

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 SILVER STATE CONDOMINIUM  
11 OWNERS' ASSOCIATION, INC.  
(Entity Number C5957-1985)

12 Respondent.

Case No. 2024-106

**FILED**

**JUN 16 2025**

NEVADA COMMISSION FOR  
COMMON INTEREST COMMUNITIES  
AND CONDOMINIUM HOTELS

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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 a  
16 regular agenda set on a three-day stack beginning at 9:00 a.m. on June 10, 2025  
17 (the "Hearing."). Sophie A. Karadanis, Esq, with Leach Kern Gruchow Anderson Song,  
18 appearing on behalf of Silver State Condominium Owners' Association, Inc.  
19 ("RESPONDENT"), with Community Manager Kevin Joseph Berg (CAM.0001300) with  
20 Associa Sierra North, and Board Members Terry Nason, Larry Kain, and Rick Mayer  
21 present. Christal Park Keegan, Deputy Attorney General ("DAG") with the Nevada  
22 Attorney General's Office, appeared on behalf of the Real Estate Division of the  
23 Department of Business and Industry, State of Nevada (the "Division").

24 The RESPONDENT did not contest the Division's factual allegations and violations  
25 of law in its Complaint filed October 29, 2024. The parties stipulated admission of  
26 the Division's documents bates stamped pages NRED 000001-000659, and the  
27 RESPONDENT Exhibits 1-10 to their Amended Response filed on May 29, 2025. DAG

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1 Keegan informed the Commission the RESPONDENT had a proposed plan of compliance  
2 for consideration by the Commission.

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 found all the following  
6 factual allegations were proven:

7 1. On or about September 22, 2023, the Division sent the RESPONDENT an  
8 audit engagement letter. Exhibit 1-A, NRED 000111–000113.

9 2. On or about February 2, 2024, the Division informed the RESPONDENT  
10 that the audit was completed, and the report was forwarded to Compliance. Exhibit 1-A,  
11 NRED 000114.

12 3. On or about February 20, 2024, the Division’s Compliance Section informed  
13 the RESPONDENT in a detailed six-page letter alleging five (5) violations of law and  
14 eleven (11) bullet pointed items with an opportunity for response by no later than  
15 March 6, 2024. Exhibit 2, NRED 000125–000130.

16 4. On or about April 1, 2024, the RESPONDENT supplied its response with  
17 exhibits. Exhibit 3, NRED 000425–000434.

18 **A. Inconsistent 2022 Budget / Financial Information**  
19 **Provided to Unit Owners**

20 5. The RESPONDENT provided the 2022 budget to actual financial  
21 information which was a different budget than what was presented and reflected in the  
22 approved and ratified budget sent to the unit owners on or about November 17, 2021.  
23 Exhibit 1, NRED 000011.

24 6. Specifically, utilities, management fees, legal expenses, landscaping  
25 contracts, maintenance labor, security and/or postage which were included in the budget  
26 to actual financial statements were omitted from the financial packets presented to the  
27 board and unit owners. Exhibit 1, NRED 000011.

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1           7.     To be clearer, the December of 2022 Budget Comparison sheet identified the  
2 following items as having \$0 funds budgeted, which was inconsistent with the 2022 Budget  
3 Ratification document which identified allocated funding:

- 4           a.     Maintenance Labor: (Code 6180, Actual \$11,329.42, Budget 0.00)  
5                 Proposed budget \$29,355.00 and difference in Ratified budget  
6                 \$29,320.00; and  
7           b.     Maintenance Supplies: (Code 6285, Actual \$108.70, Budget 0.00)  
8                 Proposed/Ratified budget at \$2,361.43; and  
9           c.     Landscape Contract: (Code 6170, Actual at \$5,229.00, Budget 0.00)  
10                Proposed at 0.00, not included in the Ratified Budget at all; and  
11           d.     Legal Expenses: (Code 6130, Actual at \$11,671.50, Budget 0.00) at  
12                Proposed / Ratified Budget at \$5,500.00; and  
13           e.     Management Fee: (Code 6110, Actual \$20,317.00, Budget 0.00)  
14                Proposed / Ratified Budget at \$18,500.00; and  
15           f.     Management Extras: (Code 6111, Actual \$18,190.00, Budget 0.00)  
16                Not included in the Proposed or Ratified Budget at all; and  
17           g.     Utilities: (Codes 6200 Trash Removal, Actual \$121.38, Budget 0.00;  
18                6410 Electricity, Actual \$1,177.34, Budget 0.00; 6420 Natural Gas,  
19                Actual \$110.88, Budget 0.00; 6430 Water, Actual \$5,074.26,  
20                Budget 0.00; and 6450 Sewer, Actual \$511.77, Budget 0.00)  
21                Proposed / Ratified Budget for total utilities expense \$6,527.00,  
22                which did not include Natural Gas at all; and  
23           h.     Security Services/Payroll: (Code 6230, Actual \$8,135.58, Budget 0.00)  
24                Proposed / Ratified budgets at \$7,725.00.

25           Exhibit 2, NRED 000156–000159, and Exhibit 3, NRED 000434–000447.

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1                   **B.     Use of Unlicensed Vendors**

2           8.     In 2023, Felix Torres completed roof repairs to a condominium unit  
3 located at 1521 Shannon Way owned by Board member Carol A. Pompe. Exhibit 3,  
4 NRED 000429–000430.

5           9.     Prior to the necessary roof repairs, the Board initiated the process of  
6 obtaining bids from a licensed contractor. Exhibit 3, NRED 000429.

7           10.    The Property’s listing agent contacted Board member Rick Mayer and  
8 advised Felix Torres, with allegedly CTR Roofing, could complete the necessary work to  
9 the roof. Exhibit 3, NRED 000429.

10          11.    The RESPONDENT allowed circumvention of the appropriate process for the  
11 roof repair. Exhibit 1, NRED 000012–000013.

12          12.    On or about February 2, 2023, an invoice for the roof repair work performed  
13 by Mr. Torres indicated the RESPONDENT with attention to Rick Mayer.  
14 Exhibit 2, NRED 000190.

15          13.    Board member Rick Mayer then allegedly requested the management  
16 company issue payment. Exhibit 3, NRED 000430.

17          14.    On or about February 13, 2023, the RESPONDENT’S management company  
18 requested a copy of Mr. Torres’ general liability insurance, workers compensation  
19 insurance, and a W-9 prior to issuing payment. Exhibit 3, NRED 000430.

20          15.    The invoice pre-dates the formation of the vendor being a licensed company  
21 according to the Nevada Secretary of State. Exhibit 2, NRED 000130.

22          16.    Further, a Nevada contractor’s license was not found for this vendor  
23 providing roofing repair services. Exhibit 2, NRED 000191.

24                   **C.     Inaccurate Reflections in its Accounting Procedures and**  
25                   **Failure to Adequately Fund the Reserves**

26          17.    In 2022 and 2023, RESPONDENT repeatedly deferred funds that should  
27 have gone to the Reserve Account. Exhibit 1, NRED 000010–000011.



1           18. Further, these deferred Reserve contributions did not accurately reflect the  
2 'Due-to' account of funds that are due to the Reserves when preparing financial  
3 statements. Exhibit 1, NRED 000010–000011.

4           19. The January 2, 2021, Reserve Study indicated the Association  
5 Annual Reserve Assessment balance amount of \$236,630.20 (at 33.78% funded).  
6 Exhibit 1, NRED 000042.

7           20. The April 20, 2022, Reserve Study indicated the Association Annual Reserve  
8 Assessment balance amount should be \$292,325.00, which included the annotation that  
9 "Failure to follow the proposed schedule of payments (for the next five years) may result  
10 in inadequate reserve funds." Exhibit 1, NRED 000056–000057.

11           21. Instead, in 2022, only \$22,500 was transferred to the Reserves.  
12 Exhibit 1, NRED 000017.

13           22. In 2023, through September 30, 2023, only \$48,096 was transferred to the  
14 reserves. Exhibit 1, NRED 000017.

15           23. RESPONDENT admitted to mounting unforeseen events, from fires, water  
16 leak issues, to building repairs and related legal expenses in 2021 and 2022, that resulted  
17 in great financial expense to the Reserve Account. Exhibit 3, NRED 000430–000431.

18           24. Yet, the RESPONDENT decidedly forwent a reserve assessment in  
19 2023 claiming its insurance premium for 2023–2024 allegedly went up due to the  
20 unforeseen issues in 2021. Exhibit 3, NRED 000431.

21                   **D. Failure to Inform the Division Regarding Changes to its**  
22                   **Management Company**

23           25. The RESPONDENT claimed it remitted the Form 623 Registration Filing  
24 Addendum on January 26, 2024, and represented it as its Exhibit 11. Exhibit 3,  
25 NRED 000431.

26           26. But Exhibit 11 was not the Form 623, but instead the Associa Sierra North  
27 contract. Exhibit 3, NRED 000626–000640.

1           27. In fact, the Division did not receive the Form 623 until July 18, 2024,  
2 which was well-beyond the thirty (30) days of its management company change.  
3 Exhibit 2, NRED 000141–000142.

4                   **E. Failure to Cooperate with the Division and Impeded**  
5                   **or Otherwise Interfered with its Investigation**

6           28. The RESPONDENT failed to provide responsive information or documents  
7 during the Division’s investigation despite its unambiguous requests for the items  
8 listed below:

9           a. “Please provide the Western Nevada Management contract for services  
10 with Silver State Condominium Owners' Association and all Board  
11 Meeting Minutes from when the contract for Western Nevada  
12 Management was discussed for approval.” Exhibit 2, NRED 000128.

13           i. In its response, the RESPONDENT alleged Western  
14 Nevada Management had not managed the Association for  
15 over two years and apparently decided it would therefore not  
16 provide the items requested by the Division’s Investigator.  
17 Exhibit 3, NRED 000432.

18           b. “Please explain why King Bee Construction was paid from the  
19 operating account for items that should have been from the Reserves.”  
20 Exhibit 2, NRED 000128.

21           i. In its response, the RESPONDENT denied it had any  
22 records showing payment to King Bee Construction. Exhibit 3,  
23 NRED 000432.

24           ii. But, there is a check #4484 on or about February 10, 2021, to  
25 this very vendor in the amount of \$4,320.00 for siding trim  
26 replacement, which should have been paid from the Reserves.  
27 Exhibit 2, NRED 000197.

1                   iii.    There were other checks for the same vendor for similar services  
2                         paid from the Reserves. Exhibit 2, NRED 000197–000211.

3                   iv.    Importantly, the Division’s Auditor obtained confirmation of  
4                         these payments during the audit and therefore the  
5                         RESPONDENT’S claim that it had no records of any payments  
6                         to this vendor was inconsistent. Exhibit 1, NRED 000012.

7                   c.    “Please provide the 2022 and 2023 Silver State Condominium Owners’  
8                         Association CPA audits.” Exhibit 2, NRED 000129.

9                   i.    In its response the RESPONDENT provided the 2021 Audit  
10                         instead, alleged it had not received the 2022 or 2023 Audit, nor  
11                         did it make any indication it would supply it when available,  
12                         which is non-responsive. Exhibit 3, NRED 000433.

13                   d.    “Please explain why the 2022 budget to actual presentation provided  
14                         to the Division auditor for review has an entirely different budget  
15                         than what was presented and reflected in the approved and ratified  
16                         budget sent to unit owners on 11/17/2021. (See allegation #1 for  
17                         details.) What is being done to correct this and provide the identical  
18                         financial information to both the unit owners and the Division?”  
19                         Exhibit 2, NRED 000129.

20                   i.    In its response, the RESPONDENT claimed the information  
21                         presented, approved and ratified was identical, “They are  
22                         identical” and pointed to its Exhibits 1 and 2 representing the  
23                         Annual Budget Ratification mailer sent to the Owners in  
24                         November 2021, including the proposed 2022 budget, then  
25                         thereafter, the ratified 2022 budget mailed to the Owners.  
26                         Exhibit 3, NRED 000433.

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1           32.    Violation #2. RESPONDENT violated NRS 116.3108(6) as there were no  
2 Meeting Minutes to support the Board was proceeding in a legitimate manner to complete  
3 the roof work repair.

4           33.    Violation #3. RESPONDENT violated NRS 116.3115(1) by failing to  
5 accurately reflect the "Due-To" from the Operating Account to the Reserves Account for  
6 proper accounting procedures to be met.

7           34.    Violation #4. RESPONDENT violated NRS 116.3115(2)(b) by failing  
8 to adequately fund its Reserves and maintain its budget in accordance with the  
9 Reserve Study.

10          35.    Violation #5. RESPONDENT violated NRS 116.3115(1) for failing to create,  
11 retain and/or maintain proper and accurate record keeping.

12          36.    Violation #6. RESPONDENT violated NRS 116.3115(1)(b) for failing to  
13 adequately fund the Reserves as indicated by the Reserve Studies.

14          37.    Violation #7. RESPONDENT violated NRS 116.3115(1)(c) for failing, at  
15 least annually, to make adjustments to its funding plan necessary to provide adequate  
16 funding for the required reserves.

17          38.    Violation #8. RESPONDENT violated NRS 116.3117(2) by failing to make  
18 available to the Division its books and records.

19          39.    Violation #9. RESPONDENT violated NAC 116.385(2) by failing to report  
20 changes to its community management company to the Division within thirty (30) days.

21          40.    Violation #10. RESPONDENT violated NAC 116.405(5)(a) by impeding or  
22 otherwise interfering with the Division's investigation by failing to comply with the  
23 Division's multiple requests to provide information or documents.

24          41.    Violation #11. RESPONDENT violated NAC 116.405(5)(b) for impeding or  
25 otherwise interfering with the Division's investigation when it concealed supplied false or  
26 misleading information to the Division's investigator regarding the payments to King Bee  
27 Construction which were otherwise included in the Division's Auditor's review.  
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1           42.   Violation #12. RESPONDENT violated NAC 116.405(8)(d) for failing to  
2 obtain at least three bids from reputable vendors with proper licensing prior to the roof  
3 repair work.

4           43.   Violation #13.   RESPONDENT violated NAC 116.405(8)(g) in lacking  
5 its duties when it failed to maintain current, accurate and/or properly documented  
6 financial records.

7           44.   Violation #14.   RESPONDENT violated NAC 116.405(8)(i) for failing to  
8 demonstrate any established policies and procedures designed to provide reasonable  
9 assurances in the reliability of its financial reporting.

10          45.   Violation #15.   RESPONDENT violated NAC 116.405(8)(k) for failing  
11 to make the requested financial records of the Association available for inspection by  
12 the Division.

13          46.   Violation #16. RESPONDENT violated NAC 116.415 by failing to have  
14 proper recordkeeping and regularly transferring reserves.

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5. Pursuant to NRS 116.785, if RESPONDENT violates any Commission order, the Commission may impose sanctions of not more than \$1,000 for each violation.

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

DATED this 16<sup>th</sup> day of June, 2025

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

By: Phyllis M. Tomasso  
Phyllis M. Tomasso, Chair

Submitted by:

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