

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.

Denise Vargas, aka Denise Johnson,

Respondent.

Case No. 2019-817

FILED

APR 19 2021

NEVADA COMMISSION FOR
COMMON INTEREST COMMUNITIES
AND CONDOMINIUM HOTELS

Kelley Valadez

13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

**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 Denise Vargas, aka Denise Johnson ("Vargas" and/or "RESPONDENT") of an administrative hearing before the Commission for Common-Interest Communities and Condominium Hotels ("Commission"), State of Nevada, which is to be held pursuant to Chapters 233B and Chapters 116 and 116A of the Nevada Revised Statutes ("NRS") and Chapter 116 and 116A 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, NAC 116A.360.

JURISDICTION AND NOTICE

During all relevant times mentioned in this complaint, RESPONDENT held a supervising community manager certificate from the Division (CAM.0007333-SUPR) and is, therefore, subject to the jurisdiction of the Division and the provisions of NRS Chapters 116 and 116A and NAC Chapters 116 and 116A.

1 **FACTUAL ALLEGATIONS**

2 1. RESPONDENT holds a supervising community manager certificate from the
3 Division, license CAM.0007333-SUPR, said license being in "active" status at the time of
4 filing this complaint.

5 2. During all relevant times alleged herein, RESPONDENT was employed by
6 Pinnacle Community Association Management ("Pinnacle") as the community manager
7 for Sierra Madre Homeowners Association ("Association") through August of 2018.

8 3. Epic Association Management ("Epic") took over management of the
9 Association in approximately September of 2018.

10 4. Epic filed a complaint with the Division, alleging in part, that
11 RESPONDENT allowed board member Srdjan Pantic ("Pantic"), and/or his companies, to
12 complete repairs for the Association and to be compensated for his services by
13 RESPONDENT'S or by Pantic's signing Association checks, despite neither being listed as
14 signatories to the Association's bank accounts.

15 5. On June 28, 2019, the Association, through Epic, sent RESPONDENT a
16 letter stating in part, that during her management of the Association, RESPONDENT:

17 (1) permitted board member Pantic to submit proposals to perform work for the
18 Association that he was not licensed to perform, (2) failed to take pertinent steps to ensure
19 Pantic was licensed and insured to perform work for the Association, (3) failed to notify
20 the Board that a board member is not permitted by Nevada law to do work for the
21 association while on the board in exchange for compensation, (4) allowed the Association
22 to pay Pantic \$421,671.04 through his companies Nevada Property Concepts and Tesla
23 Property Concepts over the course of just over a year for work he performed for the
24 Association, (5) signed 31 checks to Pantic despite not being a signatory to the
25 Association's bank account, and (6) allowed Pantic to sign 48 checks while not being a
26 signatory to the Association's bank account.

27 6. On July 31, 2019, the Division properly notified RESPONDENT that it had
28 received a complaint against her and requested a response to the allegations set forth in

1 the Division's letter.

2 7. RESPONDENT responded to the Division's investigation.

3 8. In her response to the Division, RESPONDENT stated that she did not allow
4 Pantic to submit proposals to do work for the Association but obtained three bids from
5 outside vendors and that the Board then made the decision to hire Pantic.

6 9. RESPONDENT further claimed to have informed the Board that a sitting
7 board member was not permitted to perform work for the Association in exchange for
8 compensation, but that the Board chose to hire Pantic anyway because he was much
9 cheaper than the other vendors.

10 10. RESPONDENT stated she did not pay Pantic for the work he performed for
11 the Association, but that the Board did, and that she was allowed to sign checks for the
12 Association because she was a signatory to the Association's bank account as was Pantic.

13 11. Board members claim they relied on RESPONDENT's representation's
14 Pantic was licensed to perform work for the Association and they never approved any of
15 Pantic's invoices because RESPONDENT just paid them.

16 12. RESPONDENT further stated that she is no longer working in the industry,
17 and that because she no longer works for Pinnacle, she could not provide documentation
18 to back up her responses to the Division.

19 13. Association meeting minutes do not reflect that RESPONDENT obtained
20 Board authorization or approval for Pantic's services.

21 14. While managing the Association, RESPONDENT permitted unlicensed
22 contractor Pantic to perform Association work.

23 15. While managing the Association, RESPONDENT signed Association checks
24 payable to board member Pantic (either personally and/or through his companies) for work
25 he performed for the Association, without obtaining Board approval.

26 16. RESPONDENT permitted Pantic to sign multiple checks from Association
27 accounts (including checks to compensate himself for the work he performed for the
28 Association) despite him not being a signatory.

1 and (b)) by committing professional incompetence by demonstrating a significant lack of
2 ability, knowledge or fitness to perform a duty or obligation owed to the Association and
3 by failing to exercise reasonable skill and care with respect to a duty owed to the
4 Association.

5 DISCIPLINE AUTHORIZED

6 Pursuant to the provisions of NAC 116A.360 the Commission has discretion to
7 impose discipline as it deems appropriate, including, but not limited to one or more of the
8 following actions:

- 9 1. Revoke or suspend the certificate;
- 10 2. Refuse to renew or reinstate the certificate;
- 11 3. Place the community manager on probation;
- 12 4. Issue a reprimand or censure to the community manager;
- 13 5. Impose a fine of not more than \$5,000 for each violation of a statute or
14 regulation;
- 15 6. Require the community manager to pay restitution;
- 16 7. Require the community manager to pay the costs of the investigation and
17 hearing;
- 18 8. Require the community manager to obtain additional education relating to
19 the management of common-interest communities; and
- 20 9. Take such other disciplinary action as the Commission deems appropriate.

21 The Commission may order one or any combination of the discipline described
22 above.

23 NOTICE OF HEARING

24 PLEASE TAKE NOTICE, that a disciplinary hearing has been set to consider
25 this Administrative Complaint against the above-named RESPONDENT in accordance
26 with Chapters 233B and 116 AND 116A of the Nevada Revised Statutes and Chapter 116
27 and 116A of the Nevada Administrative Code.

28 THE HEARING WILL TAKE PLACE at the Commission meeting scheduled

1 for June 1-3, 2021, beginning at approximately 9:00 a.m. each day, or until such
2 time as the Commission concludes its business. The Commission uses WebEx for its
3 meetings. To join the hearing go to the website Webex.com and put in the Meeting ID and
4 Password:

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

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

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

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

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

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

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

8 You have the right to request that the Commission issue subpoenas to compel
9 witnesses to testify and/or evidence to be offered on your behalf. In making this request,
10 you may be required to demonstrate the relevance of the witness's testimony and/or
11 evidence. Other important rights and obligations, including your obligation to answer the
12 complaint, you have are listed in NRS Chapters 116 and 116A and NAC 116 and 116A,
13 including without limitation, NAC 116A.560 through NAC 116A.655, and NRS Chapter
14 233B.

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

23 DATED this 16th day of April, 2021.

24
25 REAL ESTATE DIVISION,
26 DEPARTMENT OF BUSINESS &
INDUSTRY, STATE OF NEVADA

27 By: 
28 SHARATH CHANDRA, Administrator
3300 W. Sahara Ave. Ste 350

Las Vegas, Nevada 89102
(702) 486-4033

AARON D. FORD
Attorney General

By: */s/ Karissa Neff*

MICHELLE D. BRIGGS (Bar No. 7617)
Senior Deputy Attorney General
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