

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,
7 STATE OF NEVADA,

8 Petitioner,

9 vs.

10 TURNBERRY TOWERS EAST UNIT-
11 OWNERS' ASSOCIATION, TONY RECTOR,
12 JAMES ORR, LAWRENCE (LARRY) KARP;
13 MANU SETHI, and TAMRA TRAINER,

14 Respondent.

Case No. 2023-309

FILED

DEC 11 2024

NEVADA COMMISSION FOR
COMMON INTEREST COMMUNITIES
AND CONDOMINIUM HOTELS

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15 **STIPULATION AND ORDER FOR SETTLEMENT OF DISCIPLINARY ACTION**
16 **FOR RESPONDENT TAMRA TRAINER**

17 This Stipulation for Settlement of Disciplinary Action ("Stipulation") is entered into
18 by and between the State of Nevada, Department of Business and Industry, Real Estate
19 Division ("Division"), through its Administrator Sharath Chandra ("Petitioner"), by and
20 through their attorney of record, Phil W. Su, and TURNBERRY TOWERS EAST UNIT-
21 OWNERS' ASSOCIATION ("RESPONDENT ASSOCIATION") and Board Member
22 TAMRA TRAINER ("RESPONDENT BOARD MEMBER TRAINER"), by and through her
23 attorneys of record, Joseph Ganley, David Malley, and Todd Prall of the Hutchison Steffen
24 law firm.

25 **JURISDICTION AND NOTICE**

26 During all relevant times, RESPONDENT ASSOCIATION (Entity Number
27 0069772007-3) is and has been a common-interest community located in Las Vegas,
28 Nevada, and the RESPONDENT BOARD MEMBERS are current board members of record
for RESPONDENT ASSOCIATION. Therefore, the RESPONDENTS are subject to the
provisions of Chapter 116 of each the Nevada Revised Statutes ("NRS") and the Nevada

1 Administrative Code (“NAC”) (hereinafter collectively referred to as “NRS 116”) and are
2 subject to the jurisdiction of the Division, and the Commission for Common-Interest
3 Communities pursuant to the provisions of NRS 116.750

4 **SUMMARY OF FACTUAL ALLEGATIONS SET FORTH IN THE COMPLAINT**

5 1. RESPONDENT ASSOCIATION is a common-interest community located in
6 Las Vegas, Nevada (Entity Number 0069772007-3) consisting of 318 units, and a sub-
7 association of Turnberry Towers Community Association. CIC0001-0003; 0070-0071.

8 2. At all times relevant to the Complaint, the Respondent’s management
9 company was PINNACLE COMMUNITY ASSOCIATION MANAGEMENT, represented
10 by Supervising Community Manager Francesca Stevenson CAM. CIC0001-0003; CIC0070-
11 0071.

12 3. As of the date of this Complaint, RESPONDENT BOARD MEMBERS TONY
13 RECTOR, JAMES ORR, LAWRENCE (LARRY) KARP, MANU SETHI, and TAMRA
14 TRAINER (“RESPONDENT BOARD MEMBERS”) currently serve as board members of
15 RESPONDENT ASSOCIATION. CIC0068-0069.

16 4. The Office of the Ombudsman for Owners in Common-Interest Communities
17 and Condominium Hotels (“Ombudsman”) initiated an audit (“Initial Audit”) of
18 RESPONDENT ASSOCIATION on July 13, 2023, which was completed and submitted on
19 November 23, 2023. CIC0001–CIC0067.

20 5. The Audit was initiated based on a referral from the Division’s compliance
21 section, which identified employee incentives and Board expenses that exceeded the
22 approved and ratified budgets, and which appeared excessive. CIC0004-0005.

23 6. The Audit noted, among other irregularities, that the reporting of the Reserve
24 balances from 2020 and 2021 were identical, which is atypical, and warranted further
25 review. CIC0005.

26 7. The Audit identified numerous non-compliance issues, including with
27 Financial Reporting, Bank Accounts and Commingling of Association Funds; Missing and
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1 Omitted Records; CPA Audits submitted to the Board in draft, rather than final, form;
2 repeated failure to timely and accurately reconcile security and lease deposit refunds;
3 repeated failure to meet Due-to liability balances between operating and reserve accounts;
4 unadjusted and inaccurate budget preparation; unsupervised petty cash transactions;
5 excessive board expenses and reimbursements; inaccurate records for employee and
6 community manager bonus incentives; issues with employee payroll and vendor services;
7 sole-signed checks; missing and incomplete meeting minutes and vendor bids; funds held
8 in excess of FDIC-insurance deposit limits; and delinquent assessments by board members.
9 CIC0004-0026.

10 8. The Audit specifically noted that the Board Members at the time of the audit,
11 including RESPONDENTS RECTOR and TRAINER, neglected their duty of care in
12 ensuring adherence to internal controls related to accounting and business practices.
13 CIC0026.

14 9. The Audit further stated that RESPONDENT RECTOR “appear[ed] to act
15 unilaterally for many of the association’s business practices and Board process, such as
16 reimbursements, issuance of bonuses, and investment account practices. CIC0027.

17 10. The Audit further stated that “the lack of care and attention to the Board’s
18 fiduciary and business responsibilities suggest an intentional disregard for NRS 116.3103,
19 the results of which may serve to imperil the association as a going concern,” and warranted
20 further investigation by the Division’s compliance section. CIC0029.

21 11. The Audit specifically stated that, in the auditor’s opinion, RESPONDENT
22 RECTOR’S actions were “willful and neglectful” and recommended that the Commission
23 “seek to reimburse the association for the monies found to be used for personal gain by the
24 Board.” CIC0029.

25 12. On January 11, 2024, Division Investigator Christina Pitch sent an opening
26 investigation letter/request for information to the RESPONDENTS, asserting allegations
27 regarding the commingling of funds from various bank accounts; missing and/or omitted
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1 records regarding cash disbursements; untimely and preliminary draft versions of 2020
2 and 2021 CPA audits; lack of controls and documentation of petty cash disbursements; the
3 mis-assignment of Association employees for the personal benefit of RESPONDENT
4 RECTOR, and over fifty (50) sole-signed checks from the 2021 and 2022 sample received
5 by the auditor. CIC0075-0080.

6 13. On or about February 2, 2024, CAM Stevenson emailed the Division a
7 response, indicating that, regarding the allegation of commingled funds, those bank funds
8 were “deposited into Merrill Lynch... against the advice of management.” CIC0082.

9 14. The February 2, 2024, response from CAM Stevenson stated that regarding
10 the allegation of missing and/or omitted records regarding cash disbursements, “some bank
11 records [were] sent to the former Boad President directly” and were sometimes not provided
12 to management despite requests from management, and that “registers, receipts, and
13 documentation for the petty cash box are supposed to be kept by onsite office staff and were
14 not made available to management.” CIC0082-0083.

15 15. The February 2, 2024, response from CAM Stevenson included final versions
16 of the 2020 and 2021 audit reports, each of which was dated February 22, 2023. CIC0082-
17 0120.

18 16. The February 2, 2024, response from CAM Stevenson noted that
19 RESPONDENT ASSOCIATION would draft and adopt policies and resolutions to address
20 internal controls for use of association funds and to define reimbursable expenses; that
21 duties for employees of the tower would be limited to association work and not for personal
22 matters; and did not address allegations that some BOARD ASSOCIATION employees on
23 payroll were performing non-Board related work on behalf of RESPONDENT RECTOR.
24 CIC0082-83; 0132-0146.

25 17. On May 7, 2024, newly-elected Board Treasurer, RESPONDENT KARP,
26 provided an additional response to her January 11, 2024, letter and request for information.
27 CIC0147-0155.

1 18. The May 7, 2024, letter did not deny any of the allegations, but noted that
2 they were each being addressed by the newly elected executive board. CIC0147-0155.

3 19. The May 7, 2024, letter noted that bank accounts have been reactivated and
4 funded appropriately; that petty cash has been completely eliminated and Venmo electronic
5 payments are now utilized to ensure payment is made by homeowners directly to the
6 Association's operating account; and that the board members are verifying the status of
7 prior-year audits to resolve any outstanding issues and to ensure no future delays in
8 issuance; that board members could no longer hire personal assistants with Association
9 funds, and that all checks will now be counter-signed and reviewed by the office manager
10 to ensure that there are two signatures. CIC0147-0155.

11 20. The May 7, 2024, letter further noted that the Board of Directors held an
12 emergency meeting to remove RESPONDENT RECTOR from his position as Vice-
13 President of the RESPONDENT ASSOCIATION, and a petition for RESPONDENT
14 RECTOR'S recall as a board member was received by the community manager and was
15 being processed pursuant to NRS 116. CIC0148.

16 21. Lastly, the May 10, 2024, letter included a copy of a new resolution proposed
17 by the Board to ensure that the issues raised in the audit and investigator Pitch's January
18 11, 2024, letter would not reoccur. CIC0149; 0153-0155.

19 22. The Division's investigation separately identified that a November 15, 2023,
20 a lawsuit was filed by RESPONDENT ASSOCIATION against RESPONDENT RECTOR,
21 individually, seeking injunctive and declaratory relief against RECTOR. CIC0156-0158.

22 23. The parties appear to have settled the lawsuit and stipulated for dismissal of
23 that case in May of 2024. CIC0158.

24 **CORROBORATING WITNESS STATEMENTS**

25 24. On February 7, 2024, Jacqueline Phillips, a unit owner in RESPONDENT
26 ASSOCIATION, sent investigator Pitch an email detailing, among other things, her
27 discussions with former Association employee Sonya Clemons about RESPONDENT
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1 RECTOR'S practice of using Association money for his own personal benefit, including
2 bringing cash to Clemons for her to wire to women in the Philippines from her personal
3 accounts. CIC0165-0167.

4 25. On February 20, 2024, RESPONDENT TRAINER emailed investigator Pitch
5 to corroborate Phillips' statements and provided supporting documentation. CIC0159-0242.

6 26. Among the documents provided by RESPONDENT TRAINER was an order
7 granting Petition for Temporary Restraining Order against RESPONDENT RECTOR in
8 the A-23-881671-C matter. CIC0159; 0169-0180.

9 27. On March 19, 2024, RESPONDENT TRAINER provided her own personal
10 response to the allegations in Investigator Pitch's January 11, 2024, initial request for
11 information, outlining details she discovered during her time on the board about
12 RESPONDENT RECTOR'S extensive use of HOA funds to pay for his own personal
13 expenses, and his complete control over petty cash handling and disbursement of funds.
14 CIC0243-0249.

15 28. In the March 19, 2024, letter, RESPONDENT TRAINER also asserted that
16 RESPONDENT ASSOCIATION employee Sandra Watkins served as RESPONDENT
17 RECTOR'S personal assistant and worked out of his personal condo, even as she
18 simultaneously serves as the on-site office manager for both RESPONDENT
19 ASSOCIATION and Turnberry Towers Community Association on behalf of Pinnacle
20 Community Management. CIC0247-0249.

21 29. On March 31, 2024, Crysta Willis, a former employee of RESPONDENT
22 ASSOCIATION, emailed Investigator Pitch regarding how although she had been hired by
23 RESPONDENT ASSOCIATION, her only job was to help complete the personal taxes for
24 RESPONDENT RECTOR. CIC0250-0252.

25 30. Willis stated that while helping RESPONDENT RECTOR with his taxes she
26 saw items that the board reimbursed RESPONDENT RECTOR for, but which he wrote off

1 on his taxes, including cell phone bills for employees at his Colorado ranch, and meals when
2 traveling and visiting his Colorado ranch. CIC0250-0252.

3 31. Willis asserted that RESPONDENT RECTOR paid employees through board
4 funds to perform tasks personal to him, such as accompanying him to doctors appointments
5 or to view his out-of-state properties, and that RESPONDENT RECTOR would have them
6 falsify their timecards and would cut "bonus" checks for them rather than pay overtime.
7 CIC0252.

8 32. Investigator Pitch also obtained an April 18, 2023, letter from former
9 Association employee Marissa Kevilus where she also accuses RESPONDENT RECTOR of
10 embezzling Association funds and of sending money from petty cash to send to women in
11 the Philippines, and that former board members and/or associates of RESPONDENT
12 RECTOR owed money to the association, to which collection efforts were not pursued.
13 CIC0253.

14 33. On May 29, 2024, the Division notified RESPONDENTS via an NRS 233B
15 letter sent via certified mail that it obtained sufficient evidence to pursue disciplinary
16 action in a hearing before the Commission for potential violations of NRS 116. CIC0255-
17 0257.

18 VIOLATIONS OF LAW ALLEGED IN THE COMPLAINT

19 1. RESPONDENT TONY RECTOR willfully and knowingly violated NRS
20 116.3103 pursuant to NAC 116.405; by actively commingling of funds in various
21 Association bank accounts, against the advice of Association management.

22 2. RESPONDENT BOARD MEMBERS violated NRS 116.3103 pursuant to NAC
23 116.405(8)(i) by failing to exercise ordinary and reasonable care by establishing policies
24 and procedures to provide reasonable assurances regarding the accuracy of the
25 association's petty cash disbursements and other financial records.

26 3. RESPONDENT TONY RECTOR willfully and knowingly violated NRS
27 116.3103 pursuant to NAC 116.405(8)(i) by acting for reasons of self-interest in using the
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1 Association's petty cash disbursements for his own personal use.

2 4. RESPONDENT BOARD MEMBERS violated NRS 116.31144 and NRS
3 116.3103 pursuant to NAC 116.405 and NAC 116.457 by failing to exercise ordinary and
4 reasonable care when they failed to ensure the financial statements of the Association were
5 audited by a CPA for fiscal years 2020 and 2021, and the final audits timely provided to
6 the Division within 210 days of the end of each fiscal year.

7 5. RESPONDENT BOARD MEMBERS violated NRS 116.3103 pursuant to NAC
8 116.405(3) by committing acts or omissions constituting incompetence, negligence or gross
9 negligence when they allowed for the use of petty cash without established controls or
10 retention of receipts, resulting in non-association related and/or personal expenses
11 primarily by, or on behalf of, RESPONDENT BOARD MEMBER Tony Rector.

12 6. RESPONDENT TONY RECTOR willfully and knowingly violated NRS
13 116.3103 pursuant to NAC 116.405(2) by acting for reasons of self-interest and gain in
14 repeatedly using the Association's funds, including, but not limited to, petty cash
15 disbursements, for his own personal benefit, unrelated to Association business.

16 7. RESPONDENT TONY RECTOR willfully and knowingly violated NRS
17 116.3103 pursuant to NAC 116.405(2) by acting for reasons of self-interest and gain in
18 repeatedly using the Association's resources, including, but not limited to Association
19 employees, for his own personal benefit, unrelated to Association business.

20 8. RESPONDENTS violated NRS 116.3103 pursuant to NRS 116.31153 by
21 failing to exercise ordinary and reasonable care in allowing a single board member to sign
22 off on more than fifty (50) association checks without the required countersignature.

23 **PROPOSED SETTLEMENT AGREEMENT**

24 In an effort to avoid the time and expense of litigating these issues before the
25 Commission, the RESPONDENT ASSOCIATION and RESPONDENT BOARD MEMBER
26 TRAINER (collectively, the "SETTLING RESPONDENTS") do not admit, but also agree to
27 waive their right to contest, the above factual allegations and violations as alleged in the
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1 Complaint filed in Case 2023-309. The parties desire to compromise and settle the instant
2 controversy upon the following terms and conditions:

3 1. The SETTLING RESPONDENTS agree to pay the Division a total amount of
4 ONE THOUSAND NINE HUNDRED TWO DOLLARS and 64/100 cents (\$1,902.64)
5 (“Amount Due”), consisting of zero administrative fine imposed by the Division, the
6 Division’s pro-rated pre-hearing costs and fees in the amount of \$260.00, and pro-rated pre-
7 hearing attorney’s fees in the amount of \$1,642.64.

8 a. The Amount Due shall be payable to the Division in full within sixty
9 (60) days of the date of the order approving this settlement.

10 b. No grace period is permitted. If the payment is not actually received by
11 the Division on or before its due date, it shall be construed as an event of
12 default by the SETTLING RESPONDENTS.

13 2. SETTLING RESPONDENTS and the Division agree that by entering into this
14 Stipulation, the Division does not concede any defense or mitigation the SETTLING
15 RESPONDENTS may assert and that once this Stipulation is approved and fully
16 performed, the Division will close its file in this matter with no adverse findings entered
17 against the SETTLING RESPONDENTS regarding the alleged violations of law set forth
18 in the Complaint.

19 3. The SETTLING RESPONDENTS and the Division agree that by entering into
20 this Stipulation, the SETTLING RESPONDENTS do not admit any of the allegations set
21 forth in the Complaint against the SETTLING RESPONDENTS. Further, the SETTLING
22 RESPONDENTS do not concede that any of their defenses or mitigation are invalid or
23 ineffective against the allegations made in the Complaint. The SETTLING
24 RESPONDENTS and the Division agree that this Stipulation is entered for the purpose of
25 settling disputed claims related to the allegations set forth in the Complaint.

26 4. SETTLING RESPONDENTS agree and understand that by entering into this
27 Stipulation, SETTLING RESPONDENTS are waiving their right to a hearing at which
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1 they may present evidence in their defense, their right to a written decision on the merits
2 of the complaint, their rights to reconsideration and/or rehearing, appeal and/or judicial
3 review, and all other rights which may be accorded by the Nevada Administrative
4 Procedure Act, the Nevada Common-Interest Communities and Condominium Hotels
5 statutes and accompanying regulations, and the federal and state Constitutions. The
6 SETTLING RESPONDENTS understand that this Agreement and other documentation
7 may be subject to public records laws. The Commission members who review this matter
8 for approval of this Stipulation may be the same members who ultimately hear, consider,
9 and decide the Complaint if this Stipulation is either not approved by the Commission or
10 is not timely performed by the SETTLING RESPONDENTS. The SETTLING
11 RESPONDENTS fully understand that they have the right to be represented by legal
12 counsel in this matter at their own expense.

13 5. Each party shall bear their own attorney's fees and costs, *except* as the
14 Division's Attorney's pre-hearing costs provided above.

15 6. Approval of Stipulation. Once executed, this Stipulation will be filed with the
16 Commission and will be placed on the agenda for approval at its next public meeting. The
17 Division will recommend to the Commission approval of the Stipulation. SETTLING
18 RESPONDENTS agree that the Commission may approve, reject, or suggest amendments
19 to this Stipulation that must be accepted or rejected by SETTLING RESPONDENTS before
20 any amendment is effective.

21 7. Withdrawal of Stipulation. If the Commission rejects this Stipulation or
22 suggests amendments unacceptable to the SETTLING RESPONDENTS, the SETTLING
23 RESPONDENTS may withdraw from this Stipulation, and the Division may pursue its
24 Complaint before the Commission. This Stipulation then shall become null and void and
25 unenforceable in any manner against either party.

26 8. Release. In consideration of the execution of this Stipulation, the State of
27 Nevada, the Department of Business and Industry, and the Division on the one hand and
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1 the Association and SETTLING RESPONDENTS on the other hand, for itself/themselves,
2 its/their heirs, executors, administrators, successors, and assigns, hereby releases, remises,
3 and forever discharges each other and each of their respective members, agents, employees,
4 and counsel in their individual and representative capacities, from any and all manner of
5 actions, causes of action, suits, debts, judgments, executions, claims, and demands
6 whatsoever, known and unknown, in law or equity, that any of them ever had, now has,
7 may have, or claim to have against any or all of the persons or entities named in this
8 section, arising out of or by reason of the Division's investigation of this action, this
9 disciplinary action, and all matters related thereto.

10 9. Indemnification. SETTLING RESPONDENTS hereby agree to indemnify and
11 hold harmless the State of Nevada, the Department of Business and Industry, Petitioner,
12 the Division, and each of their respective members, agents, employees, and counsel, in their
13 individual and representative capacities, against any and all claims, suits, and actions
14 brought against said persons and/or entities by reason of any affirmative conduct proven
15 to have been committed by RESPONDENT BOARD MEMBER TRAINER related to the
16 matters at issue in this disciplinary action, and against any and all expenses, damages,
17 and costs, including court costs and attorney fees, which may be sustained by the persons
18 and/or entities named in this section as a result of said claims, suits, and actions

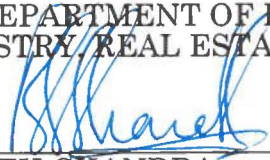
19 10. Default. In the event of default, the SETTLING RESPONDENTS agree that
20 the RESPONDENT ASSOCIATION'S registration status with the Division shall be
21 immediately suspended, and the unpaid balance of the administrative fine and costs,
22 together with any attorney's fees and costs that may have been assessed, shall be due in
23 full to the Division within ten (10) calendar days of the date of default. Debt collection
24 actions for unpaid monetary assessments in this case may be instituted by the Division or
25 its assignee. SETTLING RESPONDENTS agree that the foregoing suspension of the

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1 RESPONDENT ASSOCIATION'S registration status shall continue until the unpaid
2 monetary assessments are paid in full.

3 DATED: November 28, 2024

NEVADA DEPARTMENT OF BUSINESS
AND INDUSTRY, REAL ESTATE DIVISION

4
5 By: 
6 SHARATH CHANDRA
Administrator

7 DATED: November 27, 2024

TURNBERRY TOWERS EAST OA

8
9 By: /s/ Tamra Trainer
TAMRA TRAINER
Executive Board Member

10 APPROVED AS TO FORM:

11 HUTCHISON STEFFEN

AARON D. FORD
Attorney General

12
13 By: /s/ David J. Malley
14 DAVID J. MALLEY (Bar No. 8171)
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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,
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10 TURNBERRY TOWERS EAST UNIT-
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12 JAMES ORR, LAWRENCE (LARRY) KARP;
13 MANU SETHI, and TAMRA TRAINER,

14 Respondent.

15 **ORDER FOR SETTLEMENT OF DISCIPLINARY ACTION**
16 **FOR RESPONDENT TAMRA TRAINER**

17 **IT IS ORDERED** that the foregoing Stipulation and Order for Settlement of
18 Disciplinary Action as to RESPONDENT TAMRA TRAINER is approved in full.

19 DATED: ~~November 11~~, 2024
20 December

21 COMMISSION FOR COMMON-INTEREST
22 COMMUNITIES AND CONDOMINIUM
23 HOTELS, DEPARTMENT OF BUSINESS
24 AND INDUSTRY, STATE OF NEVADA

25 By: 
26 Phyllis Tomasso, Chairwoman

27 Submitted by:

28 AARON D. FORD
Attorney General

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