BEFORE THE COMMISSION FOR COMMON-INTEREST COMMUNITIES AND CONDOMINIUM HOTELS

STATE OF NEVADA

SHARATH CHANDRA, Administrator, REAL ESTATE DIVISION, DEPARTMENT BUSINESS AND INDUSTRY, STATE OF NEVADA, Petitioner, vs. DIANA D. STEGEMAN, (CAM.0009065 - REVOKED), Respondent.	Case No. 2023-883 FILED JUN 25 2024 NEVADA COMMISSION FOR COMMON INTEREST COMMUNITIES AND CONDOMINIUM HOTELS mgallo

FINDINGS OF FACT, CONCLUSIONS OF LAW AND ORDER

This matter came on for hearing before the Commission for Common-Interest Communities and Condominium Hotels, State of Nevada (the "Commission") during a regular agenda set on a three-day stack beginning at 9:00 am on June 11, 2024 (the "Hearing."). Diana D. Stegeman ("RESPONDENT") did not appear in person, through counsel, or otherwise. Christal P. Keegan, Deputy Attorney General with the Nevada Attorney General's Office, and Arjan Luhar, Intern with the Nevada Attorney General's Office, appeared on behalf of the Real Estate Division of the Department of Business and Industry, State of Nevada (the "Division").

Mrs. Keegan informed the Commission that RESPONDENT was noticed no later than 30 days prior to the hearings, that the RESPONDENT never filed an Answer as part of the record in the proceedings, and accordingly the Division filed a Notice of Intent to Default on May 30, 2024.

Therefore, the Division proceeded with a default pursuant to NAC 116A.590. The Division's Commission Coordinator, Maria Gallo, testified regarding proper notice to the RESPONDENT. The Commission found appropriate service of the notice of the hearing,

///

the complaint and notice thereof, the notice of documents, and all other efforts taken to inform the RESPONDENT of the matter before the Commission.

Therefore, the Commission, having considered the evidence introduced by the Division and being fully advised, enters the following Findings of Fact, Conclusions of Law, and Order. Under Nevada Revised Statutes (NRS) and Nevada Administrative Code (NAC) Chapter 116A, the Commission has legal jurisdiction and authority over this matter.

FINDINGS OF FACT

Based on a preponderance of the evidence in the record and the documents admitted at the Hearing, the Commission voted, to find the following factual allegations were proven:

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

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

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

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

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

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

7. In a letter dated August 9, 2023, the Board informed the RESPONDENT that the Succeeding Management Company would begin August 1, 2023, and requested transfer

of all Association documents and files as soon as possible, but no later than August 18, 2023. *Exhibit 2, CICC 066.*

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

9. The complaint alleged, including but not limited to, the RESPONDENT forged signatures of board members on Association checks to herself, unauthorized, resulting in missing and/or stolen monies in amounts exceeding $6,700. *Exhibit 2, CICC 020.*

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

CONCLUSIONS OF LAW

Based on the foregoing factual findings and the preponderance of the evidence, the Commission voted, that the following violations of law occurred:

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

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

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

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

a. Violated NAC 116A.355(2)(i) for exceeding the authority granted to her by the management agreement; and/or

///

///

b. Violated NAC 116A.355(2)(c) for engaging in deceitful, fraudulent and/or dishonest conduct when she applied Board members signatures on Association's checks, unapproved, to herself.

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

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

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

ORDER

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

1. RESPONDENT'S license revocation shall be upheld;

2. RESPONDENT shall pay a fine of $5,000 per violation (7 violations) for a total administrative fine amount of $35,000;

3. RESPONDENT shall pay the costs of the investigation and the hearing in the amount of $3,141.82 which are actual, reasonable, and necessary;

4. The total amount due is $38,141.82 and RESPONDENT shall pay the Division in full within 30 days of entry of Order;

5. RESPONDENT shall pay restitution to the Association in the amount of $11,726.80, subject to RESPONDENT'S ability to seek downward departure within 12 months of the entry of this order.

6. 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;

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

DATED this 25th day of June, 2024.

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

By: _____
PHYLLIS TOMASSO
CHAIRMAN

Submitted by:

AARON D. FORD
Attorney General

By: _____
ARJAN LUHAR (Level 2 Certification of Limited Practice Under SCR 49.3 dated June 10, 2024)
CHRISTAL P. KEEGAN (Bar No. 12725)
Deputy Attorney General
5420 Kietzke Lane, Suite 202
Reno, Nevada 89511
(775) 687-2141
ckeegan@ag.nv.gov

Attorneys for Real Estate Division