLINARY ACTION

This Stipulation and Order for Settlement of Disciplinary Action ("Stipulation") is entered into by and between the State of Nevada, Department of Business and Industry, Real Estate Division ("Division"), through its Administrator Sharath Chandra ("Petitioner"), by and through their attorney of record, Karissa D. Nell. Senior Deputy Attorney General, and Richard Bianco, ("RESPONDENT").

The parties stipulate as follows:

JURISDICTION AND NOTICE

1. During the relevant times mentioned in this complaint, RESPONDENT served as a board member and/or officer of Riverwalk Homeowners Association ("Association"), a common-interest community located in Las Vegas, Nevada.

2. RESPONDENT is subject to the provisions of Chapter 116 of each the Nevada Revised Statutes ("NRS") and the Nevada Administrative Code ("NAC") (hereinafter collectively referred to as "NRS 116") and is subject to the jurisdiction of the Division, and the Commission for Common-Interest Communities pursuant to the provisions of NRS 116.750.

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1 **FACTS AS ALLEGED IN THE COMPLAINT**

2 1. The Association is a 369 unit planned community/single family
3 development located in Las Vegas, Nevada.

4 2. This case originated with the Division when it received information from
5 the Association's attorney, that RESPONDENT, while president of the Association, was
6 sole signing checks to individuals who appeared to be related to him, or with whom he
7 had a business or personal relationship with.

8 3. RESPONDENT was notified by the Association's attorney of these
9 allegations in a demand letter sent to him in August of 2017.

10 4. On December 8, 2017, the Division properly notified RESPONDENT it had
11 opened an investigation against him and requested a response to the following
12 allegations: (1) Association checks were executed and distributed by RESPONDENT
13 without a second signature, (2) RESPONDENT executed Association checks payable to
14 himself without a second signature, (3) RESPONDENT issued Association checks
15 bearing only one signature payable to his brother and/or company affiliated with his
16 brother, (4) the Association's executive board did not authorize RESPONDENT to
17 execute the checks referenced by the Association's attorney, and (5) that
18 RESPONDENT failed to disclose issues related to checks to the Association's executive
19 board that would have required RESPONDENT to recuse himself from approving them.

20 5. RESPONDENT responded to the Division's December 8th letter but did not
21 address the Division's specific allegations.

22 6. After receiving an inadequate response from RESPONDENT, the Division
23 again sent a letter to RESPONDENT on January 19, 2018 and requested a response.

24 7. On February 5, 2018, RESPONDENT responded to the Division's
25 investigation and also referred the Division to his responses to the Association's
26 attorney's August 24, 2017 demand letter.

27 8. In response to the allegation that he signed and distributed Association
28 checks bearing only one signature, he claimed that he did not execute the checks but

1 that they were sent to him to sign by the Association's management company- First
2 Columbia Community Management Inc. ("FCCMI").

3 9. FCCMI (through supervisory community manager Thomas Kelly) managed
4 the Association during the period when RESPONDENT was improperly signing
5 Association checks.

6 10. In response to the allegation that RESPONDENT executed checks payable
7 to himself with just one signature, RESPONDENT claimed the checks were for
8 expenses under \$500.00 (and that he could sole sign checks under \$500.00), and that
9 the checks were for office equipment, paper, ink, etc. and that these expenditures were
10 approved by the executive board.

11 11. In response to the allegations that he sole signed checks to his brother,
12 Alfred Bianco, and or a company affiliated with his brother, he stated that against his
13 objection, the Board voted to hire Alfred Bianco, that both he and another board
14 member were on the Association account's signatory cards, and that once he signed the
15 checks to Alfred Bianco, he sent them over to the other board member for signature.

16 12. In response to the allegation that he was not authorized by the executive
17 board to sign checks referenced in the Association's attorney's letter, he stated that the
18 Association checks were not executed by him, but that they were sent to him to sign by
19 FCCMI after it approved the invoices.

20 13. In response to the allegation that he failed to disclose issues to the
21 executive board that would have required him to recuse himself from approval,
22 RESPONDENT stated that because FCCMI had sent checks to an out of state board
23 member to sign that were lost in the mail. FCCMI told him that he and another other
24 board member would need to sign the checks for payments.

25 14. RESPONDENT further stated that the executive board knew Alfred
26 Bianco was related to him and that RESPONDENT abstained from voting to hire him,
27 but that he had no choice to sign the checks to him and then send them to the other
28 board member for signature.

1 15. During the Division's investigation, it obtained copies of several
2 Association checks signed by RESPONDENT.

3 16. Approximately eight Association checks were made out to RESPONDENT
4 and sole signed by RESPONDENT.

5 17. In response to the Division's investigation, RESPONDENT claimed the
6 checks made out to himself were for reimbursement for out-of-pocket expenses that
7 RESPONDENT incurred for replacing his own equipment and supplies and claimed the
8 executive board approved these expenses, and that he was not informed that another
9 board member would have to sign the checks he made out to himself.

10 18. There are no Association records indicating that these checks to
11 RESPONDENT were approved by the executive board or that he had approval to sole
12 sign checks under \$500.00.

13 19. RESPONDENT sole signed approximately four checks on behalf of the
14 Association made payable to his brother Alfred Bianco.

15 20. RESPONDENT claimed FCCMI approved Alfred Bianco's invoices and
16 sent RESPONDENT the checks to sign.

17 21. RESPONDENT signed approximately eight additional checks from the
18 Association payable to his brother Alfred Bianco, and on those checks, having a legible
19 second signature from another board member, bearing either Joseph Burgess'
20 ("Burgess") or Loe-Ann Stromski's ("Stromski") signatures, both Burgess and Stromski
21 verified they had not signed those checks.

22 22. RESPONDENT stated he had no knowledge about the second signature
23 being forged and stated that he assumed the checks were signed by other board
24 members.

25 23. There are no Association records indicating that the expenditures to Alfred
26 Bianco were approved by the executive board.

27 24. RESPONDENT signed a check to Alfred Bianco's company, Paragon
28 Services, and permitted board member Emily Isaac (who had a relationship with Alfred

1 Bianco), to sign as a second signatory even though she did not have check signing
2 authority.

3 25. RESPONDENT admitted that Emily Isaac did not have check signing
4 authority at the time she signed an Association check to Paragon Services dated April 7,
5 2017.

6 26. There are no Association records showing that the executive board
7 approved this check to Paragon Services.

8 27. There are no Association records showing that Alfred Bianco and/or
9 Paragon Services were properly licensed to perform work for the Association, or that
10 their services were selected after the board obtained bids from properly licensed service
11 providers.

12 28. RESPONDENT sole signed two checks to ABC.

13 29. ABC is a company that was primarily a windshield replacement company
14 that then branched into providing security camera installation services to the
15 Association and is owned by RESPONDENT's neighbor, Leonel Gomez.

16 30. RESPONDENT provided no evidence that ABC held the proper licenses to
17 conduct business and perform work for the Association.

18 31. There are no Association records indicating that the board approved ABC
19 as a service provider for the Association or that there were any bids obtained to find
20 reputable service providers to perform security installation for the Association.

21 32. RESPONDENT sole signed approximately seven checks to Kristi's
22 Promotions.

23 33. There are no Association records indicating that the expenditures to
24 Kristi's Promotions was approved by the executive board.

25 34. Kristi's Promotions is owned by Kristi Sustrick.

26 35. Kristi Sustrick is RESPONDENT's personal assistant and caretaker.

27 36. The contract with Kristi's Promotions dated June 1, 2015 is signed only by
28 RESPONDENT on behalf of the board and the contract is for the same services the

1 Association's community manager was already providing.

2 37. There are no Association records indicating that the board approved
3 Kristi's Promotions as a service provider for the Association or that there were any bids
4 obtained to find reputable service providers for the Association prior to using Kristi's
5 Promotions.

6 38. RESPONDENT sole signed one check to board member J. Burgess
7 ("Burgess").

8 39. The check to Burgess was purportedly for reimbursements for booklets,
9 copies, etc. that Burgess stated he was preparing for the Association.

10 40. There are no Association records approving this payment or agreeing to
11 pay back Burgess' claimed reimbursements.

12 41. In June of 2020, the Division requested that RESPONDENT provide the
13 Division with certain documents, including meeting minutes, financial statements,
14 bank statements, vendor contracts, and check registers ("Requested Documents").

15 42. RESPONDENT failed to provide the Division with the Requested
16 Documents.

17 43. On August 18, 2020, RESPONDENT was properly notified by the Division
18 it intended to file a complaint against him for hearing before the Commission.

19
20 **VIOLATIONS OF LAW ALLEDED IN THE COMPLAINT**

21 44. RESPONDENT knowingly and willfully violated NRS 116.3103(1)(a) and
22 (b) by failing to act in the best interest of the Association and failed to use reasonable
23 care and avoid conflicts of interest when he sole signed checks from the Association to
24 himself.

25 45. RESPONDENT knowingly and willfully violated NRS 116.31153(2) by sole
26 signing checks from the Association's account to himself.

27 46. RESPONDENT knowingly and willfully violated NRS 116.3103(1)(a) and
28 (b) through NAC 116.405(8)(a) by failing to comply with all applicable laws when he

1 solely signed Association checks to himself.

2 47. RESPONDENT knowingly and willfully violated NRS 116.3103(1)(a)
3 through NAC 116.405(3) by failing to act in the best interest of the Association and by
4 failing to use ordinary care by committing an act or omission which amounts to
5 incompetence, negligence or gross negligence by permitting his brother, Alfred Bianco,
6 to be paid by the Association for performing work without approval from the
7 Association's board.

8 48. RESPONDENT knowingly and willfully violated NRS 116.31153(2) by sole
9 signing checks to his brother Alfred Bianco.

10 49. RESPONDENT knowingly and willfully violated his duties pursuant to
11 NRS 116.3103(1) and (2) through NAC 116.405(8)(a) by failing to comply with all
12 applicable laws by forging board members' Joseph Burgess' and Lee-Ann Skomski's
13 signatures on checks to his brother, Alfred Bianco.

14 50. RESPONDENT knowingly and willfully violated NRS 116.3103(1)(a) and
15 (b) through NAC 116.405(8)(g) by failing to act in the best interest of the Association
16 and by failing to use ordinary care and avoid conflicts of interest by failing cause the
17 Association to maintain current, accurate and properly documented financial records by
18 signing a check payable to his brother Alfred Bianco's company, Paragon Services, along
19 with permitting board member Emily Isaac ("Isaac") to do the same, knowing that Isaac
20 was not an authorized check signer without authority from the Association's board.

21 51. RESPONDENT knowingly and willfully violated NRS 116.3103(1)(a)
22 through NAC 116.405(8)(d) by failing to act in the best interest of the Association by
23 permitting ABC, an unlicensed company, to perform camera installation throughout the
24 Association without obtaining bids from reputable service providers who possess the
25 proper licensing.

26 52. RESPONDENT knowingly and willfully violated NRS 116.3103(1)(a) and
27 (b) through NAC 116.405(8)(g) by failing to act in the best interest of the Association
28 and by failing to use ordinary care and avoid conflicts of interest by failing cause the

1 Association to maintain current, accurate and properly documented financial records by
2 permitting Kristi's Promotions, an unlicensed company, owned by his personal assistant
3 and caretaker, to provide services for the Association without approval from the
4 Association's board.

5 53. RESPONDENT knowingly and willfully violated NRS 116.3103(1)(a)
6 through NAC 116.405(8)(d) by failing to obtain bids from reputable service providers
7 who possess the proper licensing when he hired Kristi's Promotions, an unlicensed
8 company and his personal assistant and caretaker, to perform services already being
9 performed by the Association's community manager.

10 54. RESPONDENT knowingly and willfully violated NRS 116.31153(2) by sole
11 signing checks to Kristi's Promotions.

12 55. RESPONDENT violated NRS 116.31153(2) by sole a signing check to J.
13 Burgess.

14 56. RESPONDENT knowingly and willfully violated NRS 116.3103(a) through
15 NAC 116.405(5)(a) by impeding or otherwise interfering with the Division's
16 investigation by failing to provide the Division with the Requested Documents during
17 its investigation.

18 DISCIPLINE AUTHORIZED

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

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

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

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

27 60. IF RESPONDENT IS FOUND TO HAVE KNOWINGLY AND
28 WILLFULLY COMMITTED A VIOLATION of NRS or NAC 116 AND it is in the best

1 interest of the Association, RESPONDENT may be removed from his/her position as a
2 director and/or officer.

3 61. Order an audit of the ASSOCIATION, at the expense of the
4 ASSOCIATION.

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

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

10 64. Take whatever further disciplinary action as the Commission deems
11 appropriate.

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

16 SETTLEMENT

17 1. RESPONDENT RICHARD BIANCO agrees not to serve as a board member or
18 officer of the Association for a period of no less than 5 years from the date of this Order.

19 2. RESPONDENT and the Division agree that by entering into this Stipulation
20 and Order, the Division does not concede any defense or mitigation RESPONDENT may
21 assert and that once this Stipulation and Order is approved and fully performed, the
22 Division will close its file in this matter.

23 3. RESPONDENT agrees that if the terms and conditions of this Stipulation and
24 Order are not met, the Division may, at its option, rescind this Stipulation and Order
25 and proceed with prosecuting the Complaint before the Commission.

26 4. RESPONDENT agrees and understands that by entering into this Stipulation
27 and Order, RESPONDENT is waiving his right to a hearing at which RESPONDENT
28 may present evidence in his defense, his right to a written decision on the merits of the

1 Complaint, his right to reconsideration and/or rehearing, appeal and/or judicial review,
2 and all other rights which may be accorded by the Nevada Administrative Procedure
3 Act, the Nevada Common Interest Ownership statutes and accompanying regulations,
4 and the federal and state constitutions. RESPONDENT understands that this
5 Stipulation and Order and other documentation may be subject to public records laws.
6 The Commission members who review this matter for approval of this Stipulation and
7 Order may be the same members who ultimately hear, consider and decide the
8 Complaint if this Stipulation and Order is either not approved by the Commission or is
9 not timely performed by RESPONDENT. RESPONDENT fully understands that he has
10 the right to be represented by legal counsel in this matter at his own expense.

11 5. Each party shall bear their own attorney's fees and costs.

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

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

26 8. Indemnification. RESPONDENT hereby indemnifies and holds harmless
27 the State of Nevada, the Department of Business and Industry, the Division, and each
28 of their respective members, agents, employees and counsel in their individual and

reading and understanding all terms herein.

DATED: May _____, 2021.

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

By: _____
Sharath Chandra, Administrator

DATED: May 31, 2021.



Richard Bianco

1 representative capacities against any and all claims, suits, and actions brought against
2 said persons and/or entities by reason of the Division's investigation, this disciplinary
3 action and all other matters relating thereto, and against any and all expenses,
4 damages, and costs, including court costs and attorney fees, which may be sustained by
5 the persons and/or entities named in this section as a result of said claims, suits, and
6 actions.

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

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10 DATED: May 27, 2021.

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

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13 By: 
Sharath Chandra, Administrator

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15 DATED: May ____, 2021.

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Richard Bianco

ORDER

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

Dated: June 2, 2021.

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

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