

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,

Case No. 2023-394

**FILED**

OCT 17 2024

NEVADA COMMISSION FOR  
COMMON INTEREST COMMUNITIES  
AND CONDOMINIUM HOTELS

*mgallo*

8 Petitioner,

9 vs.

10 VISTA DEL SUR TOWNHOUSE  
11 ASSOCIATION,  
12 (Entity Number 1094-1985)

13 Respondent.

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

16 The Real Estate Division of the Department of Business and Industry, State of  
17 Nevada (the "Division"), by and through its counsel, Aaron D. Ford, Attorney General of  
18 the State of Nevada, and Christal P. Keegan, Deputy Attorney General, hereby notifies  
19 Vista Del Sur Townhouse Association ("RESPONDENT") of an administrative hearing  
20 before the Commission for Common-Interest Communities and Condominium Hotels,  
21 State of Nevada, which is to be held pursuant to Chapters 233B and Chapters 116 of the  
22 Nevada Revised Statutes ("NRS") and Chapter 116 of the Nevada Administrative Code  
23 ("NAC"). The purpose of the hearing is to consider the allegations stated below and  
24 to determine if an administrative penalty will be imposed on the RESPONDENT pursuant  
25 to the provisions of NRS and NAC including, but not limited to NRS 116.785  
26 and NRS 116.790.

27 **JURISDICTION AND NOTICE**

28 During all relevant times, RESPONDENT is a common-interest community of  
about forty (40) townhouse units located in Reno, Nevada (Entity Number 1094-1985) and

1 is, therefore, subject to the provisions of Chapter 116 of each the Nevada Revised Statutes  
2 (“NRS”) and the Nevada Administrative Code (“NAC”) (hereinafter collectively referred to  
3 as “NRS 116”) and are subject to the jurisdiction of the Division, and the Commission for  
4 Common-Interest Communities and Condominium Hotels pursuant to the provisions  
5 of NRS 116.750.

### 6 **FACTUAL ALLEGATIONS**

7 1. Between about March 13, 2023, to May 12, 2023, the Division conducted an  
8 audit for the Vista Del Sur Townhouse Association (“RESPONDENT”). Exhibit 1,  
9 CICC 000003.

#### 10 **A. Delinquent CPA Reviews and Audits**

11 2. The RESPONDENT admitted it only had CPA audits for 2014 and 2017.  
12 Exhibit 3, CICC 000030.

13 3. But RESPONDENT’S budget requires it to have a CPA Review or CPA Audit  
14 performed annually. Exhibit 1, CICC 000008.

15 4. The RESPONDENT admitted the audits had not been done. Exhibit 3,  
16 CICC 000030.

17 5. The RESPONDENT claimed the Board approved the Engagement Letter for  
18 their 2022 Audit which allegedly had been completed. Exhibit 3, CICC 000030.

19 6. The RESPONDENT anticipated it would approve the Engagement Letter for  
20 their 2023 Audit. Exhibit 3, CICC 000030.

21 7. The RESPONDENT feels like it was the responsibility of their prior  
22 management company to have had the audits completed. Exhibit 3, CICC 000030.

#### 23 **B. Low Reserve Funding**

24 8. The RESPONDENT admitted “the reserve fund is extremely underfunded.”  
25 Exhibit 3, CICC 000029.

26 9. The RESPONDENT admitted it “currently has \$48,584.09 in their reserve  
27 account” but that the reserve study shows the year-end balance should be \$170,504.56 (or  
28 approximately 28.89% funded). Exhibit 3, CICC 000030.

1           10.    The RESPONDENT admitted that the reserve study shows the year-end  
2 balance to be 100% funded and it should be \$653,549.72 (or approximately 7.43% funded).  
3 Exhibit 3, CICC 000030.

4           11.    The RESPONDENT reasoned it has spent \$255,000.00 this year on repairs.  
5 Exhibit 3, CICC 000030.

6                               **C.    Increased Due-to Reserve Balances Owed**

7           12.    The RESPONDENT'S records revealed increased Due-to-Reserve balances  
8 year-over-year. Exhibit 1, CICC 000009 – CICC 000013, and CICC 000014.

9           13.    The RESPONDENT admitted starting with the new budget, the board has  
10 increased their assessments to be able to increase the amount deposited into the reserve  
11 account. Exhibit 3, CICC 000030.

12          14.    The RESPONDENT admitted the reserve study stated an annual  
13 transfer of \$125,000.00 and it planned on transferring over that amount to the reserves.  
14 Exhibit 3, CICC 000030.

15          15.    The RESPONDENT also stated the Board intends not to proceed with any  
16 improvements until the reserve account is built up. Exhibit 3, CICC 000030.

17  
18          16.    Therefore, on or about October 12, 2023, the Division sent the  
19 RESPONDENT its first request for information letter with a deadline to respond by  
20 October 26, 2023. Exhibit 2, CICC 000018 – CICC 000020.

21          17.    Given the RESPONDENT'S limited response, on or about January 22, 2024,  
22 the Division sent the RESPONDENT a follow-up to its original request for information.  
23 Exhibit 3, CICC 000029, and Exhibit 2, CICC 000021 – CICC 000023.

24          18.    On or about February 23, 2024, the Division issued a Letter of Instruction  
25 upon the RESPONDENT regarding its responsibility to maintain compliance.  
26 Exhibit 2, CICC 000024 – CICC 000025.

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1 19. On or about August 2, 2024, the Division informed the RESPONDENT  
2 the case would be forwarded to the Commission on the outstanding violations.  
3 Exhibit 2, CICC 000026 – CICC 000027.

4 **VIOLATIONS OF LAW**

5 20. RESPONDENT violated NRS 116.31144(1)(b), and/or (c) by admission for  
6 delinquencies in completing its annual audits.

7 21. RESPONDENT violated NRS 116.31152 by admission for having low  
8 reserves funding.

9 22. RESPONDENT violated NRS 116.3115(2)(b) for failing to adequately  
10 address its Due-to Reserve balance owed.

11 **DISCIPLINE AUTHORIZED**

12 Pursuant to the provisions of NRS 116.615; NRS 116.755; NRS 116.785; and NRS  
13 116.790, the Commission has discretion to take any or all of the following actions:

14 1. Issue an order directing RESPONDENT to cease and desist from continuing  
15 to engage in the unlawful conduct that resulted in the violation.

16 2. Issue an order directing RESPONDENT to take affirmative action to correct  
17 any conditions resulting from the violation.

18 3. Impose an administrative fine of up to \$1,000 for each violation by  
19 RESPONDENT.

20 4. If RESPONDENT is found to have knowingly and willfully committed a  
21 violation of NRS or NAC 116 AND it is in the best interest of the Association, such  
22 RESPONDENT may be removed from his/her position as a director and/or officer.

23 5. Order an audit of the ASSOCIATION, at the expense of the ASSOCIATION.

24 6. Require RESPONDENT to pay the costs of the proceedings incurred by the  
25 Division, including, without limitation, the cost of the investigation and reasonable  
26 attorney's fees.

27 7. Take whatever further disciplinary action the Commission  
28 deems appropriate.

1 The Commission may order one or any combination of the discipline described  
2 above. If the Commission finds that the RESPONDENT knowingly and willfully violated  
3 the provisions of NRS or NAC 116, the Commission may order that RESPONDENT be  
4 personally liable for all fines and costs imposed.

5 **NOTICE OF HEARING**

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

10 **THE HEARING WILL TAKE PLACE** at the Commission meeting(s) scheduled  
11 for **December 3-5, 2024**, beginning at approximately 9:00 a.m. each day, or until such  
12 time as the Commission concludes its business. The Commission meeting will be held at  
13 the Nevada State Business Center, 3300 W. Sahara Avenue, 4th Floor, Nevada Room, Las  
14 Vegas, Nevada 89102 on December 3 – 4, 2024, with videoconferencing to Department of  
15 Business and Industry, Division of Insurance, 1818 E. College Parkway, Suite 103, Carson  
16 City, Nevada 89706. The Commission meeting will be held at the Nevada State Business  
17 Center, 3300 W. Sahara Avenue, 4th Floor, Tahoe Room, Las Vegas, Nevada 89102 on  
18 December 5, 2024, with videoconferencing to Department of Business and Industry,  
19 Division of Insurance, 1818 E. College Parkway, Suite 103, Carson City, Nevada 89706.

20 **STACKED CALENDAR: Your hearing is one of several hearings that may**  
21 **be scheduled at the same time as part of a regular meeting of the Commission**  
22 **that is expected to take place on December 3 – 5, 2024. Thus, your hearing may**  
23 **be continued until later in the day or from day to day. It is your responsibility**  
24 **to be present when your case is called. If you are not present when your hearing**  
25 **is called, a default may be entered against you and the Commission may decide**  
26 **the case as if all allegations in the complaint were true. If you need to negotiate**  
27 **a more specific time for your hearing in advance because of coordination with**

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1 an out-of-state witness or the like, please call Maria Gallo, Commission  
2 Coordinator, at (702) 486-4074.

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

15 You have the right to request that the Commission issue subpoenas to compel  
16 witnesses to testify and/or evidence to be offered on your behalf. In making this request,  
17 you may be required to demonstrate the relevance of the witness' testimony and/or  
18 evidence. Other important rights and obligations, including your obligation to answer the  
19 complaint, you have are listed in NRS Chapter 116 and NAC Chapter 116, including  
20 without limitation, NRS 116.770 through 116.780, and NAC 116.500 through NAC  
21 116.635 and NRS Chapter 233B.

22 Note that under NAC 116.575, not less than five (5) working days before a hearing,  
23 RESPONDENTS must provide to the Division a copy of all reasonably available  
24 documents that are reasonably anticipated to be used to support his position, and a list of  
25 witnesses RESPONDENT intends to call at the time of the hearing. Failure to provide  
26 any document or to list a witness may result in the document or witness being excluded  
27 from RESPONDENT'S defense. The purpose of the hearing is to determine if the

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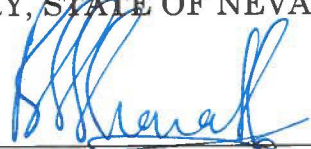
1 RESPONDENT have violated the provisions of NRS 116, and to determine what  
2 administrative penalty is to be assessed against RESPONDENT.

3  
4 DATED this 15 day of October 2024.

DATED this 15th day of October 2024.

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

AARON D. FORD  
Attorney General

7  
8 By: 

By: 

9 SHARATH CHANDRA, Administrator  
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