1 2 3	BEFORE THE COMMISSION FOR COMMON-INTEREST COMMUNITIES AND CONDOMINIUM HOTELS STATE OF NEVADA	
4	SHARATH CHANDRA, Administrator, REAL ESTATE DIVISION, DEPARTMENT OF BUSINESS AND INDUSTRY, STATE	Case No. 2023-38
6	OF NEVADA, Petitioner,	FILED
7		JUN 2 0 2024
8 9	vs. VILLAGIO COMMUNITY ASSOCIATION. (Entity Number C11529-1997)	NEVADA COMMISSION FOR COMMON INTEREST COMMUNITIES AND CONDOMINIUM HOTELS
10	Respondent.	maario
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12	FINDINGS OF FACT, CONCLUSIONS OF LAW AND ORDER	

13 This matter came on for hearing before the Commission for Common-Interest 14Communities and Condominium Hotels, State of Nevada (the "Commission") during 15a regular agenda set on a three-day stack beginning at 9:00 a.m. on June 11, 2024 (the John E. Leach, with Leach Kern Gruchow Song, appeared on behalf 16 "Hearing."). 17 of Villagio Community Association ("RESPONDENT") with provisional community 18 manager Jennifer Thompson (CAM.0010458-PROV), Francesca ("Frankie") Stevenson 19 (CAM.0000274-SUPR), and board member Gary Renis. Christal P. Keegan, Deputy 20 Attorney General with the Nevada Attorney General's Office, appeared on behalf of the 21 Real Estate Division of the Department of Business and Industry, State of Nevada 22 (the "Division").

Since the RESPONDENT admitted to the Division's factual allegations and
stipulated to violations of law numbered 16 and 17 in the Complaint filed April 19, 2024,
Mrs. Keegan presented limited testimony from the Division's Auditor Noel Thornton
regarding her audit findings substantiating violation of law NRS 116.31151(1)(a) and (b).
The parties stipulated to the Division's documents CICC 001-198, and the
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RESPONDENT'S funding plan was admitted. Additional information was provided by
 Board Member Mr. Renis.

FINDINGS OF FACT

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

1. RESPONDENT'S Registration Filing Addendum dated March 8, 2023, reported its two current executive board members as, President Fran Dugan, and Treasurer/Secretary Gary Renis. *Exhibit 1, NRED Files, CICC 003*.

2. The Registration Filing Addendum indicated former President Francisco Jimenez's term expired December 15, 2022, and former Director Shervin Melamed resigned October 24, 2022. *Exhibit 1, NRED Files, CICC 003*.

3. On or about March 13, 2023, the Division opened an investigation against the RESPONDENT pursuant to its audit findings, with a deadline to respond by March 27, 2023. *Exhibit 3, NRED Letter, CICC 024 – 027.*

4. At all times relevant, RESPONDENT'S community manager Francesca "Frankie" Stevenson (CAM.0000274-SUPR) of Pinnacle Community Association Management, requested an extension which the Division granted.

5. Thereafter, RESPONDENT'S CAM Stevenson responded to the Division by the new due date.

6. On or about January 8, 2023, the Division sent a second request for information following up on the case. *Exhibit 3, NRED Letter, CICC 028 – 030.*

7. On or about March 30, 2024, the Division closed its investigation and notified the RESPONDENT its case would proceed formally before the Commission. *Exhibit 3, NRED Letter, CICC 031 - 032.*

8. The RESPONDENT'S reserve study dated on or about March 29, 2023,
determined the Association's current funding plan was below baseline funding and
recommended increasing funding. *Exhibit 5, Reserve Studies, CICC 045.*

9. The Reserve Study recommended Contribution in the amount of \$204,000 for the 2024 baseline funding plan. *Exhibit 5, Reserve Studies, CICC 057.*

10. Yet, the 2024 Reserve Budget ratified on or about December 14, 2023, indicated only \$113,089.00 in total annual income, despite stating that it was "[b]ased upon the reserve analysis report prepared by McCaffrey Reserve Consulting March 2023." *Exhibit 6, Budgets, CICC 137.*

7 11. RESPONDENT'S Reserve Study Summary Form dated January 23, 2024,
8 admitted the monthly funding was lower than the recommended contribution per the
9 reserve study. *Exhibit 5, Reserve Studies, CICC 043.*

12. At all times relevant, RESPONDENT'S financial records demonstrated large "due-to" account balances owed from the Operating account. *Exhibit 5, Reserve Studies, CICC 043, and Exhibit 6, Budgets, CICC 137.*

13 13. At all times relevant, RESPONDENT'S financials demonstrated losses in
14 the Operating fund each year. Exhibit 5, Reserve Studies, CICC 043, and Exhibit 6,
15 Budgets, CICC 137.

16 14. At all times relevant, RESPONDENT prepared budgets that continued to
17 underfund the Reserve account. Exhibit 5, Reserve Studies, CICC 043, and Exhibit 6,
18 Budgets, CICC 137.

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CONCLUSIONS OF LAW

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

2215. RESPONDENT violated NAC 116.415 for failing to reasonably reconcile the23amount required to adequately fund the reserves.

2416.RESPONDENT violated NRS 116.31152 for failing to take the necessary25steps to fund the Reserve account.

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1	ORDER	
2	The Commission, being fully apprised in the premises and good cause appearing,	
3	ORDERS as follows:	
4	1. RESPONDENT shall pay the costs of the investigation and the hearing in	
5	the amount of \$5,022.71 which are actual, reasonable, and necessary within 60 days of	
6	entry of Order.	
7	2. RESPONDENT shall provide a status report at the September 10-12, 2024	
8	Commission Meeting on the following:	
9	a. Funding plan;	
10	b. Due to the reserve amount funding \$131,829;	
11	c. Construction defect account; and	
12	d. Draft budget for 2025.	
13	3. If payment is not actually received by the Division on or before its due date,	
14	it shall be a default by RESPONDENT. In the event of default, the unpaid balance of the	
15	administrative fine and costs, together with any attorney's fees and costs that may have	
16	been assessed, shall be due in full to the Division within ten (10) calendar days of the date	
17	of default, and the Division may obtain a judgment for the amount owed, including	
18	collection fees and costs.	
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1 The Commission retains jurisdiction for correcting any errors that may have 4. occurred in the drafting and issuance of this document. 2 DATED this 20^{44} day of June, 2024. 3 4 COMMISSION FOR COMMON-INTEREST COMMUNITIES AND CONDOMINIUM HOTELS 5 DEPARTMENT OF BUSINESS AND INDUSTRY STATE OF NEVADA 6 7 imalto By: 8 PHYLL'IS TOMASSO CHAIRWOMAN 9 10 Submitted by: 11 AARON D. FORD Attorney General 12 13 epkeegan By: 14 CHRISTAL P. KEEGAN (Bar No. 12725) Deputy Attorney General 5420 Kietzke Lane, Suite 202 Reno, Nevada 89511 (775) 687-2141 15 16 ckeegan@ag.nv.gov 17 Attorney for Real Estate Division 18 19 20 21 22 23 24 25 26 27 28