

1
2
3
4
5
6
7
8
9
10
11
12

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

APR 19 2021

NEVADA COMMISSION FOR
COMMON INTEREST COMMUNITIES
AND CONDOMINIUM HOTELS

Kelly Valadez

13
14
15
16
17
18
19
20
21
22
23
24

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

The Real Estate Division of the Department of Business and Industry, State of Nevada (the "Division"), by and through its counsel, Aaron D. Ford, Attorney General of the State of Nevada, and Karissa D. Neff, Senior Deputy Attorney General, hereby notifies RESPONDENT Richard Bianco ("Bianco") ("RESPONDENT") of an administrative hearing before the Commission for Common-Interest Communities and Condominium Hotels, State of Nevada, which is to be held pursuant to Chapters 233B and Chapters 116 of the Nevada Revised Statutes ("NRS") and Chapter 116 of the Nevada Administrative Code ("NAC"). The purpose of the hearing is to consider the allegations stated below and to determine if an administrative penalty will be imposed on the RESPONDENT pursuant to the provisions of NRS and NAC including, but not limited to, NRS 116.785 and NRS 116.790.

25
26
27
28

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

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

5 FACTUAL ALLEGATIONS

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

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

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

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

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

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

28 7. On February 5, 2018, RESPONDENT responded to the Division's

1 investigation and also referred the Division to his responses to the Association's
2 attorney's August 24, 2017 demand letter.

3 8. In response to the allegation that he signed and distributed Association
4 checks bearing only one signature, he claimed that he did not execute the checks but that
5 they were sent to him to sign by the Association's management company- First Columbia
6 Community Management Inc. ("FCCMI").

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

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

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

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

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

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

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

7 16. Approximately eight Association checks were made out to RESPONDENT
8 and sole signed by RESPONDENT.

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

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

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

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

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

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

28 23. There are no Association records indicating that the expenditures to Alfred

1 Bianco were approved by the executive board.

2 24. RESPONDENT signed a check to Alfred Bianco's company, Paragon
3 Services, and permitted board member Emily Isaac (who had a relationship with Alfred
4 Bianco), to sign as a second signatory even though she did not have check signing
5 authority.

6 25. RESPONDENT admitted that Emily Isaac did not have check signing
7 authority at the time she signed an Association check to Paragon Services dated April 7,
8 2017.

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

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

14 28. RESPONDENT sole signed two checks to ABC.

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

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

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

23 32. RESPONDENT sole signed approximately seven checks to Kristi's
24 Promotions.

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

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

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

1 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, to
6 be paid by the Association for performing work without approval from the Association's
7 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 NRS
11 116.3103(1) and (2) through NAC 116.405(8)(a) by failing to comply with all applicable
12 laws by forging board members' Joseph Burgess' and Lee-Ann Skomski's signatures on
13 checks to his brother, Alfred Bianco.

14 50. RESPONDENT knowingly and willfully violated NRS 116.3103(1)(a) and (b)
15 through NAC 116.405(8)(g) by failing to act in the best interest of the Association and by
16 failing to use ordinary care and avoid conflicts of interest by failing cause the Association
17 to maintain current, accurate and properly documented financial records by signing a
18 check payable to his brother Alfred Bianco's company, Paragon Services, along with
19 permitting board member Emily Isaac ("Isaac") to do the same, knowing that Isaac was
20 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 and
28 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 who
7 possess the proper licensing when he hired Kristi's Promotions, an unlicensed company
8 and his personal assistant and caretaker, to perform services already being performed by
9 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 investigation
16 by failing to provide the Division with the Requested Documents during its investigation.

17 **DISCIPLINE AUTHORIZED**

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

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

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

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

26 60. IF RESPONDENT IS FOUND TO HAVE KNOWINGLY AND WILLFULLY
27 COMMITTED A VIOLATION of NRS or NAC 116 AND it is in the best interest of the
28 Association, RESPONDENT may be removed from his/her position as a director and/or

1 officer.

2 61. Order an audit of the ASSOCIATION, at the expense of the ASSOCIATION.

3 62. Require the BOARD MEMBERS to hire a community manager who holds a
4 certificate.

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

8 64. Take whatever further disciplinary action as the Commission deems
9 appropriate.

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

14 **NOTICE OF HEARING**

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

19 **THE HEARING WILL TAKE PLACE** at the Commission meeting scheduled
20 for June 1-3, 2021, beginning at approximately 9:00 a.m. each day, or until such
21 time as the Commission concludes its business. The Commission uses WebEx for its
22 meetings. To join the hearing go to the website Webex.com and put in the Meeting ID and
23 Password:

24 **TUESDAY, JUNE 1, 2021 MEETING NUMBER ACCESS CODE: 146 354 4074**
25 **MEETING PASSWORD: gJmpEp32E2 (45673733232 from phones and video systems)**

26 **WEDNESDAY, JUNE 2, 2021 MEETING NUMBER ACCESS CODE: 146 462 9950**
27 **MEETING PASSWORD: JpKZBPq8r77 (57592778777 from phones and video systems)**

28 **THURSDAY, June 3, 2021 MEETING NUMBER ACCESS CODE: 146 515 5878**
MEETING PASSWORD: Yxt7M7xdej9 (99876793359 from phones and video systems)

1 If you do not have internet access, you may attend by phone at (844) 621-3956.
2 Some mobile devices may ask attendees to enter a numeric meeting password provided
3 above. If you would like an email containing this information, before the hearing, please
4 contact Kelly Valadez, Commission Coordinator, at (702) 486-4606 or
5 KValadez@red.nv.gov.

6 **STACKED CALENDAR:** Your hearing is one of several hearings that may
7 be scheduled at the same time as part of a regular meeting of the Commission
8 that is expected to take place on June 1-3, 2021. Thus, your hearing may be
9 continued until later in the day or from day to day. It is your responsibility to
10 be present when your case is called. If you are not present when your hearing
11 is called, a default may be entered against you and the Commission may decide
12 the case as if all allegations in the complaint were true. If you need to negotiate
13 a more specific time for your hearing in advance, please call Kelly Valadez,
14 Commission Coordinator, at (702) 486-4606.

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

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

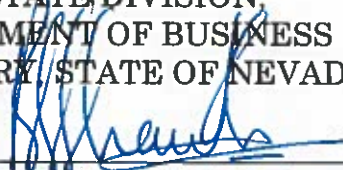
28 You have the right to request that the Commission issue subpoenas to compel

1 witnesses to testify and/or evidence to be offered on your behalf. In making this request,
2 you may be required to demonstrate the relevance of the witness's testimony and/or
3 evidence. Other important rights and obligations, including your obligation to answer the
4 complaint, you have are listed in NRS Chapter 116 and NAC Chapter 116, including
5 without limitation, NRS 116.770 through 116.780, and NAC 116.500 through NAC
6 116.635 and NRS Chapter 233B.

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

15 DATED this 16th day of April, 2021.

17 REAL ESTATE DIVISION
18 DEPARTMENT OF BUSINESS &
19 INDUSTRY STATE OF NEVADA

20 By: 
21 SHARATH CHANDRA, Administrator
22 3300 W. Sahara Ave. Ste 350
23 Las Vegas, Nevada 89102
24 (702) 486-4033

25 AARON D. FORD
26 Attorney General

27 By: *Isl Karissa Neff*
28

KARISSA D. NEFF (Bar No. 9133)
Senior Deputy Attorney General
555 E. Washington Ave. Ste 3900
Las Vegas, Nevada 89101
(702) 486-3894

Attorneys for Real Estate Division

- 1
- 2
- 3
- 4
- 5
- 6
- 7
- 8
- 9
- 10
- 11
- 12
- 13
- 14
- 15
- 16
- 17
- 18
- 19
- 20
- 21
- 22
- 23
- 24
- 25
- 26
- 27
- 28