

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,

7 vs.

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

 Respondent.

Case No. 2023-559

FILED

DEC 19 2023

NEVADA COMMISSION FOR
COMMON INTEREST COMMUNITIES
AND CONDOMINIUM HOTELS

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

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

20 Mrs. Keegan informed the Commission that RESPONDENT was noticed no later
21 than thirty (30) days prior to the hearings, that the RESPONDENT never filed an Answer
22 as part of the record in the proceedings, and accordingly the Division filed a Notice of
23 Intent to Default on November 15, 2023.

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

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

6 FINDINGS OF FACT

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

10 1. At all times relevant to this Complaint, RESPONDENT, by and through her
11 company, Heritage Management Group LLC, was the exclusive manager for The Heathers
12 Homeowners Association ("Association"). *CICC0091–CICC139*.

13 2. Over the course of 2021 to 2023, the RESPONDENT overpaid her
14 management company above her contractually agreed upon rate in amounts estimated at
15 \$52,475.82. *CICC014–CICC019, CICC0091–CICC139, CICC141*.

16 3. During times relevant to this Complaint, the Association approved and
17 paid vendor, Eagle Restoration, LLC, which was a business owned by a relative of
18 the RESPONDENT however, the Association believed such payments were for a different
19 approved vendor who had performed the work, Lighting Services of Nevada, Inc., also
20 a relative of the RESPONDENT. *CICC016–CICC018, CICC144–174, CICC266,*
21 *CICC286, CICC291*.

22 4. From April 2022 through March 2023, the RESPONDENT provided
23 the Association's Board with packets of financial information that included discrepancies
24 to the copies of checks, bank statements data and entries. *CICC009–CICC013,*
25 *CICC408–CICC413, CICC020–CICC089, CICC316–CICC320, CICC182–CICC315,*
26 *CICC321–CICC405*.

27 5. From November 2022 through March 2023, checks from both
28 the Association's operating and reserve accounts indicated the applied signature

1 of a former treasurer despite his resignation from the Board on October 27, 2022.
2 *CICC177–CICC181, CICC286, CICC291–CICC292, CICC297, CICC301, CICC306.*

3 6. On or about June 29, 2023, the Division received information from the
4 Association’s Board President regarding the RESPONDENT’S acts of fraud and theft.
5 *CICC001–CICC005.*

6 7. On July 2, 2023, the Association’s Board President filed a police report
7 against the RESPONDENT for embezzlement crimes in the amount of \$50,000.
8 *CICC406–CICC407.*

9 8. Thereafter, on or about July 7, 2023, the Division sent the RESPONDENT
10 a letter requesting a response and/or information regarding the complaints against her
11 by July 21, 2023, to which she did not respond to. *CICC140–CICC141.*

12 **CONCLUSIONS OF LAW**

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

15 9. RESPONDENT violated NRS 116A.630(1)(a) for failing to act as a fiduciary
16 to the client when she embezzled funds from the Association.

17 10. RESPONDENT violated NRS 116A.630(6) for failing to accurately and
18 properly document the Association’s financial documents when she edited bank
19 statements, removed checks, and adjusted incoming funds.

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

22 12. RESPONDENT violated NRS 116.640(10) for collecting amounts from her
23 client above and beyond the agreed upon amounts specified in the management
24 agreements.

25 13. RESPONDENT violated NAC 116A.355(2)(b) when she knew and/or should
26 have known but failed to disclose to the Association that its approved vendor payments
27 were being paid to a different unapproved vendor who was related to both the
28 RESPONDENT and the approved vendor.

1 14. RESPONDENT violated NAC 116A.355(2)(c) by engaging in deceitful,
2 fraudulent and/or dishonest conduct by knowingly communicating false, misleading
3 and/or fraudulent financial information to the Association within the board packets.

4 15. RESPONDENT violated NAC 116A.355(2)(h) when she failed to account for
5 and/or remit money that belonged to the Association.

6 16. RESPONDENT violated NAC 116A.355(2)(i) for exceeding the authority
7 granted to her by the management agreement.

8 17. RESPONDENT violated NAC 116A.355(3)(b) for failing to exercise
9 reasonable skill and care with respect to the Association when the signature of a person
10 who was no longer on the board was being applied to checks paid out.

11 18. RESPONDENT violated NRS 116A.640(2)(a) for impeding or otherwise
12 interfering with the Division's investigation by failing to provide documents.

13 **ORDER**

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

16 1. RESPONDENT shall pay a fine of \$5,000 per violation (10 violations) for a
17 total administrative fine amount of \$50,000;

18 2. RESPONDENT shall pay the costs of the investigation and the hearing in
19 the amount of \$2,713.30 which is actual, reasonable, and necessary;

20 3. The total amount due is \$52,713.30 and shall be paid in full within three (3)
21 months of this Order;

22 4. If payment is not actually received by the Division on or before its due date,
23 it shall be a default by RESPONDENT. In the event of default, the unpaid balance of the
24 administrative fine and costs, together with any attorney's fees and costs that may have
25 been assessed, shall be due in full to the Division within ten (10) calendar days of the date
26 of default, and the Division may obtain a judgment for the amount owed, including
27 collection fees and costs;

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5. The Commission retains jurisdiction for correcting any errors that may have occurred in the drafting and issuance of this document.

DATED this 19th day of December, 2023.


COMMISSION FOR COMMON-INTEREST
COMMUNITIES AND CONDOMINIUM HOTELS
DEPARTMENT OF BUSINESS AND INDUSTRY
STATE OF NEVADA

By: 

PHYLLIS TOMASSO
CHAIRWOMAN

Submitted by:

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