

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 DIANA D. STEGEMAN,
11 (CAM.0009065 - REVOKED)

12 Respondent.

Case No. 2023-883

FILED

APR 25 2024

NEVADA COMMISSION FOR
COMMON INTEREST COMMUNITIES
AND CONDOMINIUM HOTELS

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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 the
21 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,
subject to the jurisdiction of the Division and the provisions of NRS Chapters 116 and

1 116A and NAC Chapters 116 and 116A. RESPONDENT'S certificate is currently revoked.
2 Pursuant to NRS 116A.460, revocation of certificate does not prohibit disciplinary action
3 against holder of certificate.

4 FACTUAL ALLEGATIONS

5 1. From about October 1, 2022, to August 1, 2023, RESPONDENT, by and
6 through her company, Heritage Management Group LLC, was the manager for Whisper
7 Creek Owners Association ("Association"). *Exhibit 1, CICC 002-003.*

8 2. At all times relevant to this Complaint, the RESPONDENT overpaid her
9 management company above her contractually agreed upon rate in amounts estimated
10 between \$6,701.92 and \$11,726.80. *Exhibit 2, CICC 020-063, Exhibit 3, CICC 079, and*
11 *Exhibit 4, CICC 085-089.*

12 3. On about fourteen (14) occasions, the RESPONDENT'S management
13 company was paid amounts different than her monthly management fee. *Exhibits 3-4,*
14 *CICC 067-089.*

15 4. On January 23, 2023, at 11:27 AM, Association Board President texted
16 RESPONDENT his signature. *Exhibit 2, CICC 022.*

17 5. RESPONDENT then applied signatures of board members to payments to
18 herself. *Exhibit 2, CICC 023-063.*

19 6. On or about July 27, 2023, RESPONDENT informed the Association's Board
20 that she was closing her doors on August 1st. *Exhibit 2, CICC 066.*

21 7. In a letter dated August 9, 2023, the Board informed the RESPONDENT that
22 the Succeeding Management Company would begin August 1, 2023, and requested
23 transfer of all Association documents and files as soon as possible, but no later than
24 August 18, 2023. *Exhibit 2, CICC 066.*

25 8. On or about October 18, 2023, the Association Board filed complaints against
26 the RESPONDENT with the Division. *Exhibit 2, CICC 005-006, CICC 015, and CICC 020.*

27 9. The complaint alleged, including but not limited to, the RESPONDENT
28 forged signatures of board members on Association checks to herself, unauthorized,

1 resulting in missing and/or stolen monies in amounts exceeding \$6,700. *Exhibit 2,*
2 *CICC 020.*

3 10. Accordingly, on or about November 30, 2023, the Division sent the
4 RESPONDENT a letter requesting a response and/or information regarding the
5 complaints against her by December 14, 2023, which she never responded to. *Exhibit 5,*
6 *CICC 091-092.*

7 VIOLATIONS OF LAW

8 11. RESPONDENT violated NRS 116A.630(1)(a) for failing to act as a fiduciary
9 to the client when she embezzled funds from the Association.

10 12. RESPONDENT violated NRS 116.640(10) for collecting amounts from
11 her client above and beyond the agreed upon amounts specified in the
12 management agreements.

13 13. RESPONDENT violated NAC 116A.345(9) for collecting fees or other charges
14 from a client not specified in the management agreement.

15 14. RESPONDENT committed unprofessional conduct pursuant to NAC
16 116A.355 when she:

- 17 a. Violated NAC 116A.355(2)(i) for exceeding the authority granted to her
18 by the management agreement; and/or
19 b. Violated NAC 116A.355(2)(c) for engaging in deceitful, fraudulent
20 and/or dishonest conduct when she applied Board members signatures
21 on Association's checks, unapproved, to herself.

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

24 16. RESPONDENT violated NRS 116A.640(2)(a) for impeding or otherwise
25 interfering with the Division's investigation by failing to provide documents.

26 17. RESPONDENT violated NAC 116A.345(2) for failing to comply with the
27 Division's request for documents.

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1 **DISCIPLINE AUTHORIZED**

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

- 5 (a) Issue a reprimand or censure to the community manager;
- 6 (b) Impose a fine of not more than \$5,000 for each violation of a statute
7 or regulation;
- 8 (c) Require the community manager to pay restitution;
- 9 (d) Require the community manager to pay the costs of the investigation and
10 hearing; and
- 11 (e) Take such other disciplinary action as the Commission deems appropriate.

12 The Commission may order one or any combination of the discipline
13 described above.

14 **NOTICE OF HEARING**

15 **PLEASE TAKE NOTICE** that a disciplinary hearing has been set to consider this
16 Administrative Complaint against the above-named RESPONDENT in accordance with
17 Chapters 233B and 116 and 116A of the Nevada Revised Statutes and Chapter 116 and
18 116A of the Nevada Administrative Code.

19 **THE HEARING WILL TAKE PLACE** at the Commission meeting(s) scheduled
20 for June 11 – June 13, 2024, beginning at approximately 9:00 a.m. each day, or until such
21 time as the Commission concludes its business. The Commission meeting will be held at
22 the Nevada State Business Center, 3300 W. Sahara Avenue, 4th Floor, Nevada Room, Las
23 Vegas, Nevada 89102 on June 11 and 12, 2024, with videoconferencing to Department of
24 Business and Industry, Division of Insurance, 1818 E. College Parkway, Suite 103, Carson
25 City, Nevada 89706. The Commission meeting will be held at the Nevada State Business
26 Center, 3300 W. Sahara Avenue, 4th Floor, Tahoe Room, Las Vegas, Nevada 89102 on
27 June 13, 2024, with videoconferencing to Department of Business and Industry, Division
28 of Insurance, 1818 E. College Parkway, Suite 103, Carson City, Nevada 89706.

1 **STACKED CALENDAR:** Your hearing is one of several hearings that may
2 be scheduled at the same time as part of a regular meeting of the Commission
3 that is expected to take place on June 11 – June 13, 2024. Thus, your hearing
4 may be continued until later in the day or from day to day. It is your
5 responsibility to be present when your case is called. If you are not present
6 when your hearing is called, a default may be entered against you and the
7 Commission may decide the case as if all allegations in the complaint were true.
8 If you need to negotiate a more specific time for your hearing in advance
9 because of coordination with an out of state witness or the like, please call
10 Maria Gallo, Commission Coordinator, at (702) 486-4074.

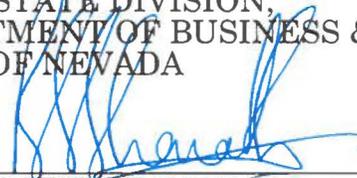
11 **YOUR RIGHTS AT THE HEARING:** Except as mentioned below, the hearing is
12 an open meeting under Nevada’s Open Meeting Law and may be attended by the public.
13 After the evidence and arguments, the Commission may conduct a closed meeting to
14 discuss your alleged misconduct or professional competence.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

23 You have the right to request that the Commission issue subpoenas to compel
24 witnesses to testify and/or evidence to be offered on your behalf. In making this request,
25 you may be required to demonstrate the relevance of the witness’s testimony and/or
26 evidence. Other important rights and obligations, including your obligation to answer the
27 complaint, you have are listed in NAC 116A.560 through NAC 116A.655, NRS Chapter
28 233B, and NRS Chapters 116 and 116A and NAC 116 and 116A.

1 Note that under NAC 116A.585, not less than five (5) working days before a hearing,
2 RESPONDENT must provide to the Division a copy of all reasonably available documents
3 that are reasonably anticipated to be used to support his or her position, and a list of
4 witnesses RESPONDENT intends to call at the time of the hearing. Failure to provide
5 any document or to list a witness may result in the document or witness being excluded
6 from RESPONDENT'S defense. The purpose of the hearing is to determine if the
7 RESPONDENT has violated any of the provisions of NRS and NAC Chapters 116 and
8 116A, and to determine what administrative penalty is to be assessed against
9 RESPONDENT, if any, pursuant to NAC 116A.360.

10 DATED this 24 day of April, 2024.

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

11
12
13 By: 

SHARATH CHANDRA
Administrator
3300 W. Sahara Avenue, Suite 350
Las Vegas, Nevada 89102
(702) 486-4033

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16
17 DATED this 24th day of April, 2024.

AARON D. FORD
Attorney General

18
19 By: 

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