

1 BEFORE THE COMMISSION FOR COMMON-INTEREST
2 COMMUNITIES AND CONDOMINIUM HOTELS
3 STATE OF NEVADA

3 Sharath Chandra, Administrator,
4 Real Estate Division, Department of
5 Business & Industry, State of Nevada,

5 Petitioner,

6 vs.

7 Rancho San Juan Homeowners Association,
8 Christopher Seckler, Sebastian Mayo, and
9 Cesar Valdez,

10 Respondents.

Case No. 2021-161

FILED

JAN 24 2022

NEVADA COMMISSION FOR
COMMON INTEREST COMMUNITIES
AND CONDOMINIUM HOTELS

Kelley Valadez

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

13 The Real Estate Division of the Department of Business and Industry, State of
14 Nevada (the "Division"), by and through its counsel, Aaron D. Ford, Attorney General of
15 the State of Nevada, and Virginia T. Tomova, Deputy Attorney General, hereby notifies
16 RESPONDENTS RANCHO SAN JUAN HOMEOWNERS ASSOCIATION,
17 ("Association"), CHRISTOPHER SECKLER, SEBASTIAN MAYO, and CESAR VALDEZ
18 (collectively, "RESPONDENTS") of an administrative hearing before the Commission for
19 Common-Interest Communities and Condominium Hotels, State of Nevada, which is to be
20 held pursuant to Chapters 233B and 116 of the Nevada Revised Statutes ("NRS") and
21 Chapter 116 of the Nevada Administrative Code ("NAC"). The purpose of the hearing is to
22 consider the allegations stated below and to determine if an administrative penalty will
23 be imposed on the RESPONDENTS pursuant to the provisions of NRS and NAC including,
24 but not limited to, NRS 116.785 and NRS 116.790.

25 **JURISDICTION AND NOTICE**

26 1. During the relevant times mentioned in this complaint, RESPONDENTS
27 CHRISTOPHER SECKLER, SEBASTIAN MAYO, and CESAR VALDEZ served as board

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1 members and/or officers of SAN JUAN HOMEOWNERS ASSOCIATION (the
2 "Association"), a common-interest community located in Las Vegas, Nevada.

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

8 FACTUAL ALLEGATIONS

9 3. RANCHO SAN JUAN HOMEOWNERS ASSOCIATION is a 61 mobile homes
10 community located in Las Vegas, Nevada ("the community").

11 4. At all relevant times, the Association was governed by three resident board
12 members Christopher Seckler, Sebastian Mayo and Cesar Valdez.

13 5. The Division and the Secretary of State records reflect that Dario Mejia
14 Ochoa and Clara Mireles-Hernandez are the current board members of the Association as
15 of October 2021.

16 6. Based on these records RESPONDENTS Mayo and Valdez were board
17 members from July 2020 to October 2021.

18 7. On or about February 11, 2021, the Division received an intervention
19 affidavit from a resident complainant Renee Montenegro ("Ms. Montenegro"), who was
20 also a former president of the Association.

21 8. Ms. Montenegro informed the Division that the board members failed to
22 establish adequate reserves for the Association.

23 9. On March 10, 2021, the Division properly gave notice to the Association that
24 it had opened an investigation regarding the Association and possible violations of
25 NRS/NAC 116 and alleged certain violations and requested responses from each Board
26 member regarding the Board's failure to properly fund the Association's reserve account.

27 10. As part of its investigation, on or about March 10, 2021, the Division
28 requested that the Association produce the following documents:

- a. Copies of all meeting minutes from January 2018 through February 2021;
- b. Copies of all monthly interim financial statements (pursuant to NAC 116.451) from January 2018 through February 2021;
- c. Copies of all bank statements for all Association accounts from January 2018 through February 2021; and
- d. A copy of the most current reserve study.

11. On or about March 29, 2021, the Division sent a **second request** to the Association, to produce the above requested documents.

12. On or about May 6, 2021, the Division sent a **third request** to the Association, to produce the above requested documents.

13. On or about June 21, 2021, **more than three months** from the Division's initial request for the documents, the Division received electronic copies of the:

- a. Reserve, operating and petty cash accounts for the Association for the period of January 2021 through April 2021;
- b. 2020 financial statements for September, October, November, and December and January 2021;
- c. 2021 Bank statements for January, February, March and April; and
- d. The 2019 Reserve Study.

14. On or about June 21, 2021, Amy L. Groves with Nevada's Finest Properties, LLC informed the Division that the Association is "probably 10% funded now," which confirms that the board members failed to establish adequate reserves for the Association.

15. The Association's 2019 Reserve Study ("the Reserve Study") also showed that the reserve account was extremely underfunded.

16. The Association's 2019 Reserve Study showed that:

- a. The Board failed to adhere to the approved Reserve Budget or Reserve Study Recommendations.
- b. The Board failed to adequately fund the reserve accounts.
- c. Specifically, the 2019 Reserve Study recommended an ideal monthly reserve contribution of \$3,560.00 (\$58.36 per unit) per month, with a minimum reserve contribution of \$3,000.00 (\$49.18 per unit) per month.
- d. The Reserve Study showed that the Association's projected starting balance as of January 1, 2019, was \$29,506.00, when the reserve balance should have been \$392,872.00, a deficit of \$363,366.00.
- e. In comparing the projected starting reserve balance of \$29,506.00 versus the ideal reserve balance of \$392,872.00, the Association's reserve fund was approximately 8% funded.

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1 f. To assist with the Association's underfunding of its reserve account, the
2 Reserve Study recommended a special assessment of \$300,000.00.

3 17. According to the Reserve Study Summary Form ("summary"), dated April 24,
4 2019 :

- 5 a. The Association was -5.43% underfunded;
6 b. The board was aware of the extreme underfunding; and
7 c. The Association has not funded the reserves on a consistent basis for many
8 years.

9 18. According to the Annual Association Registration dated October 18, 2021, the
10 Association's reserve account balance was \$65,591.90 when the required reserve account
11 should have been \$371,892.00, which shows that the Association was funded at 17.63%.

12 19. According to the Annual Association Registration dated March 6, 2019, the
13 Association's reserve account balance was \$34,884.00 when the required reserve account
14 balance should have been \$170,701.00, which shows that the Association was funded at
15 20.43%.

16 20. According to the Annual Association Registration dated March 9, 2018, the
17 Association's reserve account balance was \$40,275.00 when the required reserve account
18 per the 2013 Reserve Study should have been \$163,204.00, which shows that the
19 Association was funded at 24.67%.

20 21. The Division's investigation revealed that from 2018 to 2020, the Association
21 was managed by Griswold Real Estate Management.

22 22. Subsequently, the Division's investigation revealed that the Association was
23 managed by First Colombia Community Management, Inc. ("FCCMI").

24 23. The Division's further investigation revealed that the Association was then
25 managed by Paradigm Realty, that did not have a community management certificate.

26 24. Following Paradigm's management, the Association was managed by Amy
27 Groves with Nevada's Finest Properties in June of 2021.

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1 34. RESPONDENTS violated NRS 116.3103 (through NAC 116.405(5)(a)) by
2 impeding or otherwise interfering with an investigation of the Division by failing to comply
3 with a request by the Division to provide information or documents.

4 **DISCIPLINE AUTHORIZED**

5 Pursuant to the provisions of NRS 116.615; NRS 116.755; NRS 116.785; and NRS
6 116.790 the Commission has discretion to take any or all of the following actions:

7 1. Issue an order directing RESPONDENTS to cease and desist from continuing
8 to engage in the unlawful conduct that resulted in the violation.

9 2. Issue an order directing RESPONDENTS to take affirmative action to correct
10 any conditions resulting from the violation.

11 3. Impose an administrative fine of up to \$1,000 for each violation by
12 RESPONDENTS.

13 4. IF RESPONDENTS ARE FOUND TO HAVE KNOWINGLY AND
14 WILLFULLY COMMITTED A VIOLATION of NRS or NAC 116 AND it is in the best
15 interest of the Association, such RESPONDENTS may be removed from his/her position
16 as a director and/or officer.

17 5. Order an audit of the ASSOCIATION, at the expense of the ASSOCIATION.

18 6. Require RESPONDENTS to pay the costs of the proceedings incurred by the
19 Division, including, without limitation, the cost of the investigation and reasonable
20 attorney's fees.

21 7. Take whatever further disciplinary action as the Commission deems
22 appropriate.

23 The Commission may order one or any combination of the discipline described
24 above. If the Commission finds that the RESPONDENTS knowingly and willfully violated
25 the provisions of NRS or NAC 116, the Commission may order that RESPONDENTS be
26 personally liable for all fines and costs imposed.

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1 **NOTICE OF HEARING**

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

6 **THE HEARING WILL TAKE PLACE** at the Commission meeting(s)
7 scheduled for March 1-3, 2022, beginning at approximately 9:00 a.m. each day, or
8 until such time as the Commission concludes its business. The Commission
9 meeting will be held at the Nevada State Business Center, 3300 W. Sahara
10 Avenue, Nevada Room, 4th Floor, Las Vegas, Nevada 89102 with
11 videoconferencing to Department of Business & Industry, Division of Insurance,
12 1818 E. College Parkway, Suite 103, Carson City, Nevada 89706.

13 If the meeting will not be conducted in person, then you will be notified by
14 known email or mail as soon as possible that the Commission will conduct a
15 virtual meeting using Webex.com with the meeting information below:

16 **DIAL-IN NUMBER: (844) 621-3956 or Webex.com**

17 **TUESDAY, MARCH 1, 2022** **MEETING NUMBER ACCESS CODE: 2493 368 6567**
18 **MEETING PASSWORD: tS5NAtpd33 (87562827333 from phones and video systems)**

19 **WEDNESDAY, MARCH 2, 2022** **MEETING NUMBER ACCESS CODE: 2491 202 8116**
20 **MEETING PASSWORD: 7G8UyK8Hdvf (74889584383 from phones and video systems)**

21 **THURSDAY, MARCH 3, 2022** **MEETING NUMBER ACCESS CODE: 2491 892 6520**
22 **MEETING PASSWORD: 4aK5pBPipt2 (42557274782 from phones and video systems)**

23 **STACKED CALENDAR:** Your hearing is one of several hearings that may
24 be scheduled at the same time as part of a regular meeting of the Commission
25 that is expected to take place on March 1-3, 2022. Thus, your hearing may be
26 continued until later in the day or from day to day. It is your responsibility to
27 be present when your case is called. If you are not present when your hearing is
28 called, a default may be entered against you and the Commission may decide the
case as if all allegations in the complaint were true. If you need to negotiate a

1 more specific time for your hearing in advance because of coordination with out
2 of state witnesses or the like, please call Kelly Valadez, Commission
3 Coordinator, at (702) 486-4606.

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

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

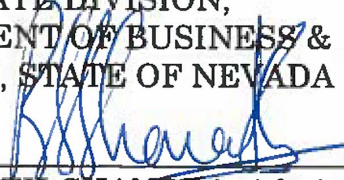
17 You have the right to request that the Commission issue subpoenas to compel
18 witnesses to testify and/or evidence to be offered on your behalf. In making this request,
19 you may be required to demonstrate the relevance of the witness' testimony and/or
20 evidence. Other important rights and obligations, including your obligation to answer the
21 complaint, you have are listed in NRS Chapter 116 and NAC Chapter 116, including
22 without limitation, NRS 116.770 through 116.780, and NAC 116.500 through NAC
23 116.635 and NRS Chapter 233B.

24 Note that under NAC 116.575, not less than five (5) working days before a hearing,
25 RESPONDENTS must provide to the Division a copy of all reasonably available
26 documents that are reasonably anticipated to be used to support his position, and a list of
27 witnesses RESPONDENTS intend to call at the time of the hearing. Failure to provide
28 any document or to list a witness may result in the document or witness

1 being excluded from RESPONDENTS' defense. The purpose of the hearing is to determine
2 if the RESPONDENTS have violated the provisions of NRS 116, and to determine what
3 administrative penalty is to be assessed against RESPONDENTS.

4 DATED this 24 day of January, 2022.

5
6 REAL ESTATE DIVISION,
7 DEPARTMENT OF BUSINESS &
8 INDUSTRY, STATE OF NEVADA

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