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MAY 28 2024

NEVADA COMMISSION FOR
COMMON INTEREST COMMUNITIES
AND CONDOMINIUM HOTELS

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Attorneys for Respondent,
DEL REY ESTATE HOMEOWNERS ASSOCIATION

**BEFORE THE COMMISSION FOR COMMON-INTEREST
COMMUNITIES AND CONDOMINIUM HOTELS
STATE OF NEVADA**

SHARATH CHANDRA, Administrator,)	CASE NO. 2023-929
REAL ESTATE DIVISION, DEPARTMENT OF)	
BUSINESS AND INDUSTRY, STATE OF)	
NEVADA;)	RESPONDENT DEL REY ESTATE
)	HOMEOWNERS ASSOCIATION'S
Petitioner)	ANSWER TO COMPLAINT FOR
)	DISCIPLINARY ACTION
vs.)	
)	
DEL REY ESTATES HOMEOWNERS)	
ASSOCIATION,)	
(Entity Number C11413-1995))	
)	
Respondent.)	
)	

RESPONDENT, DEL REY ESTATE HOMEOWNERS ASSOCIATION (“Respondent”
or the “Association”), hereby submits this Answer to the Real Estate Division of the Department
of Business and Industry, State of Nevada (“Division”), Complaint for Disciplinary Action
 (“Complaint”).

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Gordon Rees Scully Mansukhani, LLP
300 S. 4th Street, Suite 1550
Las Vegas, NV 89101

1 **JURISDICTION AND NOTICE**

2 RESPONDENT acknowledges that the Division and the Commission for Common-
3 Interest Communities and Condominium Hotels has jurisdiction of this matter.

4 **FACTUAL ALLEGATIONS**

5 1. RESPONDENT generally acknowledges and admits the factual allegations set
6 forth in Paragraph 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, and 22 of
7 the Complaint.

8 **VIOLATIONS OF LAW**

9 2. RESPONDENT acknowledges that by failing to conduct annual meetings, hold
10 elections, and/or keep records of board decisions, there was a technical violation of NRS
11 116.31083(1).

12 3. RESPONDENT acknowledges that by failing to adhere to all annual meeting
13 requirements, including notices, meeting minutes, agendas, financial statements, or budgets
14 and/or election records, there was a technical violation of NRS 116.3108(1), (3), (4), (5), and/or
15 (6).

16 4. RESPONDENT acknowledges that by failing on numerous occasions to have the
17 requisite number of signatures required to withdraw association funds, there was a technical
18 violation of NRS 116.31153.

19 5. RESPONDENT acknowledges that by failing to adhere to the requirement to
20 prepare budgets, there was a technical violation of NRS 116.31151.

21 6. RESPONDENT acknowledges that never doing a reserve study over the course of
22 25 years, there was a technical violation of NRS 116.3115.

23 7. RESPONDENT acknowledges that by misusing Mr. Brian Berman's law firm's
24 letterhead in communications, there was a technical violation of NRS 116.3103(1) by and
25 through then-President Brian Berman.

26 **DISCIPLINE AUTHORIZED**

27 8. With respect to the "Discipline Authorized," the Respondent acknowledges that
28 the Commission has the authority to impose the sanctions set forth therein.

PROPOSED RESOLUTION/SETTLEMENT

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2 9. RESPONDENT's counsel has spoken to Dean Allen, new President of Del Rey
3 Estates Homeowners Association executive board (the "Board").

4 10. Mr. Allen stated that the Board has taken the following actions to remediate the
5 violations set forth in the Complaint and to ensure compliance with all applicable statutes, rules,
6 and regulations going forward.

7 11. On January 25, 2024, RESPONDENT sent out a letter to the homeowners in Del
8 Rey Estates community, putting the homeowners on notice that the Board has set a meeting of
9 the Association for Saturday, February 24, 2024 at 2:00 p.m. at 1340 Marina Del Rey Court. *See*
10 the Board's January 25, 2024 Letter, attached as **Exhibit A**. The letter also sets forth the agenda
11 for the meeting. *Id.*

12 12. On February 24, 2024, the Board held a meeting as scheduled. Meeting minutes
13 first shows that a quorum was present. *See* February 24, 2024 Meeting Minutes, attached as
14 **Exhibit B**. Next, the Board discussed the recent affairs of the association, including discussions
15 regarding annual dues, potential for a special assessment, the gate code issue, and the Division's
16 Complaint. *See id.*

17 13. The Board also conducted an election of officers and directors. First, Mr. Brian
18 Berman tendered his resignation as President and Director, effective upon the conclusion of the
19 election. *See Ex. B*.

20 14. Upon nominations duly made and seconded, and after a vote, Dean Allen was
21 elected President and Director; Gren Norris was elected Treasurer and Director; and Anthony
22 Marks was elected Secretary and Director. *See Ex. B*.

23 15. The Board asked Mr. Berman to work with Mr. Norris on new signature cards for
24 the Association's bank account in order to comply with NRS 116.31153 going forward. *See Ex.*
25 *B*.

26 16. The Board also asked Mr. Berman to transfer the Association's records in his
27 possession to Mr. Allen. *See Ex. B*.

28 17. The meeting was adjourned at 2:55 p.m.

1 18. The Board has also reviewed the Association’s bank statements from the past and
2 has created financial records from January 2023 to present. *See* the Association’s 2023-24
3 Financial Statements, attached as **Exhibit C**. The Board will continue to maintain such financial
4 records. The Board will also prepare budgets in compliance of the requirements set forth in NRS
5 116.31151.

6 19. The Board will immediately discontinue the use of Mr. Berman’s law firm
7 letterhead for the Association business and will create and use its own original letterhead instead.

8 20. As to conducting a reserve study, the Board would like to apply for an exemption
9 if the Commission is included to grant such an exemption. Del Rey Estates community is a
10 small community, consisted of ten (10) homes. Conducting a reserve study is costly and would
11 require the Board to impose special assessment upon the homeowners.

12 21. If the Commission is not included to grant such an exemption, the Board will
13 make sure to conduct a reserve study to comply with NRS 116.3115.

14 22. RESPONDENT pleads the Commission to consider the proposed resolution
15 above in the context of a homeowners association for a small community consisted of ten (10)
16 homes.

17 23. Based on the foregoing, the Association believes that it has remediated the
18 violations set forth in the Complaint and is in substantial compliance. The Board represents to
19 the Commission that it is fully committed to comply with applicable statutes in NRS Chapter
20 116.

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24. Accordingly, RESPONDENT respectfully requests the Commission not to impose monetary sanctions on the Association.

DATED this 28th day of May, 2024.

**GORDON REES SCULLY
MANSUKHANI LLP**

/s/ Henry H. Kim
ROBERT E. SCHUMACHER, ESQ.
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**DEL REY ESTATE HOMEOWNERS
ASSOCIATION**

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1 CERTIFICATE OF SERVICE

2 I HEREBY CERTIFY that, on the 28th day of May, 2024, I served a true and correct
3 copy of the **RESPONDENT DEL REY ESTATE HOMEOWNERS ASSOCIATION'S**
4 **ANSWER TO COMPLAINT FOR DISCIPLINARY ACTION** via the Court's Electronic
5 Filing/Service system upon all the parties on the E-Service Master List:

6 Real Estate Division Department of Business
7 And Industry, State of Nevada
8 Attn: Sharath Chandra,
9 3300 W. Sahara Avenue, Suite 350
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10 Aaron D. Ford, Esq.
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16
17 /s/ Andrea Montero

18 An Employee of GORDON REES
19 SCULLY MANSUKHANI, LLP
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