

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,

Case No. 2021-903

**FILED**

OCT 26 2022

NEVADA COMMISSION FOR  
COMMON INTEREST COMMUNITIES  
AND CONDOMINIUM HOTELS

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Petitioner,

vs.

Michael Steven Skahill,

Respondent.

**FINDINGS OF FACT, CONCLUSIONS OF LAW AND ORDER**

This matter came on for hearing before the Commission for Common-Interest Communities and Condominium Hotels, State of Nevada (the "Commission"), during a regular agenda set on a three-day stack beginning at 9 am on September 13-15, 2022. (the "Hearing"). The Respondent, Michael Steven Skahill ("Skahill" and/or "RESPONDENT"), did not appear at the Hearing. There was no counsel, who appeared on behalf of the Respondent at the Hearing. Virginia T. Tomova, Esq., Deputy Attorney General with the Nevada Attorney General's Office, appeared on behalf of the Division. The Commission served the Respondent with the Complaint on August 11, 2022. The Respondent's answer to the Complaint was due on or before September 11, 2022. Respondent failed to submit an answer to the Complaint.

The Commission having determined that the RESPONDENT was properly served with the complaint but that he failed to timely respond as required by NRS 116.770(5) voted in favor of entering a default against the RESPONDENT and making a decision based on the allegations in the complaint pursuant to NAC 116.580.

The Commission, having considered the evidence introduced by the Division and being fully advised, enters the following Findings of Fact, Conclusions of Law, and Order. Under Nevada Revised Statutes (NRS) and Nevada Administrative Code (NAC) Chapter 116, the Commission has legal jurisdiction and authority over this matter.

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## FINDINGS OF FACT

The Commission, based upon the filed complaint, and the evidence filed by the Division in support of the complaint, finds that the following Findings of Fact are accepted as true.

2. RESPONDENT was a supervising community manager for Spring Meadows Homeowners Association (the "Association"), located in Clark County, Nevada from 2015 to September 18, 2019.
3. The Association consists of thirty (30) condominium units.
4. RESPONDENT holds a supervisory community manager certificate (CAM.0007489-SUPR) issued by the Division which is currently in "active" status.
5. During all relevant times mentioned in this complaint, the RESPONDENT was employed with AMS Management Group, LLC ("AMS").
6. AMS performed community management services for the Association from approximately 2015 to December 31, 2019.
7. On or about September 18, 2019, the board of directors for the Association, sent correspondence to the RESPONDENT, notifying him that the board voted unanimously to terminate its community management agreement with AMS.
8. In that correspondence, the board also requested that the RESPONDENT provide all records and checkbooks, meeting minutes and/or audio recordings of minutes to Wanda Osborne ("Ms. Osborne"), the Association's secretary or Darlene Dickinson ("Ms. Dickinson"), the president of the Association.
9. The RESPONDENT did not provide the requested documents to the board.
10. From approximately January 1, 2020, to April 30, 2020, the Association was self-managed.
11. Ballard Realty Group took over the community management of the Association on May 1, 2020.
12. Debra Ballard ("Ms. Ballard") became the new community manager for the

1 Association.

2 13. On or about February 8, 2021, the Division sent correspondence to the board and  
3 the Association, advising them that the Division was auditing the Association's  
4 records (the "Audit").

5 14. The reasons for the Audit were that:

- 6 a. the Association was in revoked status with the Secretary of State since  
7 2017; and
- 8 b. the Reserve Study Summary forms submitted to the Division indicated  
9 that the last CPA audit had been conducted on the Association's 2016  
financial statements, when it appeared no such audit had been  
performed.

10 15. In its February 8, 2021, correspondence, the Division requested the following  
11 documents to be provided by March 1, 2021, to complete the audit:

- 12 a. Copy of Recorded Covenants, Conditions & Restrictions (Declaration),  
13 the Bylaws, Collection Policy, Violations Policy, Rules & Regulations;
- 14 b. Current Certificate of Insurance for all policies issued to the  
15 Association;
- 16 c. Copies of all association meeting minutes and Agendas, including  
17 financial review package, special meetings, budget ratification  
18 packages from January 1, 2017, to December 31, 2020;
- 19 d. Copy of the most recent reserve study with site visit, including the 2013  
20 Reserve Study;
- 21 e. Copies of the 2017, 2018 and 2019 CPA audits and/or reviews;
- 22 f. Copies of the 2018, 2019, 2020 and 2021 budgets for the Association;
- 23 g. Copies of the interim financial statements including balance sheets and  
24 comparative budget to actual income statements for 2017, 2018, 2019  
25 and 2020;
- 26 h. Copies of the general ledger from 2017 to 2020;
- 27 i. Copies of the statements of association accounts including but not  
28 limited to operating, reserve, contingency, investment, credit card, and  
loan accounts from 2017 to 2020;
- j. Copies of the fronts and backs of checks issued from the operating and  
reserve accounts from 2017 to 2020;
- k. Copies of the Association's policies and procedures related to the check  
approval and signing process of checks, invoice approval and payment  
register for all disbursements from 2017 to 2020;
- l. Copies of bank signature cards for all open association accounts from  
2017 to the present;
- m. Copies of all invoices, receipts for reserve fund expenses from 2017 to  
2020;
- n. Copies of all vendor agreements from 2017 to 2020 including  
management and vendor contracts;

o. Copies of W9s and 1099s from 2017 to 2020.

Collectively, the "Association Documents."

16. The RESPONDENT did not respond to the Division's request for documents.

17. On or about February 23, 2021, Ms. Ballard requested an extension until March 15, 2021, to submit the Association Documents.

18. The Division granted the extension.

19. Ms. Ballard submitted the majority of the Association Documents to the Division by March 15, 2021.

20. Ms. Ballard was not able to submit all the Association Documents due to RESPONDENT's failure to provide such documents when the transition from AMS to Ballard Realty Group occurred.

21. On or about August 23, 2021, the Association was reinstated with the Secretary of State and is currently in good standing with the Division.

22. On or about September 2, 2021, Ms. Dickinson informed the Division that the board terminated the agreement with AMS because the RESPONDENT had depleted the Association's accounts and would not return phone calls.

23. The audit was completed by the Division on June 17, 2021.

24. The audit's findings were as follows:

- a. in 2017, RESPONDENT failed to file the required annual list of officers with the Secretary of State's Office such that the Association went into "revoked" status in 2018;
- b. RESPONDENT did not transition all Association records to the board after being terminated in early 2020, including, but not limited, meeting minutes;
- c. RESPONDENT's management agreement did not comply with Nevada law as it contained an autorenewal provision;
- d. On April 18, 2016, RESPONDENT paid \$1,500.00 (check #3505) and on June 3, 2019, paid \$700.00 (Check #3518) to Margarito Gonzales for "roof repair," even though roofs were not a common element;
- e. The RESPONDENT failed to disclose his affiliation and/or a conflict of interest with Maintenance & More (whose status with the Secretary of State was revoked in 2017);
- f. Steve Morrill was a managing member of AMS and was also a managing member of Maintenance & More;
- g. Maintenance & More provided vendor services until August 31, 2019

- 1 for the Association without a written contract;
- 2 h. Maintenance & More was paid for services without providing an invoice
- 3 for the work performed for the Association;
- 4 i. RESPONDENT failed to disclose affiliation and/or a conflict of
- 5 interest with Unlimited Contracting, a vendor that provided services to
- 6 the Association from December 1, 2016, through March 4, 2019;
- 7 j. Unlimited Contracting was performing vendor services without a
- 8 written contract with the Association;
- 9 k. While managing the Association, RESPONDENT transferred and/or
- permitted the transfer of reserve funds electronically in the amount of
- \$13,500.00 from the Association's reserve account to its operating
- account without the required signatures; and
- l. While managing the Association, RESPONDENT permitted checks to
- be issued from the Association's operating account having only one of
- the required two signatures.

10 25. On or about September 14, 2021, the Division properly notified RESPONDENT

11 that it was opening an investigation against him regarding his actions:

- 12 a. allowing the Secretary of State filing regarding the Association to lapse
- 13 into a revoked status and to remain revoked during the transition to
- 14 the new management company in May of 2020;
- 15 b. paying Margarito Gonzales, via two checks in the amounts of \$1,500.00
- 16 and \$700.00 respectively for roof repair, even though roofs are not
- 17 considered part of the common element of the Association;
- 18 c. failing to transition all Association's records including meeting minutes
- 19 and/or audio recordings to the executive board after being terminated
- 20 in 2020;
- 21 d. failing to disclose the relationship between AMS, Maintenance & More
- 22 and Unlimited Contracting;
- 23 e. transferring funds electronically from October 2018 through
- 24 December 2019 in the amount of \$13,500.00 without the required two
- 25 signatures;
- 26 f. failing to prepare interim financial statements of the Association
- 27 using the accrual method of accounting from at least January 2017
- 28 through May 2020.

26. The RESPONDENT was given until September 24, 2021, to provide certain

documents to the Division and to answer the allegations set forth in the Division's

letter.

27. The RESPONDENT failed to provide such documents to the Division and to

respond to the allegations.

28. On or about October 5, 2021, the Division sent its second request for the

documents.

- 1 29. The RESPONDENT was given until October 15, 2021, to provide the documents.
- 2 30. The RESPONDENT for the second time failed to provide the Division with the
- 3 documents and to respond to the allegations.
- 4 31. To date, the RESPONDENT has not provided the requested documents and has
- 5 not provided a response to the Division's allegations.
- 6 32. On February 11, 2022, the Division properly notified RESPONDENT of its intent
- 7 to commence disciplinary action against him by filing a complaint before the
- 8 Commission.
- 9 **CONCLUSIONS OF LAW**
- 10 33. RESPONDENT violated NRS 116A.630 (1) and (2), and NRS 116.3101(4) when
- 11 he allowed the Secretary of State filing regarding the Association to lapse into
- 12 revoked status in 2017 and remain revoked when transitioned to Ballard Realty
- 13 Group in May 2020.
- 14 34. RESPONDENT violated NRS 116A.630 (1) and (2) and NRS 116.31153 (2) when
- 15 he failed to exercise ordinary and reasonable care in the performance of his duties
- 16 as a community manager by allowing checks to be issued to various businesses
- 17 including but not limited to AMS and Maintenance & More without the required
- 18 two signatures.
- 19 35. RESPONDENT violated NRS 116A.630(7) and NAC 116.451(4) when he failed to
- 20 prepare the interim financial statements of the Association using the accrual
- 21 method of accounting from January 2017 through May 2020.
- 22 36. RESPONDENT violated NRS 116A.630(9) by failing to make the financial
- 23 records of an association available for inspection by the Division in accordance
- 24 with the applicable laws and regulations.
- 25 37. RESPONDENT violated NRS 116A.630(10) by failing to cooperate with the
- 26 Division in resolving complaints filed with the Division.
- 27 38. RESPONDENT violated NAC 116A.345(2)(a) by failing to comply with a request
- 28 by the Division to provide documents.



1 39. RESPONDENT violated NRS 116A.640 (2)(a) by impeding or interfering with the  
2 investigation of the Division when he failed to comply with a request of the  
3 Division to provide documents.

4 40. RESPONDENT violated NRS 116A.630(2)(a) by failing to comply with state and  
5 local laws when he failed to provide the Division with the requested documents.

6 **ORDER**

7 The Commission, being fully apprised in the premises and good cause appearing,  
8 ORDERS as follows:

9 1. RESPONDENT MICHAEL STEVEN SKAHILL shall pay the Division a total of  
10 \$41,597.38 ("Amount Due") consisting of a fine in the amount of \$40,000.00 and the  
11 Division's attorney's fees and costs in the amount of \$1,597.38 within ninety (90) days of  
12 the date of this Order.

13 2. RESPONDENT MICHAEL STEVEN SKAHILL's supervisory community  
14 manager certificate (CAM.0007489-SUPR) issued from the Division is hereby revoked for  
15 ten (10) years.

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3. The Division may institute debt collection proceedings if the RESPONDENT fails to pay the total amount of \$41,597.38. Further, if collection goes through the State of Nevada, then RESPONDENT shall pay the costs association with collection.

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: /s/ Virginia T. Tomova

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