

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  
NEVADA,

7                                   Petitioner,

8                                   vs.

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

11                                  Respondent.

Case No. 2023-192

**FILED**

**AUG 09 2023**

NEVADA COMMISSION FOR  
COMMON INTEREST COMMUNITIES  
AND CONDOMINIUM HOTELS

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12  
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 Christal P. Keegan, Deputy Attorney General, hereby notifies  
18 DIANA D. STEGEMAN ("RESPONDENT") of an administrative hearing before the  
19 Commission for Common-Interest Communities and Condominium Hotels, State of  
20 Nevada, which is to be held pursuant to Chapters 233B and Chapters 116 and 116A of  
21 the Nevada Revised Statutes ("NRS") and Chapter 116 and 116A of the Nevada  
22 Administrative Code ("NAC"). The purpose of the hearing is to consider the allegations  
23 stated below and to determine if an administrative penalty will be imposed on the  
24 RESPONDENT pursuant to the provisions of NRS and NAC including, but not limited to  
25 NAC 116A.360.

26                                   **JURISDICTION AND NOTICE**

27           During all relevant times mentioned in this complaint, RESPONDENT held a  
28 community manager certificate from the Division (CAM.0009065) and is, therefore,

1 subject to the jurisdiction of the Division and the provisions of NRS Chapters 116 and  
2 116A and NAC Chapters 116 and 116A. RESPONDENT'S certificate is currently in  
3 "active" status.

#### 4 **FACTUAL ALLEGATIONS**

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

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

11 3. The Respondent did not provide the Association's board members with a  
12 copy of the signed management agreement. *CICC080.*

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

15 5. The Respondent cleared checks to her management company above the  
16 monthly management fee without supporting documentation. *CICC080.*

17 6. The Association's Board refused to sign the Respondent's last two  
18 management fee checks for January and February of 2023 because she was not doing her  
19 job. *CICC080.*

20 7. But the Respondent still cleared those unauthorized checks by applying  
21 digital signatures. *CICC080.*

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

26 9. The Respondent cancelled board meetings which hindered financial  
27 information from being provided in a timely manner. *CICC026-029, CICC042-CICC044,*  
28 *and CICC103-CICC114.*

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

3           11.     But the Association's Board discovered they were not authorized users on  
4 the bank account, only the Respondent was a signer for the Association's accounts.  
5 *CICC028-CICC029.*

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

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

10          14.     Upon review of the bank statements, the Association's Board determined the  
11 Respondent's management company was writing checks to her company and other  
12 vendors without board approval. *CICC026-CICC029.*

13          15.     Upon review of the bank statements, the Association's Board determined  
14 that the Respondent forged checks pasting digital signatures on the unauthorized checks.  
15 *CICC024-CICC025.*

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

18          17.     The Association's Board discovered multiple discrepancies when it compared  
19 the statements provided by the Respondent with the statements from the bank.  
20 *CICC188, CICC120-129, CICC130-CICC187, and CICC188.*

21          18.     These discrepancies committed by the Respondent included editing bank  
22 statements to remove entries or change data. *CICC188, CICC120-129, CICC130-*  
23 *CICC187, and CICC188.*

24          19.     In total, there was approximately \$21,716.23 of Association funds that have  
25 been paid out by Respondent's management company without board approval or any  
26 supporting documentation. *CICC024-CICC025.*

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

1 **VIOLATIONS OF LAW**

2 21. RESPONDENT violated NAC 116A.345(9) for collecting amounts above  
3 \$1,700 from her client not specified in the management agreement.

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

7 23. RESPONDENT violated NRS 116A.630(9) by failing to make the  
8 Association's financial records and delinquency reports from April 1, 2022, to December  
9 31, 2022, and the reserves and operating accounts bank statements from September 1,  
10 2022, to December 31, 2022, available for inspection by the Division.

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

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

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

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

20 **DISCIPLINE AUTHORIZED**

21 Pursuant to the provisions of NAC 116A.360 the Commission has discretion to  
22 impose discipline as it deems appropriate, including, but not limited to one or more of the  
23 following actions:

- 24 (a) Revoke or suspend the certificate;  
25 (b) Refuse to renew or reinstate the certificate;  
26 (c) Place the community manager on probation;  
27 (d) Issue a reprimand or censure to the community manager;  
28 (e) Impose a fine of not more than \$5,000 for each violation of a statute or  
regulation;

- 1 (f) Require the community manager to pay restitution;
- 2 (g) Require the community manager to pay the costs of the investigation and  
3 hearing;
- 4 (h) Require the community manager to obtain additional education relating to  
the management of common-interest communities; and
- 5 (i) Take such other disciplinary action as the Commission deems appropriate.

6 The Commission may order one or any combination of the discipline described  
7 above.

### 8 NOTICE OF HEARING

9 PLEASE TAKE NOTICE that a disciplinary hearing has been set to consider this  
10 Administrative Complaint against the above-named RESPONDENT in accordance with  
11 Chapters 233B and 116 and 116A of the Nevada Revised Statutes and Chapter 116 and  
12 116A of the Nevada Administrative Code.

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

19 STACKED CALENDAR: Your hearing is one of several hearings that may  
20 be scheduled at the same time as part of a regular meeting of the Commission  
21 that is expected to take place on September 26-28, 2023. Thus, your hearing may  
22 be continued until later in the day or from day to day. It is your responsibility  
23 to be present when your case is called. If you are not present when your hearing  
24 is called, a default may be entered against you and the Commission may decide  
25 the case as if all allegations in the complaint were true. If you need to negotiate  
26 a more specific time for your hearing in advance because of coordination with  
27 an out of state witness or the like, please call Maria Gallo, Commission  
28 Coordinator, at (702) 486-4074.

1           **YOUR RIGHTS AT THE HEARING:** Except as mentioned below, the hearing is  
2 an open meeting under Nevada’s open meeting law and may be attended by the public.  
3 After the evidence and arguments, the commission may conduct a closed meeting to  
4 discuss your alleged misconduct or professional competence. You are entitled to a copy of  
5 the transcript of the open and closed portions of the meeting, although you must pay for  
6 the transcription. As a RESPONDENT, you are specifically informed that you have the  
7 right to appear and be heard in your defense, either personally or through your counsel  
8 of choice. At the hearing, the Division has the burden of proving the allegations in the  
9 complaint and will call witnesses and present evidence against you. You have the right  
10 to respond and to present relevant evidence and argument on all issues involved. You  
11 have the right to call and examine witnesses, introduce exhibits, and cross-examine  
12 opposing witnesses on any matter relevant to the issues involved.

13           You have the right to request that the Commission issue subpoenas to compel  
14 witnesses to testify and/or evidence to be offered on your behalf. In making this request,  
15 you may be required to demonstrate the relevance of the witness’s testimony and/or  
16 evidence. Other important rights and obligations, including your obligation to answer  
17 the complaint, are listed in NAC 116A.560 through NAC 116A.655, NRS Chapter 233B,  
18 and NRS Chapters 116 and 116A and NAC 116 and 116A.

19           Note that under NAC 116A.585, not less than five (5) working days before a  
20 hearing, RESPONDENT must provide to the Division a copy of all reasonably available  
21 documents that are reasonably anticipated to be used to support his or her position, and  
22 a list of witnesses RESPONDENT intends to call at the time of the hearing. Failure to  
23 provide any document or to list a witness may result in the document or witness being  
24 excluded from RESPONDENT’S defense. The purpose of the hearing is to determine if  
25 the RESPONDENT has violated any of the provisions of NRS and NAC Chapters 116 and

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1 116A, and to determine what administrative penalty is to be assessed against  
2 RESPONDENT, if any, pursuant to NAC 116A.360.

3  
4 DATED this 5<sup>th</sup> day of August, 2023.

REAL ESTATE DIVISION,  
DEPARTMENT OF BUSINESS & INDUSTRY,  
STATE OF NEVADA

6  
7 By: 

CHARVEZ FOGER  
Deputy Administrator  
3300 W. Sahara Avenue, Suite 350  
Las Vegas, Nevada 89102  
(702) 486-4033

8  
9  
10  
11 DATED this 8<sup>th</sup> day of August 2023.

AARON D. FORD  
Attorney General

12  
13  
14 By: 

CHRISTAL P. KEEGAN  
Deputy Attorney General  
Nevada State Bar No. 12725  
5420 Kietzke Lane, Suite 202  
Reno, Nevada 89511  
(775) 687-2141  
[ckeegan@ag.nv.gov](mailto:ckeegan@ag.nv.gov)

*Attorney for Real Estate Division*