

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 of
6 Business & Industry, State of Nevada,

7 Petitioner,

8 vs.

9 Monterey Grand Manor Owners
10 Association, Dale Milligan, Susan Moore,
11 Richard Jagodzinski, Saturday Aisuan,

12 Respondents.

Case No. 2021-1049

FILED

AUG 10 2022

NEVADA COMMISSION FOR
COMMON INTEREST COMMUNITIES
AND CONDOMINIUM HOTELS

Kelley Valadez

13 **COMPLAINT FOR DISCIPLINARY**
14 **ACTION AND NOTICE OF HEARING**

15 The Real Estate Division of the Department of Business and Industry, State of
16 Nevada (the "Division"), by and through its counsel, Aaron D. Ford, Attorney General of
17 the State of Nevada, and Virginia T. Tomova, Deputy Attorney General, hereby notifies
18 RESPONDENTS MONTEREY GRAND MANOR OWNERS ASSOCIATION, DALE
19 MILLIGAN, SUSAN MOORE, RICHARD JAGODZINSKI, and SATURDAY AISUAN
20 (collectively, "RESPONDENTS") of an administrative hearing before the Commission for
21 Common-Interest Communities and Condominium Hotels, State of Nevada, which is to be
22 held pursuant to Chapters 233B and 116 of the Nevada Revised Statutes ("NRS") and
23 Chapter 116 of the Nevada Administrative Code ("NAC"). The purpose of the hearing is to
24 consider the allegations stated below and to determine if an administrative penalty will
25 be imposed on the RESPONDENTS pursuant to the provisions of NRS and NAC including,
26 but not limited to, NRS 116.785 and NRS 116.790.

27 **JURISDICTION AND NOTICE**

28 1. During the relevant times mentioned in this complaint, RESPONDENTS
DALE MILLIGAN, SUSAN MOORE, RICHARD JAGODZINSKI, and SATURDAY
AISUAN served as board members and/or officers of MONTEREY GRAND MANOR

1 OWNERS ASSOCIATION, (the "Association"), a common-interest community located in
2 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. Monterey Grand Manor Owners Association consists of 140 condominium
10 units in a common interest community, located in Las Vegas, Nevada.

11 4. At all relevant times, the Association was governed by four resident board
12 members, who were respondents Dale Milligan, Susan Moore, Richard Jagodzinski, and
13 Saturday Aisuan.

14 5. This complaint was initiated based on an audit ("the audit") performed by the
15 Division, in which it was discovered that the RESPONDENTS:

- 16 • Failed to cause a Reserve Study to be conducted every 5 years as one had not
- 17 been done since October 31, 2015;
- 18 • Failed to submit a reserve study summary form 609;
- 19 • Failed to have a certified public accountant audit performed since 2017 even
- 20 though the Association's annual budget calls for an audit to be performed
- 21 annually; and
- 22 • Failed to comply with a request by the Division to provide information and
- 23 documents.

24 6. According to the Annual Association Registration, dated March 23, 2021, the
25 last audit was completed on October 4, 2018.

26 7. The audit was initiated on August 25, 2021 and was completed on September
27 28, 2021.

28 8. On or about November 10, 2021, the Division informed the RESPONDENTS
that it had initiated an investigation regarding their failure to produce the requested
documents, to conduct a reserve study and to have a CPA audit performed annually.

1 9. The RESPONDENTS did not respond to the Division's request for documents
2 and information.

3 10. On or about December 21, 2021, the Division sent a second request for the
4 same documents and information.

5 11. The RESPONDENTS also did not respond to the Division's second request.

6 12. No Board member provided a response to the Division regarding the above
7 alleged violations.

8 13. On or about June 10, 2022, the Division properly gave notice to the
9 Association, and its board members, that it will file a Complaint against them regarding
10 their failure to produce the requested information and to respond to the allegations,
11 pursuant to the Division's letters dated November 10, 2021, and December 21, 2021.

12 **VIOLATIONS OF LAW**

13 14. RESPONDENTS violated NRS 116.31152 (1)(a), when they failed to cause a
14 Reserve Study to be conducted every 5 years as one had not been conducted since October
15 31, 2015.

16 15. RESPONDENTS violated NRS 116.31144 (2) when the Association failed to
17 have a CPA audit performed since 2017 even though the Association's annual budget
18 called for an audit to be performed annually.

19 16. RESPONDENTS violated NRS 116.3103 through NAC 116.405(5) by failing
20 to comply with a request by the Division to provide information or documents on two
21 separate occasions.

22 17. RESPONDENTS violated NRS 116.3103 through NAC 116.405(3) by failing
23 to act in good faith and in the best interests of the Association when they committed an
24 act or omission which amounts to incompetence, negligence, or gross negligence by failing
25 to comply with Nevada law.

26 18. RESPONDENTS violated NRS 116.3103 through NAC 116.405(8)(a) by
27 failing to act in good faith and in the best interests of the Association when they failed to
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1 cause the Association to comply with all state laws and the governing documents of the
2 Association.

3 DISCIPLINE AUTHORIZED

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

6 1. Issue an order directing RESPONDENTS to take affirmative action to correct
7 any conditions resulting from the violation.

8 2. Impose an administrative fine of up to \$1,000 for each violation by
9 RESPONDENTS.

10 3. If RESPONDENTS are found to have knowingly and willfully committed a
11 violation of NRS and NAC 116 and it is in the best interest of the Association, such
12 RESPONDENTS may be removed from his/her position as a director and/or officer.

13 4. Order an audit of the ASSOCIATION, at the expense of the ASSOCIATION.

14 5. Require RESPONDENTS to pay the costs of the proceedings incurred by the
15 Division, including, without limitation, the cost of the investigation and reasonable
16 attorney's fees.

17 6. Take whatever further disciplinary action as the Commission deems
18 appropriate.

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

23 NOTICE OF HEARING

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

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1 **THE HEARING WILL TAKE PLACE** at the Commission meeting scheduled
2 for September 13-15, 2022, beginning at approximately 9:00 a.m. each day, or
3 until such time as the Commission concludes its business. The Commission
4 meeting will be held at the Nevada State Business Center, 3300 W. Sahara
5 Avenue, Nevada Room, Suite 400, Las Vegas, Nevada 89102 with
6 videoconferencing to Division of Insurance, 1818 E. College Parkway, Ste. 103,
7 Carson City, Nevada 89706.

8 **STACKED CALENDAR:** Your hearing is one of several hearings that may
9 be scheduled at the same time as part of a regular meeting of the Commission
10 that is expected to take place on September 13-15, 2022. Thus, your hearing may
11 be continued until later in the day or from day to day. It is your responsibility
12 to be present when your case is called. If you are not present when your hearing
13 is called, a default may be entered against you and the Commission may decide
14 the case as if all allegations in the complaint were true. If you need to negotiate
15 a more specific time for your hearing in advance because of coordination with
16 out of state witnesses or the like, please call Kelly Valadez, Commission
17 Coordinator, at (702) 486-4606.

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

24 As a **RESPONDENT**, you are specifically informed that you have the right to appear
25 and be heard in your defense, either personally or through your counsel of choice. At the
26 hearing, the Division has the burden of proving the allegations in the complaint and will
27 call witnesses and present evidence against you. You have the right to respond and to
28 present relevant evidence and argument on all issues involved. You have the right to call

1 and examine witnesses, introduce exhibits, and cross-examine opposing witnesses on any
2 matter relevant to the issues involved.

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

10 Note that under NAC 116.575, not less than five (5) working days before a hearing,
11 RESPONDENTS must provide to the Division a copy of all reasonably available
12 documents that are reasonably anticipated to be used to support his position, and a list of
13 witnesses RESPONDENTS intend to call at the time of the hearing. Failure to provide
14 any document or to list a witness may result in the document or witness
15 being excluded from RESPONDENTS' defense. The purpose of the hearing is to determine

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1 if the RESPONDENTS have violated the provisions of NRS 116, and to determine what
2 administrative penalty is to be assessed against RESPONDENTS.

3 DATED this 9 day of August, 2022.

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

7 By: 

8 SHARATH CHANDRA, Administrator
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10 Las Vegas, Nevada 89102
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12 AARON D. FORD
13 Attorney General

14 By: /s/ Virginia T. Tomova

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