

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 AND INDUSTRY, STATE
7 OF NEVADA,

8 Petitioner,

9 vs.

10 MANTOVA COMMUNITY ASSOCIATION,
11 CHARLES WRIGHT, PAMELIA LOWRY,
12 AND TRICIA YOST,
(Entity Number C18509-2002)

13 Respondent.

Case No. 2023-384

FILED

JAN 21 2025

NEVADA COMMISSION FOR
COMMON INTEREST COMMUNITIES
AND CONDOMINIUM HOTELS

m. g. white

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

15 This matter came on for hearing before the Commission for Common-Interest
16 Communities and Condominium Hotels, State of Nevada (the "Commission") on Tuesday,
17 December 3, 2024. (the "Hearing") Mantova Community Association ("RESPONDENT
18 ASSOCIATION") and association board members Charles Wright, Pamela Lowry, and
19 Tricia Yost, ("RESPONDENT BOARD MEMBERS") appeared by and through their
20 counsel, Ryan Hastings, Esq. Phil W. Su, Senior Deputy Attorney General, appeared on
21 behalf of the Real Estate Division of the Department of Business and Industry, State of
22 Nevada (the "Division").

23 Attorney Su represented that since the matter was last heard in September,
24 RESPONDENTS have provided documentation to substantiate full compliance with the
25 remaining audit issues, including accounting for gift card funds and implementing its
26 funding plan to shore up its reserves. The parties further stipulated to the Division's
27 factual allegations and the violations of law as set forth in the Complaint filed September
28 4, 2024, and stipulated to the admission of the Division's documents bates stamped
CCIC0001-0213.

1 **FINDINGS OF FACT**

2 Based on a preponderance of the evidence in the record, the documents admitted at
3 the Hearing, and by stipulation of the parties, the Commission voted, to find all the
4 following factual allegations were proven:

5 1. RESPONDENT ASSOCIATION is a common-interest community located in
6 Henderson, Nevada (Entity Number C18509-2002) with 123 units. CCIC0004; 0016-0019.

7 2. At all times relevant to the Complaint, the Respondent's management
8 company was FirstService Residential, and managed by community manager Michelle
9 Wolven. CCIC0004; 0016-0019.

10 3. At all relevant times, the RESPONDENT ASSOCIATION was governed by
11 RESPONDENT BOARD MEMBERS Charles Wright, Pamela Lowry, and Tricia Yost.
12 CCIC0004; 0016-0019.

13 4. The Office of the Ombudsman for Owners in Common-Interest Communities
14 and Condominium Hotels ("Ombudsman") initiated an audit ("Initial Audit") of
15 RESPONDENT ASSOCIATION in February of 2023, completing the audit on May 8, 2023.
16 CCIC0001-CCIC0015.

17 5. The Audit noted that the RESPONDENTS had initial non-compliance issues
18 including delinquent reserve study and delinquent submission of reserve study Form 609.
19 CCIC 0001; 0007-0008.

20 6. The Audit further determined that the Association's Reserve balance was
21 allowed to be depleted from a level of 92% in 2016 to 16% funded as of 1/1/23. CCIC 0001;
22 0007-0008.

23 7. The Audit further determined that the RESPONDENTS relied upon Due-to
24 accounts and failed to prepare an adequate budget to fund its daily operations, resulting in
25 low Reserve funding. CCIC 0008-0009.

26 8. The Audit further determined the RESPONDENTS did not have proper
27 policies in place, or meeting minutes regarding, the purchase and use of gift cards
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1 purchased by Board members using board funds in lieu of petty cash disbursements. CCIC
2 0010-0011.

3 9. On May 10, 2023, the Ombudsman referred the Initial Audit to the Division's
4 compliance division for further investigation. CCIC0001.

5 10. On January 11, 2024, the Division opened an investigation against
6 Respondent association and issued a Request for Information (RFI) letter via certified mail
7 to the RESPONDENTS, requesting response within ten (10) business days of the letter.
8 CCIC0020-0022.

9 11. In a letter dated January 11, 2024, the RESPONDENTS provided a response
10 to the RFI, which included a copy of reserve study adopted on 12/26/23, a draft of the Form
11 609, and a copy of a letter sent to the unit owners regarding the assessment increases
12 adopted at the 12/26/23 board meeting. CCIC0023; 0024-0211.

13 12. The letter sent to unit owners noted that the Association's Reserve fund would
14 only be 5% funded as of 1/1/24. CCIC0209.

15 13. On March 30, 2024, the Division notified RESPONDENTS in writing that it
16 would pursue disciplinary action in a hearing before the Commission for potential
17 violations of NRS 116. CCIC0212-0213.

18 CONCLUSIONS OF LAW

19 Based on the foregoing factual findings and the preponderance of the evidence, the
20 Commission voted, that all the following violations of law occurred:

21 1. RESPONDENTS violated NRS 116.3103 pursuant to NRS 116.31152 by
22 failing to timely perform its required quinquennial Reserve Study.

23 2. RESPONDENTS violated NRS 116.3103 pursuant to NRS 116.31152 by
24 failing to timely submit a Reserve Study Form (Form 609) to the Division.

25 3. RESPONDENTS violated NRS 116.3115(2)(b) pursuant to NRS
26 116.31152(1)(b)(c) by failing to exercise ordinary and reasonable care by allowing its
27
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1 Reserve balance to be depleted from a level of 92% in 2016 to 16% funded as of 1/1/23 and
2 5% funded as of 1/1/24.

3 4. RESPONDENTS violated NRS 116.3115 pursuant to NRS 116.31151 by
4 failing to adequately prepare a budget to meet the association's operating expenses and to
5 adequately fund the Reserve account.

6 5. RESPONDENTS violated NRS 116.3103 pursuant to NRS 116.3115(2)(b) by
7 failing to exercise ordinary and reasonable care in allowing excessive Due-to obligations
8 from its Reserve fund to its operating account to deplete the Reserve fund to extremely low
9 levels.

10 6. RESPONDENTS violated NRS 116.3103 pursuant to NAC 116.405(8)(i) by
11 failing to exercise ordinary and reasonable care by allowing unmonitored and unapproved
12 acquiring and usage of gift cards by board members using board funds.

13 **ORDER**

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

16 1. RESPONDENT ASSOCIATION shall pay to the Division a total amount of
17 SIX THOUSAND FOUR HUNDRED FORTY ONE DOLLARS and 09/100 cents (\$6,441.09)
18 ("Amount Due"), within sixty (60) days of entry of Order. This total amount reflects no
19 administrative fine amounts for committing the above-stated violation of law, but the costs
20 of the investigation, the attorney's fees, and the hearing;

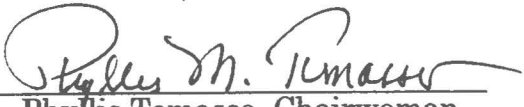
21 2. If payment is not actually received by the Division on or before its due date, it
22 shall be construed as a default by RESPONDENT ASSOCIATION. In the event of default,
23 the unpaid balance of the administrative fine and costs, together with any attorney's fees
24 and costs that may have been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

1 3. RESPONDENT ASSOCIATION is on notice that if it violates any order by the
2 Commission, the Commission may impose an administrative fine of not more than \$1,000
3 for each violation; and

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

6 DATED: January 21st, 2025

7 COMMISSION FOR COMMON-INTEREST
8 COMMUNITIES AND CONDOMINIUM
9 HOTELS, DEPARTMENT OF BUSINESS
 AND INDUSTRY, STATE OF NEVADA

10 By: 
 Phyllis Tomasso, Chairwoman

11 Submitted by:
12 AARON D. FORD
13 Attorney General

14 By: /s/ Phil W. Su
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