

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

3 SHARATH CHANDRA, Administrator,
4 REAL ESTATE DIVISION, DEPARTMENT
5 OF BUSINESS AND INDUSTRY, STATE
6 OF NEVADA,

 Petitioner,

vs.

8 DIANA D. STEGEMAN,
9 (CAM.0009065),

 Respondent.

Case No. 2023-192

FILED

OCT 05 2023

NEVADA COMMISSION FOR
COMMON INTEREST COMMUNITIES
AND CONDOMINIUM HOTELS

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

12 This matter came on for hearing before the Commission for Common-Interest
13 Communities and Condominium Hotels, State of Nevada (the "Commission") during a
14 regular agenda set on a three-day stack beginning at 9:00 am on September 26, 2023 (the
15 "Hearing."). Diana D Stegeman ("RESPONDENT") did not appear in person, through
16 counsel, or otherwise. Christal P. Keegan, Deputy Attorney General with the Nevada
17 Attorney General's Office, appeared on behalf of the Real Estate Division of the
18 Department of Business and Industry, State of Nevada (the "Division").

19 Mrs. Keegan informed the Commission that RESPONDENT was noticed no later
20 than 30 days prior to the hearings, that the RESPONDENT never filed an Answer as part
21 of the record in the proceedings and did not ask for a continuance.

22 Therefore, the Division proceeded with a default pursuant to NAC 116A.590. The
23 Division's Commission Coordinator, Maria Gallo, testified regarding proper notice to the
24 RESPONDENT. The Commission found appropriate service of the notice of the hearing,
25 the complaint and notice thereof, the notice of documents, and all other efforts taken to
26 inform the RESPONDENT of the matter before the Commission.

27 Therefore, the Commission, having considered the evidence introduced by the
28 Division and being fully advised, enters the following Findings of Fact, Conclusions of

1 Law, and Order by default. Under Nevada Revised Statutes (NRS) and Nevada
2 Administrative Code (NAC) Chapter 116A, the Commission has legal jurisdiction and
3 authority over this matter.

4 FINDINGS OF FACT

5 Based on a preponderance of the evidence in the record and the documents admitted
6 at the Hearing, the Commission voted, with one abstention, to find the following factual
7 allegations were proven:

8 1. At times relevant to this Complaint, RESPONDENT'S community manager
9 certificate (CAM.0009065) expired September 30, 2022, and was not reinstated until
10 January 27, 2023. *CICC002-CICC023, and CICC030-CICC041.*

11 2. As relevant to this Complaint, on or about April 1, 2022, the Bradford Place
12 Community Association ("Association") hired the RESPONDENT, by and through her
13 company, Heritage Management Group LLC. *CICC001-CICC002, and CICC026.*

14 3. The RESPONDENT did not provide the Association's board members with a
15 copy of the signed management agreement. *CICC080.*

16 4. The unsigned management agreement provided a monthly management fee
17 of \$1,700. *CICC080.*

18 5. The RESPONDENT cleared checks to her management company above the
19 monthly management fee without supporting documentation. *CICC080.*

20 6. The Association's Board refused to sign the RESPONDENT'S last two
21 management fee checks for January and February of 2023 because she was not doing her
22 job. *CICC080.*

23 7. But the RESPONDENT still cleared those unauthorized checks by applying
24 digital signatures. *CICC080.*

25 8. During RESPONDENT'S tenure, she failed to provide complete monthly
26 financials and delinquency reports despite requests from the Association's Board and the
27 Division. *CICC002-CICC023, CICC042-CICC047, CICC048-CICC050, CICC051,*
28 *CICC080-CICC082.*

1 9. The RESPONDENT cancelled board meetings which hindered financial
2 information from being provided in a timely manner. *CICC026-029, CICC042-CICC044,*
3 *and CICC103-CICC114.*

4 10. Therefore, the Association's Board made attempts with their financial
5 institution to gain access to their banking records. *CICC028-CICC029.*

6 11. But the Association's Board discovered they were not authorized users on the
7 bank account, only the RESPONDENT was a signer for the Association's accounts.
8 *CICC028-CICC029.*

9 12. The Association's Board made requests upon the RESPONDENT to add
10 members to the Association's accounts, but she never did. *CICC002-CICC023.*

11 13. On or about March 22, 2023, the Association's Board was finally able to get
12 the bank to provide bank statements. *CICC026-CICC029.*

13 14. Upon review of the bank statements, the Association's Board determined the
14 RESPONDENT'S management company was writing checks to her company and other
15 vendors without board approval. *CICC026-CICC029.*

16 15. Upon review of the bank statements, the Association's Board determined that
17 the RESPONDENT forged checks pasting digital signatures on the unauthorized checks.
18 *CICC024-CICC025.*

19 16. Therefore, the Association's Board filed a police report regarding the
20 RESPONDENT'S forging an alleged \$41,350.76 worth of unauthorized checks. *CICC001.*

21 17. The Association's Board discovered multiple discrepancies when it compared
22 the statements provided by the RESPONDENT with the statements from the bank.
23 *CICC188, CICC120-129, CICC130-CICC187, and CICC188.*

24 18. These discrepancies committed by the RESPONDENT included editing
25 bank statements to remove entries or change data. *CICC188, CICC120-129,*
26 *CICC130-CICC187, and CICC188.*

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1 19. In total, there was approximately \$21,716.23 of Association funds that have
2 been paid out by RESPONDENT'S management company without board approval or any
3 supporting documentation. *CICC024-CICC025*.

4 20. Of which, approximately \$18,214.28 were unapproved forged checks that the
5 RESPONDENT wrote to her own management company. *CICC024-CICC025*.

6 **CONCLUSIONS OF LAW**

7 Based on the foregoing factual findings and the preponderance of the evidence, the
8 Commission voted, with one abstention, that the following violations of
9 law occurred:

10 21. RESPONDENT violated NAC 116A.345(9) for collecting amounts above
11 \$1,700 from her client not specified in the management agreement.

12 22. RESPONDENT violated NRS 116A.630(7) for failing to provide financial
13 statements which disallowed the Division and the executive board to make determinations
14 regarding the financial position of the association.

15 23. RESPONDENT violated NRS 116A.630(9) by failing to make the
16 Association's financial records and delinquency reports from April 1, 2022, to December
17 31, 2022, and the reserves and operating accounts bank statements from September 1,
18 2022, to December 31, 2022, available for inspection by the Division.

19 24. RESPONDENT violated NRS 116A.630(10) when she failed to cooperate with
20 the Division in resolving the complaints filed against her.

21 25. RESPONDENT violated NRS 116A.630(13) when she failed to ensure the
22 Association was authorized to have direct access to their financial accounts.

23 26. RESPONDENT violated NRS 116A.320 when she failed to comply with the
24 standards of practice required of community managers as set forth in NRS 116A.630.

25 27. RESPONDENT violated NRS 116A.640(2)(a) and (c) for impeding or
26 otherwise interfering with the Division's investigation by failing to provide documents,
27 concealing facts and documents relating to the client's business.

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ORDER

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

1. RESPONDENT'S certificate (CAM.0009065) is immediately revoked;
2. RESPONDENT shall pay a fine of \$5,000 per violation (7 violations) for a total administrative fine amount of \$35,000;
3. RESPONDENT shall pay restitution to the Bradford Place Community Association in the amount of \$18,214.28 in unapproved forged checks;
4. RESPONDENT shall pay for the costs of the investigation and the hearing in the amount of \$8,764.47 which is actual, reasonable, and necessary;
5. The total amount due is \$61,978.75 and shall be paid in full within 90 days of this Order;
6. If payment is not actually received by the Division on or before its due date, it shall be a default by RESPONDENT. In the event of default, the unpaid balance of the administrative fine and costs, together with any attorney's fees and costs that may have been assessed, shall be due in full to the Division within ten (10) calendar days of the date of default, and the Division may obtain a judgment for the amount owed, including collection fees and costs;

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