

FILED

SEP 03 2024

NEVADA COMMISSION FOR
COMMON INTEREST COMMUNITIES
AND CONDOMINIUM HOTELS

mgallo

1 SR
2 LEACH KERN GRUCHOW SONG
3 JOHN E. LEACH, ESQ.
4 Nevada Bar No. 1225
5 E-mail: jleach@lkglawfirm.com
6 2525 Box Canyon Drive
7 Las Vegas, Nevada 89128
8 Telephone: (702) 538-9074
9 Facsimile: (702) 538-9113
10 Attorneys for Respondent

11
12 **BEFORE THE COMMISSION FOR COMMON-INTEREST**
13 **COMMUNITIES AND CONDOMINIUM HOTELS**
14 **STATE OF NEVADA**

15 SHARATH CHANDRA, Administrator,
16 REAL ESTATE DIVISION, DEPARTMENT
17 OF BUSINESS AND INDUSTRY, STATE
18 OF NEVADA,

Case No.: 2023-38

Petitioner,

vs.

VILLAGIO COMMUNITY ASSOCIATION.
(Entity Number C11529-1997),

Respondent.

19
20 **STATUS REPORT FOR COMMISSION HEARING**
21 **SEPTEMBER 10-12, 2024**

22 The Respondent, VILLAGIO COMMUNITY ASSOCIATION (“Respondent”), hereby
23 submits this Status Report for the Commission Hearing scheduled for September 10-12, 2024.

24 **PROCEDURAL BACKGROUND**

25 On June 12, 2024, the Respondent appeared before the Commission for Common-Interest
26 Communities and Condominium Hotels (“Commission”) in the above-referenced matter. On
27 June 20, 2024, the Commission issued a letter to the Respondent that included the Findings of
28 Fact, Conclusion of Law and Order (“Order”). A copy of the letter and Order is attached hereto
as **Exhibit 1**.

On June 25, 2024, the Commission issued an amended letter to the Respondent. A copy
of the letter is attached hereto as **Exhibit 2**. The Order required the Association to return to the
Commission on September 10-12, 2024, to provide a status report on the issues raised during the

LEACH KERN GRUCHOW SONG
2525 Box Canyon Drive, Las Vegas, Nevada 89128
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1 hearing. The Respondent offers the following update and status report:

2 1. The Respondent has paid the Real Estate Division of the Department of Business
3 and Industry, State of Nevada ("Division") the sum of \$5,022,71 for the costs of the investigation
4 and hearing. Attached hereto as **Exhibit 3** is a copy of the documents confirming payment.

5 2a. Funding Plan. Attached hereto as **Exhibit 4** is the Association's funding plan. At
6 this juncture, the Board is in compliance with the funding plan submitted to and approved by the
7 Commission.

8 2b. Retiring the Due to/From Obligation to the Association's Reserve Account and
9 the Funds Borrowed From the Association's Construction Defect Account.

10 The balance due from the Operating Account to the Reserve Account is \$131,829.62. The
11 balance due from the Operating Account to the Construction Defect Account is \$280,007.35.
12 Thus, the total balance due for the operating account to the Association's other accounts is
13 \$411,836. Please note that the funding plan submitted to and approved by the Commission did
14 not call for a reduction in the due to/from line item on the financials until 2025. Beginning in
15 2025, it is anticipated that the due to/from balance and then the balance to the Construction
16 Defect Account will be reduced by the following amounts in the following years:

17	2025	\$63,889
18	2026	\$140,004
19	2027	\$132,747
20	2028	\$125,273

21 These numbers reflect the difference between the amount scheduled by the funding plan to be
22 transferred to the reserve account and the amount the reserve study schedules to be transferred to
23 the reserve account. For example, in 2025, the funding plan provides for transfers to the reserve
24 account in the amount of \$297,889. The reserve study has scheduled transfers to the reserve
25 account in the amount of \$234,000. Thus, the difference of \$63,889 is applied to reduce the due
26 to/from balance. It is anticipated that the due to/from balance will be retired by 2026. Once the
27 balance due to the Reserve Account for the Operating Account has been repaid, the surplus will
28 be used to retire the balance due from the Operating Account to the Construction Defect

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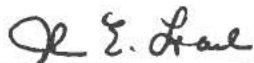
1 Account. Surplus funds, if any, in a Construction Defect Account are appropriately transferred to
2 the Reserve Account since the construction defects identified in a CD case are generally related
3 to the major components of the common elements. Please note that in 2028, the balance
4 remaining due to the Construction Defect Account should be \$75,196. The Association should
5 have \$125,273 available to retire that obligation. Accordingly, the Construction Defect Account
6 should be fully reimbursed by 2028. In addition, the funds borrowed from the Construction
7 Defect Account should be returned by 2028.

8 2c. Construction Defect Account. As noted above, the Association's funding plan
9 incorporates the repayment of the money borrowed from the Construction Defect Account by
10 2028. The balance in the Construction Defect Account is \$4.92 as of the end of July 2024. Once
11 the funds are returned to the Construction Defect Account, the Board anticipates closing this
12 account and transferring those funds to the Reserve Account. That should allow the Association
13 to revisit its current funding plan and make adjustments as required by NRS 116.31152 (1)(c), as
14 the transfer from the Construction Defect to the Reserve Account is not incorporated into the
15 current funding plan.

16 2d. Draft Budget for 2025. A draft of the 2025 budget is attached hereto as **Exhibit 5**.
17 The Budget is consistent with the funding plan presented to and approved by the Commission
18 and incorporated in its Order. The monthly assessment is increasing by \$30.00 per unit per
19 month. This will result in an additional \$100,800 being generated by the Association to be
20 transferred to the Reserve Account. In addition, a Special Reserve Assessment ("SRA") in the
21 amount of \$25 per unit per month will commence and continue through December 2028. It is
22 anticipated that the SRA will be terminated in 2029.

23 DATED this 3 day of September, 2024.

24 LEACH KERN GRUCHOW SONG

25 By: 
26 JOHN E. LEACH, ESQ.
27 2525 Box Canyon Drive
28 Las Vegas, Nevada 89128
Attorneys for Respondent

LEACH KERN GRUCHOW SONG
2525 Box Canyon Drive, Las Vegas, Nevada 89128
Telephone: (702) 538-9074 – Facsimile (702) 538-9113

CERTIFICATE OF SERVICE

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Pursuant to NRCP 5(b), the undersigned, an employee of LEACH KERN GRUCHOW SONG, hereby certified that on the 3rd day of September, 2024, she served a true and correct copy of the foregoing, STATUS REPORT, by:

- Depositing for mailing, in a sealed envelope, U.S. postage prepaid, at Las Vegas, Nevada
- Personal Delivery
- Facsimile
- Federal Express/Airborne Express/Other Overnight Delivery
- Las Vegas Messenger Service
- Electronic Service – via E-mail

addressed as follows:

Aaron D. Ford, Esq.
Attorney General
Christal P. Keegan, Esq.
Deputy Attorney General
5420 Kietzke Lane, Suite 202
Reno, NV 89511
Via Email: ckeegan@ag.nv.gov

Maria Gallo, Commission Coordinator
Common-Interest Communities
and Condominium Hotels
3300 W. Sahara Avenue, Suite 350
Las Vegas, NV 89102
Via Email: mgallo@red.nv.gov

/s/ Merlin Calimpong
An employee of LEACH KERN GRUCHOW
SONG

EXHIBIT "1"

STATE OF NEVADA

JOE LOMBARDO
Governor



DR. KRISTOPHER SANCHEZ
Director

SHARATH CHANDRA
Administrator

CHARVEZ FOGER
Deputy Administrator

DEPARTMENT OF BUSINESS AND INDUSTRY
REAL ESTATE DIVISION

JUN 24 2024

June 20, 2024

Villagio Community Association
c/o Pinnacle Community Association Management
Attn: Francesca "Frankie" Stevenson
9330 W. Sahara Avenue, Suite 210
Las Vegas, NV 89117

Certified Mail No. 7017 3040 0000 4529 2048

Leach Kern Gruchow Song
Attn: John Leach, Esq.
2525 Box Canyon Drive
Las Vegas, NV 89128

Certified Mail No. 7017 3040 0000 4529 2055

Re: NRED v. VILLAGIO COMMUNITY ASSOCIATION
Case No. 2023-38

Enclosed herewith you will find the **FINDINGS OF FACT, CONCLUSIONS OF LAW AND ORDER** entered by the Nevada Commission for Common-Interest Communities and Condominium Hotels at the meeting held June 12, 2024.

The following was ordered by the Commission:

- 1) RESPONDENT shall pay the costs of the investigation and the hearing in the amount of \$5,022.71 which are actual, reasonable, and necessary within 60 days of the entry of Order;
- 2) RESPONDENT shall provide a status report at the September 11-12, 2024 Commission Meeting on the following:
 - a) Funding plan;
 - b) Due to the reserve amount funding \$131,829;
 - c) Construction defect account; and
 - d) Draft budget for 2025.

Carson City: 1818 E. College Parkway, Suite 110 Carson City, Nevada 89706 - Telephone (775) 684-1900 - Fax (775) 687-4868

Las Vegas: 3300 W. Sahara Avenue, Suite 350 Las Vegas, Nevada 89102 - Telephone (702) 486-4033 - Fax (702) 486-4275
www.red.nv.gov realest@red.nv.gov

TOTAL PAYMENT DUE: \$5,022.71
PAYMENT DUE DATE: AUGUST 19, 2024

Submit your payment to the address below. Checks or money orders are to be made payable to the "Nevada Real Estate Division".

Nevada Real Estate Division
Attention: Administration Section Manager
3300 West Sahara Avenue, Suite 350
Las Vegas, Nevada 89102

There are two copies of this letter enclosed, one copy is marked "Remittance Copy" and should be returned with your check or money order to the Nevada Real Estate Division. The purpose of the remittance copy is to assure proper posting of fines to your disciplinary file.

Please note that Division staff does not have the authority to extend the due date for any requirements that have been ordered by the Commission. If you find that you are unable to meet the required due date, you will need to request in writing that you be placed on the agenda for a Commission hearing in which the respondent will be allowed to request an extension from the Commission. This request should be made several months prior to the due date.

Please contact me if you have questions regarding this matter.

Sincerely,



Maria Gallo
Commission Coordinator
Telephone: (702) 486-4074
Email: mgallo@red.nv.gov

Cc: Sharath Chandra, Administrator
Compliance
Christal Keegan, Deputy Attorney General

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, STATE**
7 **OF NEVADA,**

8 Petitioner,

9 vs.

10 **VILLAGIO COMMUNITY ASSOCIATION.**
11 **(Entity Number C11529-1997)**

12 Respondent.

Case No. 2023-38

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NEVADA COMMISSION FOR
COMMON INTEREST COMMUNITIES
AND CONDOMINIUM HOTELS

mgallo

13 **FINDINGS OF FACT, CONCLUSIONS OF LAW AND ORDER**

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

23 Since the RESPONDENT admitted to the Division's factual allegations and
24 stipulated to violations of law numbered 16 and 17 in the Complaint filed April 19, 2024,
25 Mrs. Keegan presented limited testimony from the Division's Auditor Noel Thornton
26 regarding her audit findings substantiating violation of law NRS 116.31151(1)(a) and (b).
27 The parties stipulated to the Division's documents CICC 001-198, and the
28 ...

1 RESPONDENT'S funding plan was admitted. Additional information was provided by
2 Board Member Mr. Renis.

3 FINDINGS OF FACT

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

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

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

13 3. On or about March 13, 2023, the Division opened an investigation against
14 the RESPONDENT pursuant to its audit findings, with a deadline to respond by March
15 27, 2023. *Exhibit 3, NRED Letter, CICC 024 - 027.*

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

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

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

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

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

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ORDER

The Commission, being fully apprised in the premises and good cause appearing,
ORDERS as follows:

1. RESPONDENT shall pay the costs of the investigation and the hearing in the amount of \$5,022.71 which are actual, reasonable, and necessary within 60 days of entry of Order.

2. RESPONDENT shall provide a status report at the September 10-12, 2024 Commission Meeting on the following:

- a. Funding plan;
- b. Due to the reserve amount funding \$131,829;
- c. Construction defect account; and
- d. Draft budget for 2025.

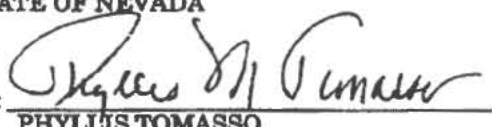
3. If payment is not actually received by the Division on or before its due date, it shall be a default by RESPONDENT. In the event of default, the unpaid balance of the administrative fine and costs, together with any attorney's fees and costs that may have been assessed, shall be due in full to the Division within ten (10) calendar days of the date of default, and the Division may obtain a judgment for the amount owed, including collection fees and costs.

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4. The Commission retains jurisdiction for correcting any errors that may have occurred in the drafting and issuance of this document.

DATED this 26th day of June, 2024.

COMMISSION FOR COMMON-INTEREST
COMMUNITIES AND CONDOMINIUM HOTELS
DEPARTMENT OF BUSINESS AND INDUSTRY
STATE OF NEVADA

By: 
PHYLLIS TOMASSO
CHAIRWOMAN

Submitted by:
AARON D. FORD
Attorney General

By: 
CHRISTAL P. KEEGAN (Bar No. 12725)
Deputy Attorney General
5420 Kietzke Lane, Suite 202
Reno, Nevada 89511
(775) 687-2141
ckeegan@ag.nv.gov
Attorney for Real Estate Division

CERTIFIED MAIL

3824
STATE OF
DEPARTMENT OF BUSINESS
REAL ESTATE
OMBUDSMAN OFFICE—COMM
AND CONDOMINIUMS



7017 3040 0000 4529 2055

3300 W. Sahara Avenue, Suite 820
Las Vegas, Nevada 89102-3203



Return Service Requested

Leach Kern Gruchow Song
Attn: John Leach, Esq.
2525 Box Canyon Drive
Las Vegas, NV 89128



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EXHIBIT "2"

STATE OF NEVADA

JOE LOMBARDO
Governor



DR. KRISTOPHER SANCHEZ
Director

SHARATH CHANDRA
Administrator

CHARVEZ FOGER
Deputy Administrator

DEPARTMENT OF BUSINESS AND INDUSTRY
REAL ESTATE DIVISION

JUL 01 2024

June 25, 2024

AMENDED LETTER

Villagio Community Association
c/o Pinnacle Community Association Management
Attn: Francesca "Frankie" Stevenson
9330 W. Sahara Avenue, Suite 210
Las Vegas, NV 89117

Certified Mail No. 7017 3040 0000 4529 2147

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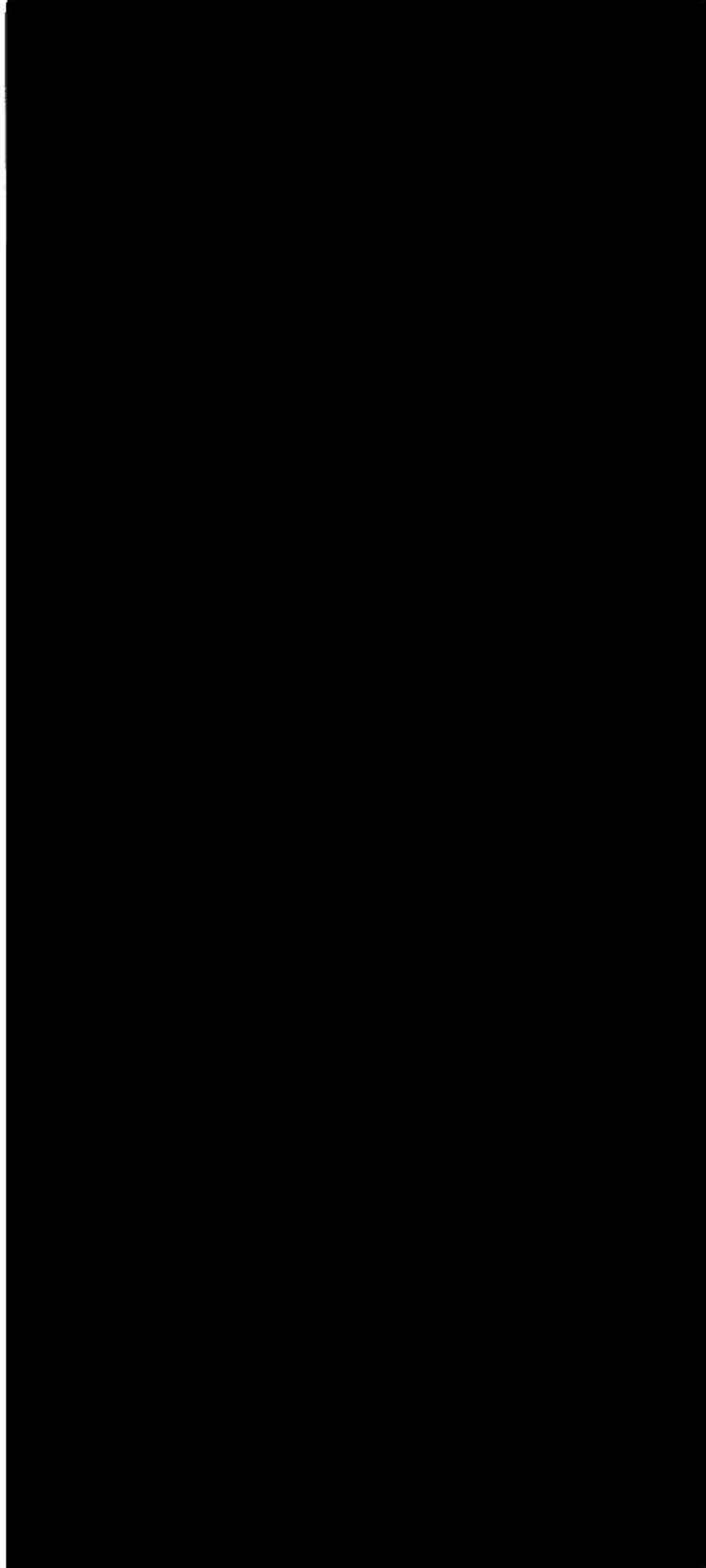
Sincerely,

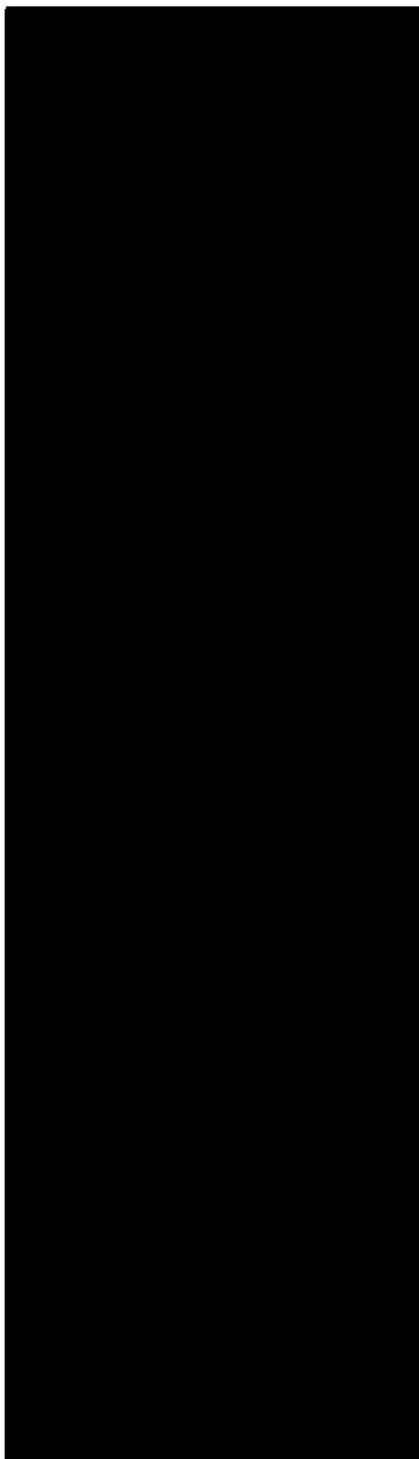


Maria Gallo
Commission Coordinator
Telephone: (702) 486-4074
Email: mgallo@red.nv.gov

Cc: Sharath Chandra, Administrator
Compliance
Christal Keegan, Deputy Attorney General

EXHIBIT "3"





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EXHIBIT "4"

Villagio CA Funding Plan
Case No. 2023-38

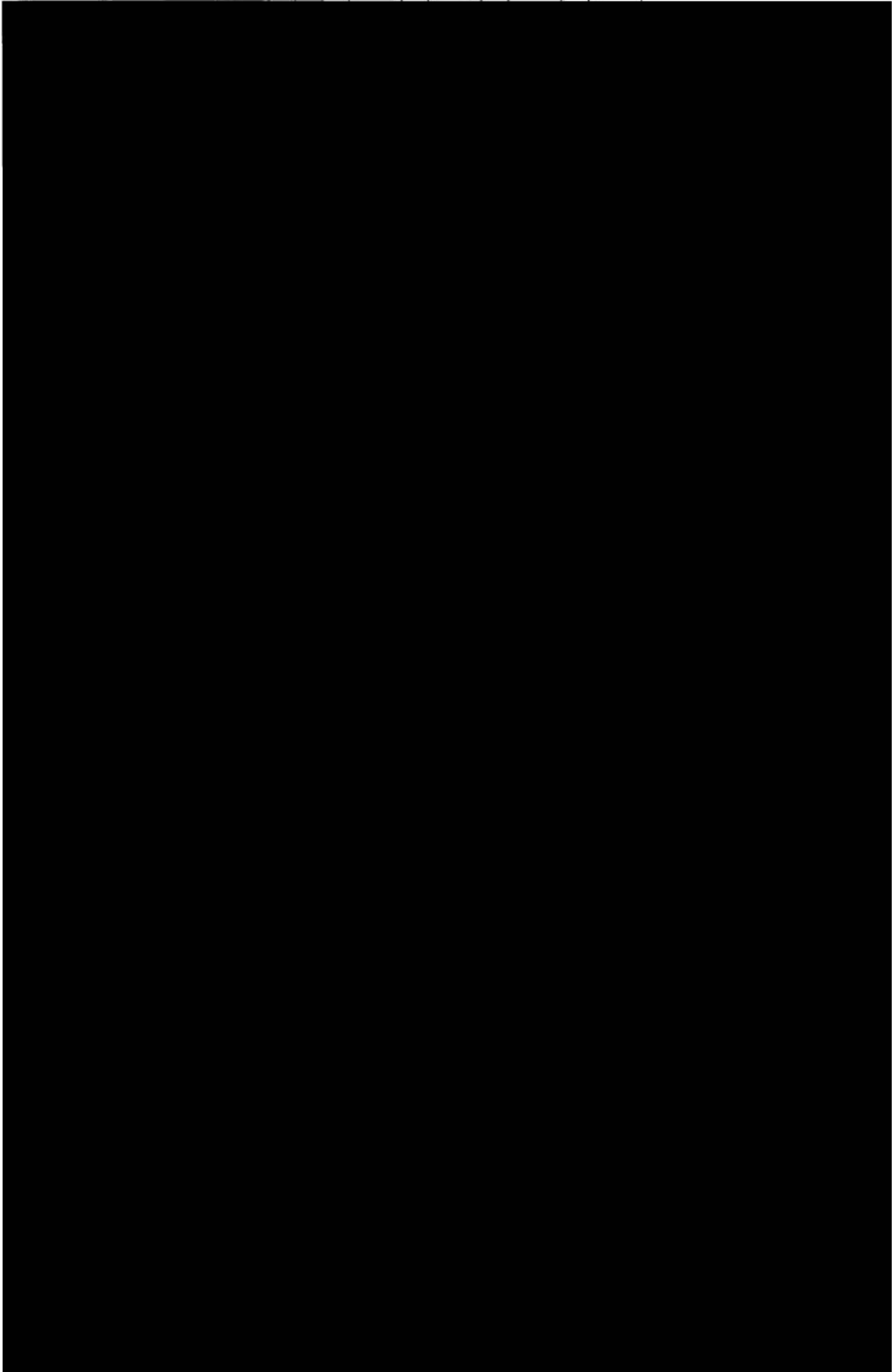


EXHIBIT "5"

