

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. 2024-606

8 Petitioner,

9 vs.

10 CHEYENNE PARK VILLAS
11 HOMEOWNERS ASSOCIATION, INC.
12 (Entity Number C20463-1996),

13 Respondent.

FILED

MAY 06 2025

NEVADA COMMISSION FOR
COMMON INTEREST COMMUNITIES
AND CONDOMINIUM HOTELS

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

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

27 **JURISDICTION AND NOTICE**

28 During all relevant times, RESPONDENT is a common-interest community
of about 92 condominium units located in North Las Vegas, Nevada (Entity Number

1 C20463-1996) and is, therefore, subject to the provisions of Chapter 116 of each the
2 Nevada Revised Statutes ("NRS") and the Nevada Administrative Code ("NAC")
3 (hereinafter collectively referred to as "NRS 116") and are subject to the jurisdiction of the
4 Division, and the Commission for Common-Interest Communities and Condominium
5 Hotels pursuant to the provisions of NRS 116.750.

6 **FACTUAL ALLEGATIONS**

7 1. On or about December 19, 2022, the Division sent the RESPONDENT an
8 audit engagement letter, with a deadline to submit the records requested for an audit of
9 January 9, 2023. *Exhibit 1 – Audit, NRED 000008.*

10 2. Despite certified proof of delivery, neither the RESPONDENT Board nor the
11 Community Manager responded to the auditor's letter, nor provided the documents
12 requested. *Exhibit 1 – Audit, NRED 000008, NRED 000025.*

13 3. Therefore, on or about January 12, 2023, the audit was referred to
14 Compliance for failure to respond and to compel RESPONDENT to submit the requested
15 documents in order to perform a proper investigation of the Association's records and to
16 support bringing the RESPONDENT into compliance with the law. *Exhibit 1 – Audit,*
17 *NRED 000008.*

18 4. As of about December 4, 2023, Compliance was still working on obtaining the
19 requested records from the Community Manager at the time, Jason Edward Kelly
20 (CAM.0009603-SUPR, but licensed as provisional at the time CAM.0009603-PROV).
21 *Exhibit 1 – Audit, NRED 000008–000009.*

22 5. On or about February 7, 2024, the case was referred back to the auditor to
23 conduct a full audit of RESPONDENT'S records, despite additional information for 2023
24 not being provided, and the audit was subsequently completed on or about June 24, 2024.
25 *Exhibit 1 – Audit, NRED 000009.*

26 6. On or about July 19, 2024, the Division's Compliance Section informed
27 the RESPONDENT of eleven (11) allegations of violations of law with an opportunity to
28 ...

1 respond by no later than August 5, 2024. *Exhibit 3 - NRED Forms and Letters,*
2 *NRED 001120–001123.*

3 7. On August 13, 2024, and September 10, 2024, the Division received notices
4 of representation from RESPONDENT'S counsel, and requests for extensions were
5 graciously granted from September 9, 2024, to September 23, 2024. *Exhibit 4 –*
6 *Respondent, NRED 001275, NRED 00128, NRED 001281.*

7 8. On September 9, 2024, RESPONDENT'S response acknowledged that "all of
8 its delinquencies" were unresolved, and provided some financial records, with other
9 records subsequently provided on or about September 24, 2024. *Exhibit 4 – Respondent,*
10 *NRED 001276–001259.*

11 9. On or about January 3, 2025, the Division's Compliance Section informed the
12 RESPONDENT of an additional allegation (Allegation #12) of violation of law with an
13 opportunity for response by no later than January 21, 2025. *Exhibit 3 - NRED Forms and*
14 *Letters, NRED 001124–001125.*

15 10. That day, RESPONDENT stated it would get this information to the
16 Division. *Exhibit 4 – Respondent, NRED 001286.*

17 11. The RESPONDENT did not get the information to the Division by the
18 deadline, and therefore on or about February 13, 2025, the Division closed its investigation
19 as it had obtained sufficient evidence to commence formal disciplinary action. *Exhibit 3 -*
20 *NRED Forms and Letter, NRED 001126–001127.*

21 **A. Deficient Number of Board Members and Sole Signed Checks.**

22 12. Eighty-three (83) of the ninety-two (92) units (or approximately 90% of the
23 units) are owned by one person - Board President Dennis Pankey. *Exhibit 1 – Audit, NRED*
24 *000006, NRED 000020; Exhibit 4 – Respondent, NRED 001129, NRED 001131–001137.*

25 13. While the Annual Registration Form submitted in October of 2023 indicated
26 two board members, the Board has operated with one member, Dennis Pankey, for
27 approximately over thirteen (13) years since 2010. *Exhibit 1 – Audit, NRED 000011.*

28 . . .

1 14. On or about September 9, 2024, although RESPONDENT represented to the
2 Division that it would be sending out a letter to ownership that it needed three (3) Board
3 Members immediately, it never subsequently supplied the Division with proof to respond
4 to or remedy this allegation. *Exhibit 4 – Respondent, NRED 001276.*

5 15. From 2020 through 2024, all bank statements submitted to the Division
6 with check copies show only one (1) signee, Dennis Pankey. *Exhibit 2 - Compliance File,*
7 *2021 Financials: NRED 000079, NRED 000084, NRED 000108, NRED 000113,*
8 *NRED 000135, NRED 000161, NRED 000166, NRED 000185, NRED 000190,*
9 *NRED 000212, NRED 000217, NRED 000239, NRED 000244, NRED 000268,*
10 *NRED 000273, NRED 000296, NRED 000301, NRED 000325, NRED 000330,*
11 *NRED 000353, NRED 000358, NRED 000383, NRED 000388; 2022 Financials:*
12 *NRED 000417, NRED 000422, NRED 000446, NRED 000451, NRED 000476 and*
13 *NRED 000481 (payments from different accounts (Reserve/Operating) for same services),*
14 *NRED 000506, NRED 000511, NRED 000533, NRED 000538, NRED 000565,*
15 *NRED 000570, NRED 000597, NRED 000624, NRED 000629, NRED 000653,*
16 *NRED 000681, NRED 000708, NRED 000737; 2023 Financials: NRED 000769,*
17 *NRED 000797, NRED 000802, NRED 000824, NRED 000852, NRED 000875,*
18 *NRED 000879, NRED 000905, NRED 000909, NRED 000933, NRED 000962,*
19 *NRED 000988, NRED 001014, NRED 001040, NRED 001068.*

20 **B. Insufficient Board and Annual Unit Owners Meetings.**

21 16. Between 2020 through 2022, RESPONDENT failed to hold frequent board
22 meetings, without quorum, and often beyond one hundred (100) days apart. *Exhibit 2*
23 *Compliance File, Minutes, NRED 001080 and NRED 001081 (April 16, 2020 Meeting, the*
24 *next meeting was held approximately eight (8) months apart, December 29, 2020), NRED*
25 *001089, NRED 001073 and NRED 001074 (January 27, 2021 Meeting, the next meeting*
26 *was approximately five (5) months apart, June 30, 2021), NRED 001085 and NRED*
27 *001086, NRED 001087 and NRED 001088, NRED 001092–001093 and NRED 001094,*
28 *NRED 001077 and NRED 001078, NRED 001083 and NRED 001084.*

1 17. During all relevant times, the meeting minutes provided minimal
2 information and demonstrated instances of ratification of repairs after the fact without
3 the amounts being ratified. *Exhibit 2 - Compliance File, Minutes, NRED 001072 – NRED*
4 *001095, NRED 001094.*

5 18. At the June 30, 2021, unit owners meeting, amongst several actions
6 singularly taken by Board Member Dennis Pankey, included a personally benefitted
7 reduction of \$50/month per unit in the 2023 budget. *Exhibit 2 - Compliance File, Minutes,*
8 *NRED 001085.*

9 19. At the September 30, 2021, unit owners meeting, amongst several actions
10 singularly taken by Board Member Dennis Pankey, included approving the 2022 Budget
11 as drafted with no changes to the monthly assessments, even though it was recommended
12 by Management to increase assessments to stay in compliance with budget funding.
13 *Exhibit 2 - Compliance File, Minutes, NRED 001087.*

14 **C. Failure to Produce CPA Audits Requested.**

15 20. On or about September 9, 2024, the RESPONDENT'S response to the
16 Division continued to only provide the drafts of the 2020 and 2021 CPA Audits, not
17 finalized. *Exhibit 4 - Respondent, NRED 001277, NRED 001242 and NRED 001246,*
18 *NRED 001222 and NRED 001226.*

19 **D. No Proof Budget Ratification Meetings were Properly**
20 **Noticed.**

21 21. The RESPONDENT never supplied proof to the Division that the budget
22 ratification meetings in 2020, 2021, and 2022 were properly noticed to unit owners.
23 *Exhibit 4, Respondent, NRED 001277.*

24 **E. Failure to Increase Annual Assessment, Causing Inadequately**
25 **Funded Operations and Reserve Accounts.**

26 22. The RESPONDENT failed to increase the annual assessments in 2020, 2021,
27 2022, and 2023, during which time the sole board member, Dennis Pankey, owned 90% of
28 . . .

the units, and subsequently stood to gain financially by not raising annual assessments. *Exhibit 2 - Compliance File, Minutes, NRED 001072 – NRED 001095, NRED 001087.*

23. The RESPONDENT admitted it “will seek to remedy this issue and increase annual assessments.” *Exhibit 4 - Respondent, NRED 001277.*

24. At least as far back as the September 30, 2021, unit owners meeting, the RESPONDENT was informed that there was underfunding to their Reserves, whereby a “Steven Santana” confirmed a \$202,666.84 due to Reserve Account from Operating Account and the total real time available Reserve Account funds were \$10,710. *Exhibit 2 - Compliance File, Minutes, NRED 001087.*

25. RESPONDENT’S financials to the Division demonstrated funds were being withdrawn from the Reserve bank account to “REPLINISH OPERATING FUND.” *Exhibit 2 - Compliance File, 2023 Financials: NRED 000964, NRED 001016. Exhibit 2 Compliance File, Minutes, NRED 001087.*

26. The 2021 annual budget indicated RESPONDENT should have transferred \$9,200 monthly into the Reserve Account via a “Special Reserve Assessment” from the unit owners, for a total of \$110,400. *Exhibit 2 - Compliance File, 2021 Financials: NRED 000411.*

27. Instead, RESPONDENT only submitted eight (8) of the scheduled twelve (12) “Special Reserve Assessment” deposits for 2021, leaving the reserves for that year underfunded by \$36,800. *Exhibit 2 - Compliance File, 2021 Financials: NRED 000415 and NRED 000426.*

F. Failure to Conduct Reserve Study Every Five Years.

28. On September 9, 2024, RESPONDENT’S admitted it was searching its records to produce the last Reserve Budget performed, and “will also undertake having a reserve study conducted immediately.” *Exhibit 4, Respondent, NRED 001278.*

29. As of January 3, 2025, RESPONDENT failed to demonstrate a 2024 Reserve Study had been conducted and adopted. *Exhibit 4, Respondent, NRED 001286, Exhibit 1 Audit, NRED 000025, Exhibit 4, Respondent, NRED 001278.*

1 30. The RESPONDENT'S financial information clearly shows year-over-year
2 increasing deferred reserve revenue, increasing funds due to the Reserves from the
3 Operating account, and/or the underfunding of Reserves. *Exhibit 1, Audit, NRED 000015,*
4 *Exhibit 2 - Compliance File, 2021 Financials: NRED 000062, NRED 000365, NRED*
5 *000376; 2022 Financials: NRED 000410, NRED 000719, NRED 000729–NRED 000730;*
6 *2023 Financials: NRED 000762, NRED 000763.*

7 31. While the Division received copies of the 2014 and 2019 reserve documents,
8 the recent 2019 one was a Reserve Analysis Report, Level III Study without Site
9 Inspection, NRED 001238, and indicated the RESPONDENT'S reserves were poorly
10 funded with a year-end balance of \$141,765, or 24% of the fully funded value of \$584,652.
11 *Exhibit 4 - Respondent, NRED 001297. Exhibit 1, Audit, NRED 000014.*

12 32. Based on the 2019 Reserve Analysis Report, in 2027, the RESPONDENT
13 would be underfunded by nearly 230% if they maintained their current reserve analysis
14 report funding. *Exhibit 4 - Respondent, NRED 001300.*

15 33. RESPONDENT'S annual balance sheets – December 2021, 2022, and 2023 -
16 indicated underfunded reserves. *Exhibit 2 - Compliance File, 2021 Financials: NRED*
17 *000060; 2022 Financials: NRED 000391; 2023 Financials: NRED 000744.*

18 **G. Acting in Self-Interest or Gain.**

19 34. On September 9, 2024, RESPONDENT admitted it was still searching its
20 records as well as all checks provided to RESPONDENT'S Board President Dennis
21 Pankey's company, Peerless Cleaning Company. *Exhibit 4, Respondent, NRED 001278.*

22 35. RESPONDENT did not provide any contract of services to the Division
23 despite numerous requests for these bids and records. *Exhibit 3 - NRED Forms & Letters,*
24 *NRED 001123; Exhibit 4, Respondent, NRED 001080, NRED 001228.*

25 36. Invoices demonstrate RESPONDENT'S Board President Dennis Pankey
26 requested work to be performed by Peerless Cleaning and generated the invoice for the
27 work done by his company. *Exhibit 2 - Compliance File, NRED 000053 – NRED 000056.*

1 37. RESPONDENT failed to provide the Division with invoices and receipts for
2 2023, nor invoices for vendor Stacy Wilson or management fee payments to First Columbia
3 Community Managers Inc. ("FCCMI"). *Exhibit 4 - Respondent, NRED 001278.*

4 38. Checks written to vendor Stacy Wilson were deposited into D&C Investment
5 Inc. bank account, endorsed by Wilson, and in some instances, co-signed by
6 RESPONDENT'S Board President Dennis Pankey. *Exhibit 1 - Audit, NRED 000030.*

7 **H. Failure to Maintain the Required Insurance Coverages.**

8 39. The RESPONDENT untimely submitted a 72-page insurance policy to the
9 Division, which failed to include a Certificate of Insurance. *Exhibit 4 - Respondent, NRED*
10 *001312 - NRED 001383.*

11 40. On January 3, 2025, the Division sent a request for information requesting
12 the certificate of insurance, and subsequently the RESPONDENT submitted a redacted
13 documents concealing the information. *Exhibit 4 - Respondent NRED 001342 - NRED*
14 *001343.*

15
16 41. Despite such plain notice of continued deficiencies, there is no indication that
17 the RESPONDENT supplied any subsequent additional documentation or other evidence
18 to support its position to the Division's Investigator. *Exhibit 3 - NRED Forms & Letters,*
19 *NRED 001120-001127.*

20 **VIOLATIONS OF LAW**

21 42. Violation #1. RESPONDENT violated NRS 116.31034(1) for having a
22 deficient number of board members and committing such violations extensively from about
23 2010 to 2023 by operating with a single board member.

24 43. Violation #2. RESPONDENT violated NRS 116.31153(1) on 267 counts for
25 failing to have the necessary signatures required for Association funds withdrawals from
26 2020-2023 on approximately 267 checks signed by only one board member.

27 44. Violation #3. RESPONDENT violated NRS 116.31083 by failing to hold
28 meetings as required.

1 45. Violation #4. RESPONDENT violated NRS 116.3103 through NAC
2 116.405(8)(c) by failing to hold meetings as required.

3 46. Violation #5. RESPONDENT violated NRS 116.3103 through NAC
4 116.405(3) by failing to increase assessments.

5 47. Violation #6. RESPONDENT violated NRS 116.3103 through NAC
6 116.405(2) by acting for reasons of self-interest or gain in using a company in conflict of
7 interest with the Board President for Association business.

8 48. Violation #7. RESPONDENT violated NRS 116.3103 through NAC
9 116.405(8)(d) for failing to obtain at least three bids from reputable vendors for various
10 cleaning and maintenance services.

11 49. Violation #8. RESPONDENT violated NRS 116.31144 for failing to produce
12 the audits for the Division's investigation.

13 50. Violation #9. RESPONDENT violated NRS 116.3102(1)(b) for failing to
14 conduct annual budget ratifications meetings for the community.

15 51. Violation #10. RESPONDENT violated NRS 116.31151(3) for failing to
16 conduct annual budget ratifications meetings for the community.

17 52. Violation #11. RESPONDENT violated NRS 116.31151(1)(b) for failing to
18 raise annual assessments subsequently causing the Association to be unable to adequately
19 fund both the Operating and Reserve Accounts.

20 53. Violation #12. RESPONDENT violated NAC 116.415(2)(b) for failing to
21 increase assessments.

22 54. Violation #13. RESPONDENT violated NRS 116.3115(2)(b) for failing to
23 perform the reserve study.

24 55. Violation #14. RESPONDENT violated NRS 116.31152(1) for failing to
25 perform the Reserve Study once every five years.

26 56. Violation #15. RESPONDENT violated NAC 116.425 as implicated by NRS
27 116.31152 for failing to perform the Reserve Study every five years.

57. Violation #16. RESPONDENT violated NRS 116.3113(1) for failing to provide proof that the Association is maintaining the required insurance coverages.

58. Violation #17. RESPONDENT violated NRS 116.31133 as implicated by NRS 116.3113 for failing to provide proof that the Association is maintaining the required insurance coverages.

59. Violation #18. RESPONDENT violated NRS 116.31135 as implicated by NRS 116.3113 for failing to provide proof that the Association is maintaining the required insurance coverages.

60. Violation #19. RESPONDENT violated NRS 116.31175(2) for not responding to the Division's Auditor and providing these items for review.

61. Violation #20. RESPONDENT violated NRS 116.3103 through NAC 116.405(5) for failing to cooperate with the Division, failing to produce documents to answer for the requests from the Division.

62. Violation #21. RESPONDENT violated NAC 116.415 by failing to have proper recordkeeping and regularly transferring reserves.

DISCIPLINE AUTHORIZED

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

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

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

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

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

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

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

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

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

NOTICE OF HEARING

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

THE HEARING WILL TAKE PLACE at the Commission meeting(s) scheduled for **June 10-12, 2025**, beginning at approximately 9:00 a.m. each day, or until such time as the Commission concludes its business. The Commission meeting will be held at the Nevada State Business Center, 3300 W. Sahara Avenue, 4th Floor, Nevada Room, Las Vegas, Nevada 89102 and on June 10–11, 2025, with videoconferencing to Department of Business and Industry, Division of Insurance, 1818 E. College Parkway, Suite 103, Carson City, Nevada 89706. The Commission meeting will be held at the Nevada State Business Center, 3300 W. Sahara Avenue, 4th Floor, Tahoe Room, Las Vegas, Nevada 89102 on June 12, 2025, with videoconferencing to Department of Business of Industry, Division of Insurance, 1818 E. College Parkway, Suite 103, Carson City, Nevada 89706.

STACKED CALENDAR: Your hearing is one of several hearings that may be scheduled at the same time as part of a regular meeting of the Commission that is expected to take place on June 10-12, 2025. Thus, your hearing may

1 be continued until later in the day or from day to day. It is your responsibility
2 to be present when your case is called. If you are not present when your hearing
3 is called, a default may be entered against you and the Commission may decide
4 the case as if all allegations in the complaint were true. If you need to negotiate
5 a more specific time for your hearing in advance because of coordination with
6 an out-of-state witness or the like, please call Maria Gallo, Commission
7 Coordinator, at (702) 486-4074.

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

20 You have the right to request that the Commission issue subpoenas to compel
21 witnesses to testify and/or evidence to be offered on your behalf. In making this request,
22 you may be required to demonstrate the relevance of the witness' testimony and/or
23 evidence. Other important rights and obligations, including your obligation to answer the
24 complaint, you have are listed in NRS Chapter 116 and NAC Chapter 116, including
25 without limitation, NRS 116.770 through 116.780, and NAC 116.500 through NAC
26 116.635 and NRS Chapter 233B.

27 Note that under NAC 116.575, not less than five (5) working days before a hearing,
28 RESPONDENT must provide to the Division a copy of all reasonably available documents

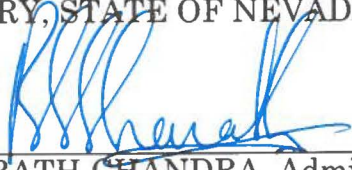
1 that are reasonably anticipated to be used to support his position, and a list of witnesses
2 RESPONDENT intends to call at the time of the hearing. Failure to provide any document
3 or to list a witness may result in the document or witness being excluded from
4 RESPONDENT'S defense. The purpose of the hearing is to determine if the
5 RESPONDENT has violated the provisions of NRS 116, and to determine what
6 administrative penalty is to be assessed against RESPONDENT.
7

8 DATED this 5 day of May 2025.

DATED this 2nd day of May 2025.

9 REAL ESTATE DIVISION,
10 DEPARTMENT OF BUSINESS AND
INDUSTRY, STATE OF NEVADA

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