

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

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

8 Petitioner,

9 vs.

10 CASA ROSA HOMEOWNERS  
11 ASSOCIATION, SHEILA MATHERLY,

12 Respondents.

Case No. 2023-204

**FILED**

AUG 16 2023

NEVADA COMMISSION FOR  
COMMON INTEREST COMMUNITIES  
AND CONDOMINIUM HOTELS

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13 **COMPLAINT AND NOTICE OF HEARING**

14 The REAL ESTATE DIVISION OF THE DEPARTMENT OF BUSINESS AND  
15 INDUSTRY, STATE OF NEVADA (“Division”), by and through its counsel, Aaron D. Ford,  
16 Attorney General of the State of Nevada, and Samuel J. Taylor, Deputy Attorney General,  
17 hereby notifies the CASA ROSA HOMEOWNERS ASSOCIATION (“Association” or  
18 “RESPONDENT Association”) and SHEILA MATHERLY (“RESPONDENT Matherly”),  
19 Treasurer of the Casa Rosa Homeowners Association, (collectively “RESPONDENTS”) of  
20 an administrative hearing before the Commission for Common-Interest Communities and  
21 Condominium Hotels (“Commission”) State of Nevada, which is to be held pursuant to  
22 Chapter 233B and Chapters 116 of the Nevada Revised Statutes (“NRS”) and the Nevada  
23 Administrative Code (“NAC”). The purpose of the hearing is to consider the allegations  
24 stated below and to determine if RESPONDENTS should be subject to an administrative  
25 penalty or other remedy that may be imposed on RESPONDENTS as authorized under  
26 NRS 116.750 through 116.795.

27 **JURISDICTION AND NOTICE**

28 1. At all times relevant in the Complaint, RESPONDENT Matherly served as a  
board member and/or officer of the Association, a common-interest community located in  
Las Vegas, Nevada.



1                   iii. Assessment Delinquent report dated 12/31/21, 12/31/22, and  
2                                   3/31/2023.

3           h) Statements of association accounts including, but not limited to,  
4           operating, reserve, contingency, investment, credit card, and loan  
5           accounts from 1/1/21 – 3/31/23:

6           i. Checks – Fronts and backs of checks from the Operating and  
7           Reserve funds from 1/1/21 – 3/31/23.

8           ii. If using electronic payment methods, then return a copy of the  
9           Invoice Approval and Payment register showing Board  
10           approvals.

11           iii. If using electronic payment methods, then return a copy of the  
12           Resolution approving said method of payment.

13           iv. Bank signature cards for all association accounts open in 2021,  
14           2022, and 2023.

15           i) Vendor agreements/contracts (i.e., management, landscaping, pool).

16           j) Invoices, receipts for disbursements from the Operating and Reserve  
17           funds, excluding utilities, from 1/1/21 – 3/31/23.

18           k) General Ledger Statements – 2021, 2022, and 3/31/2023.

19           l) Return a completed Reserve Study Summary form (#609).

20           m) Updated form 623 showing all current members on the Board  
21           of Directors.

22 [CICC001-005].

23           5. The Association failed to submit any of the requested documents by the April  
24           20, 2023, deadline.

25           6. On April 20, 2023, the Division sent a second Notice of Investigation and  
26           request for the Association to provide the documents set out in Paragraph 3, above, by  
27           May 5, 2023. [CICC006-009].

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1           7.     The Association failed to provide any of the requested documents to the  
2 Division by the May 5, 2023, deadline, aside from a partial response for Item K (i.e., general  
3 ledger statements for calendar year 2022 only and not CY2021 and CY2023).  
4 **[CICC045-052].**

5           8.     As of the date of the filing of this Complaint, the 2022 general ledger  
6 statements are the only documents that have been provided to the Division.

7           9.     The Association is currently not in good standing with the Nevada Secretary  
8 of State despite receiving notice from the Division that the annual registration Form 562  
9 for the March 31, 2022, through March 31, 2023, cycle was due on March 31, 2023.  
10 **[CICC020-024].**

11           10.    According to the last Annual Association Registration Form received by the  
12 Division, the last reserve study was conducted in March of 2017 and adopted by the Board  
13 in May of 2017, and is more than one year overdue.<sup>1</sup> **[CICC031, 043].**

14           11.    According to the last Annual Association Registration Form received by the  
15 Division on July 1, 2022, the last meeting of the Association was held on August 3, 2021.<sup>2</sup>  
16 **[CICC026, 043].**

17           12.    According to the last Annual Association Registration Form received by the  
18 Division on July 1, 2022, and the resignation letter of the President dated March 23, 2023,  
19 there are not enough officers/directors of the Association to adequately conduct the  
20 business of the Association. **[CICC043, 044].**

21           13.    On or about July 7, 2023, the Division properly notified RESPONDENTS it  
22 intended to file a complaint against them for disciplinary action before the Commission.  
23 **[CICC053-054].**

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25           <sup>1</sup> There is conflict in the dates between the May 2017 Reserve Study Summary Form  
26 and the 2022 Annual Association Registration Form, as to when the reserve study was  
conducted and adopted by the Board.

27           <sup>2</sup> There is some indication, via an e-mail from the Association President, that a  
28 meeting may have been held on March 22, 2023, but that information has not been reported  
to the Division via an Annual Association Registration Form.

1 **VIOLATIONS OF LAW**

2 RESPONDENTS have committed the following violations of law:

3 14. RESPONDENTS violated NRS 116.3103, as applied via NAC 116.405(3), by  
4 failing to act in good faith and in the best interests of the Association when they committed  
5 acts or omissions amounting to incompetence, negligence or gross negligence by failing to  
6 comply with Nevada law.

7 15. RESPONDENTS violated NRS 116.3103, as applied via NAC 116.405(5)(a) by  
8 impeding or otherwise interfering with an investigation of the Division by failing to comply  
9 with multiple requests by the Division to provide information or documents.

10 16. RESPONDENT Association violated NRS 116.3103, as applied via NRS  
11 116.31034 by failing to elect an executive board of at least three members, all of whom must  
12 be unit owners.

13 17. RESPONDENTS violated NRS 116.3013, as applied via NAC 116.405(8)(c) by  
14 failing to hold meetings of the executive board with such frequency to properly and  
15 efficiently address the affairs of the Association when they failed to hold executive board  
16 meetings in 2022.

17 18. RESPONDENTS violated NRS 116.3013, as applied via NRS 116.31152 by  
18 failing to undertake a reserve study every five (5) years or submit a summary of that  
19 reserve study to the Division as required under NRS 116.31152(4).

20 **DISCIPLINE AUTHORIZED**

21 Pursuant to the provisions of NRS 116.615, NRS 116.755, NRS 116.785 and NRS  
22 116.790, the Commission has the discretion to take any or all of the following actions:

- 23 a. Issue an Order directing RESPONDENTS to cease and desist from continuing  
24 to engage in the unlawful conduct that resulted in the violations.
- 25 b. Issue an Order directing RESPONDENTS to immediately take affirmative  
26 action to correct any conditions resulting from the violation.
- 27 c. Impose an administrative fine of up to one-thousand dollars (\$1,000.00) for  
28 each violation the RESPONDENTS engaged in.

- 1 d. If the RESPONDENTS have been found to have knowingly and willfully  
2 committed a violation of Chapters 116 of the NRS and NAC, they may be  
3 removed from his/her position as a director or officer.
- 4 e. Order an audit of the Association, at the expense of the Association.
- 5 f. Require RESPONDENTS to pay for the cost of the investigation and  
6 proceedings, including reasonable attorney fees.
- 7 g. Take whatever further action the Commission deems appropriate.

8 The Commission may order any one or any combination of the actions described  
9 above. If the Commission finds that RESPONDENTS knowingly and willfully violated the  
10 provisions of Chapters 116 of the NRS or NAC, the Commission may order that  
11 RESPONDENTS be personally liable for all fines and costs imposed by the Commission.

## 12 NOTICE OF HEARING

13 **PLEASE TAKE NOTICE**, that a disciplinary hearing has been set to consider the  
14 Administrative Complaint against the above-named RESPONDENT in accordance with  
15 Chapters 233B and 116 of the Nevada Revised Statutes and Chapter 116 of the Nevada  
16 Administrative Code.

17 **THE HEARING WILL TAKE PLACE** at the Commission meeting(s)  
18 scheduled for September 26–28, 2023, beginning at approximately 9:00 a.m. each  
19 day, or until such time as the Commission concludes its business. The  
20 Commission meeting will be held at the Nevada State Business Center, 3300 West  
21 Sahara Avenue, 4th Floor – Nevada Room, Las Vegas, Nevada 89102, with  
22 videoconferencing to the Nevada Division of Insurance, 1818 E. College Parkway,  
23 Suite 103, Carson City, Nevada 89706.

24 **STACKED CALENDAR:** Your hearing is one of several hearings scheduled  
25 at the same time as part of a regular meeting of the Commission that is expected  
26 to last from September 26, 2023, through September 28, 2023, or earlier if the  
27 business of the Commission is concluded. Thus, your hearing may be continued  
28 until later in the day or from day to day. It is your responsibility to be present

1 **when your case is called. If you are not present when your hearing is called, a**  
2 **default may be entered against you and the Commission may decide the case as**  
3 **if all allegations in the complaint were true. If you need to negotiate a more**  
4 **specific time for your hearing in advance because of coordination with an out of**  
5 **state witness or the like, please call Maria Gallo Commission Coordinator at**  
6 **(702) 486-4074.**

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

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

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

25 Please note that under NAC 116.575, not less than five (5) working days prior to a  
26 hearing, RESPONDENTS must provide to the Division a copy of all reasonably available  
27 documents that are reasonably anticipated to be used in support of their position, and a  
28 list of witnesses RESPONDENTS intend to call, including: (1) the name of the witness; (2)

1 the company for whom the witness works and the title of the witness; and (3) a brief  
2 summary of the expected testimony of the witness. Failure to provide any document or  
3 witness information may result in the document or witness being excluded from your  
4 defense.

5 The purpose of the hearing is to determine if the RESPONDENTS have violated  
6 NRS Chapter 116 and/or NAC Chapter 116 and if the allegations contained herein are  
7 substantially proven by the evidence presented and to further determine what  
8 administrative penalty is to be assessed against the RESPONDENTS, if any.

9  
10 DATED this 15 day of August, 2023.

State of Nevada  
Department of Business and Industry  
Real Estate Division

11  
12  
13 By: 

SHARATH CHANDRA, Administrator  
3300 West Sahara Avenue, Suite 350  
Las Vegas, Nevada 89102

14  
15 DATED this 15th day of August, 2023.

AARON D. FORD  
Attorney General

16  
17 By: 

SAMUEL J. TAYLOR (Bar No. 15101)  
Deputy Attorney General  
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