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1 **COMP**

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11 Attorneys for Plaintiffs

DISTRICT COURT

CLARK COUNTY, NEVADA

HIGHER GROUND, LLC, a Nevada limited liability company; RRR HOMES, LLC, a Nevada limited liability company; TRIPLE BRAIDED CORD, LLC, a Nevada limited liability company; EQUISOURCE, LLC, a Nevada limited liability company; EQUISOURCE HOLDINGS, LLC, a Nevada limited liability company; APPLETON PROPERTIES, LLC, a Nevada limited liability company; CBRIS, LLC, a Nevada limited liability company; MEGA, LLC, a Nevada limited liability company; SOUTHERN NEVADA ACQUISITIONS, LLC, a Nevada limited liability company, on behalf of themselves and as representatives of the class herein defined,

Plaintiffs,

v.

ALIANTE MASTER ASSOCIATION;  
ALLEGRO HOMEOWNERS ASSOCIATION;  
AMBER HILLS III HOMEOWNERS ASSOCIATION;  
ANASAZI ESTATES HOMEOWNERS ASSOCIATION;  
ANTELOPE HOMEOWNERS ASSOCIATION;  
AVERY COURT ASSOCIATION;  
AZURE ESTATES OWNERS ASSOCIATION;  
BELLA VISTA CONDOMINIUM UNIT OWNERS ASSOCIATION; BLACK MOUNTAIN VISTAS MASTER ASSOCIATION; BLUFF COMMUNITY ASSOCIATION; BORDEAUX HOMEOWNERS ASSOCIATION; CARNEGIE HEIGHTS HOMEOWNERS ASSOCIATION; CASTLE ROCK ESTATES ASSOCIATION; CHAMPION VILLAGE MASTER ASSOCIATION;

Department No:  
Case No:

A-10-608741-C

XI

A-10-608741-C  
647439



COMPLAINT

ARBITRATION EXEMPT  
Declaratory Relief

RECEIVED

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CLERK OF THE COURT

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1 CHARLEMONT CONDOMINIUM  
HOMEOWNERS ASSOCIATION;  
2 CITRUS GARDENS HOMEOWNERS  
ASSOCIATION; CIVANO HOMEOWNERS  
3 ASSOCIATION;  
COLLINA AT MOUNTAIN'S EDGE  
4 HOMEOWNERS ASSOCIATION;  
CONDOMINIUMS AT THE DISTRICT  
5 UNIT-OWNERS ASSOCIATION; COPPER  
CREEK HOMEOWNERS ASSOCIATION;  
6 COPPER RIDGE COMMUNITY ASSOCIATION;  
CORONADO RANCH LANDSCAPE  
7 MAINTENANCE CORPORATION; COVENTRY  
HOMES AT ANTHEM ASSOCIATION;  
8 CRYSTAL SPRINGS NEIGHBORHOOD  
HOMEOWNERS ASSOCIATION;  
9 DAY SPRING PROPERTY OWNERS  
ASSOCIATION;  
10 DESERT BLOOM HOMEOWNERS  
ASSOCIATION;  
11 DESERT SHORES COMMUNITY  
ASSOCIATION; DESERT TRAIL RECREATION  
12 ASSOCIATION; DESERT WILLOWS  
LANDSCAPE MAINTENANCE ASSOCIATION;  
13 DURANGO SPRINGS LANDSCAPE  
MAINTENANCE ASSOCIATION; ELDORADO  
14 NEIGHBORHOOD SECOND HOMEOWNERS  
ASSOCIATION; ELKHORN COMMUNITY  
15 ASSOCIATION; THE ESTATES AT SEVEN  
HILLS OWNERS OWNERS ASSOCIATION;  
16 ESTATES AT STALLION MOUNTAIN  
HOMEOWNERS ASSOCIATION; FOX RIDGE  
17 PROPERTY OWNERS ASSOCIATION;  
THE GABLES CONDOMINIUM OWNERS  
18 ASSOCIATION; GALLERIA VILLAS  
CONDOMINIUMS ASSOCIATION;  
19 GARDEN TERRACE HOMEOWNERS  
ASSOCIATION; GREEN VALLEY RANCH  
20 COMMUNITY ASSOCIATION;  
GREEN VALLEY SOUTH OWNERS  
21 ASSOCIATION NO.1;  
GREEN VALLEY VILLAGE HOMEOWNER  
22 ASSOCIATION;  
HEARTLAND HILLS HOMEOWNERS  
23 ASSOCIATION; THE HEATHERS  
HOMEOWNERS ASSOCIATION;  
24 HIGHLANDS MAINTENANCE CORPORATION;  
HIGHLANDS RANCH NORTH LANDSCAPE  
25 MAINTENANCE CORPORATION;  
HILLPOINTE PARK MAINTENANCE DISTRICT;  
26 HILLSBORO HEIGHTS HOME OWNERS  
ASSOCIATION;  
27 INDEPENDENCE II HOMEOWNERS  
ASSOCIATION; KOKOPELLI OWNERS  
28 ASSOCIATION; LAMPLIGHT COTTAGES @

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1 CORONADO RANCH HOMEOWNERS  
ASSOCIATION;  
2 LAMPLIGHT GARDENS @ CORONADO  
RANCH HOMEOWNERS ASSOCIATION;  
3 LAMPLIGHT SQUARE @ CORONADO  
RANCH HOMEOWNERS ASSOCIATION;  
4 LAS HADAS HOMEOWNERS ASSOCIATION;  
LEGACY VILLAGE PROPERTY OWNERS  
ASSOCIATION;  
5 LIBERTY AT PARADISE COMMUNITY  
ASSOCIATION; LIBERTY AT SILVERADO  
6 RANCH COMMUNITY ASSOCIATION;  
LYNBROOK MASTER ASSOCIATION;  
7 MADRID ESTATES HOMEOWNERS  
ASSOCIATION;  
8 MAJESTIC HILLS COMMUNITY  
ASSOCIATION; MARYLAND PEBBLE AT  
9 SILVERADO HOMEOWNER ASSOCIATION;  
THE MEADOWS AT ELKHORN SPRINGS  
10 HOMEOWNERS ASSOCIATION;  
MERIDIAN PRIVATE RESIDENCES  
11 HOMEOWNERS ASSOCIATION;  
MISSION POINTE HOMEOWNERS  
12 ASSOCIATION; MONTAGNE MARRON  
COMMUNITY ASSOCIATION; MONTEROSSO  
13 VINTAGE HOMEOWNERS ASSOCIATION;  
MOONDANCE SUNCHASE COMMUNITY  
14 ASSOCIATION;  
MOUNTAINS EDGE MASTER ASSOCIATION;  
15 MYSTIC VALLEY ASSOCIATION;  
NEVADA TRAILS II COMMUNITY  
16 ASSOCIATION; ORLEANS SQUARE  
HOMEOWNERS ASSOCIATION;  
17 PACIFIC IMAGES OWNERS ASSOCIATION;  
PACIFIC TRACE OWNERS ASSOCIATION;  
18 PALERMO HOMEOWNERS ASSOCIATION;  
PALERMO WEST HOMEOWNERS  
19 ASSOCIATION; PALM CANYON AT PAINTED  
DESERT HOMEOWNERS ASSOCIATION;  
20 PALM CANYON HOMEOWNERS  
ASSOCIATION;  
21 PANORAMA TOWERS CONDOMINIUM UNIT  
OWNERS ASSOCIATION; PARADISE  
22 MEADOWS HOMEOWNERS ASSOCIATION;  
PARKWAY VILLAS OWNERS ASSOCIATION;  
23 PEBBLE CANYON HOMEOWNERS  
ASSOCIATION; PEBBLE CREEK VILLAGE  
24 HOMEOWNERS ASSOCIATION; PECCOLE  
RANCH COMMUNITY ASSOCIATION;  
25 THE PLATINUM UNIT-OWNERS  
ASSOCIATION; PRAIRIE ROSE  
26 HOMEOWNERS ASSOCIATION; THE  
RANCHES HOMEOWNERS ASSOCIATION;  
27 RANCHO LAKE CONDOMINIUM UNIT  
28

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1 OWNERS' ASSOCIATION; RENAISSANCE  
COMMUNITY ASSOCIATION; RHODES  
2 RANCH ASSOCIATION; SAHARA MOUNTAIN  
VISTA HOMEOWNERS ASSOCIATION;  
3 SANDPIPER GOLF VILLAS HOMEOWNERS  
ASSOCIATION; SBH 1 HOMEOWNERS  
4 ASSOCIATION; SEDONA HOMEOWNERS  
ASSOCIATION; SETONA HOMEOWNERS  
5 ASSOCIATION; SEVEN HILLS MASTER  
COMMUNITY ASSOCIATION; SHENANDOAH  
6 OWNERS ASSOCIATION; SIERRA MADRE AT  
MOUNTAINS EDGE HOMEOWNERS  
7 ASSOCIATION; SIERRA VISTA RANCHO  
HOMEOWNERS ASSOCIATION; SILVER  
8 OAK SILVER POINTES LANDSCAPE  
MAINTENANCE ASSOCIATION;  
9 SILVERADO CANYONS LANDSCAPE  
MAINTENANCE ASSOCIATION; SILVERADO  
10 RANCH II LANDSCAPE MAINTENANCE  
CORPORATION; SILVERADO RANCH III  
11 LANDSCAPE MAINTENANCE CORPORATION;  
SILVERADO RANCH LANDSCAPE  
12 MAINTENANCE CORPORATION;  
SILVERSTONE RANCH COMMUNITY  
13 ASSOCIATION; SKY LAS VEGAS  
CONDOMINIUM UNIT OWNERS  
14 ASSOCIATION;  
SOMMERSET HOMEOWNERS ASSOCIATION;  
15 SOUTHERN HIGHLANDS COMMUNITY  
ASSOCIATION; SOUTHWEST RANCH;  
16 SPRING MOUNTAIN RANCH MASTER  
ASSOCIATION; SPRING OAKS III  
17 HOMEOWNERS ASSOCIATION;  
STALLION MOUNTAIN COMMUNITY  
18 ASSOCIATION; STONE CANYON  
HOMEOWNERS ASSOCIATION;  
19 STONEGATE II HOMEOWNERS  
ASSOCIATION; SUMMERLIN SOUTH  
20 COMMUNITY ASSOCIATION; SUN CITY  
ANTHEM COMMUNITY ASSOCIATION;  
21 SUN CITY MACDONALD RANCH  
ASSOCIATION; SUN CITY SUMMERLIN  
22 COMMUNITY ASSOCIATION; SUNRIDGE  
AT MACDONALD RANCH COMMUNITY  
23 ASSOCIATION; SUNRIDGE ESTATES  
HOMEOWNERS ASSOCIATION;  
24 SUNRIDGE HEIGHTS HOMEOWNERS  
ASSOCIATION; SUNRIDGE MANOR  
25 HOMEOWNERS ASSOCIATION; SUNRISE  
RIDGE HOMEOWNERS ASSOCIATION;  
26 TALASERA AND VICANTO HOMEOWNERS  
ASSOCIATION; TAOS ESTATES COMMUNITY  
27 ASSOCIATION; TAOS ESTATES I  
HOMEOWNERS ASSOCIATION;  
28

TENAYA CROSSING HOMEOWNERS  
ASSOCIATION; TERRAZZO AT MACDONALD  
RANCH COMMUNITY ASSOCIATION;  
TIDES I HOMEOWNERS ASSOCIATION;  
TIMBER CREEK HOMEOWNERS  
ASSOCIATION; TRAVERSE POINT  
CONDOMINIUMS UNIT OWNERS  
ASSOCIATION; VENTANA CANYON  
HOMEOWNERS ASSOCIATION;  
VERDE VIEJO OWNERS ASSOCIATION;  
VILLAGIO PROPERTY OWNERS  
ASSOCIATION; VILLAS AT FORT APACHE  
HOMEOWNERS ASSOCIATION; VISCAYA  
HOMEOWNERS ASSOCIATION;  
VISTANA CONDOMINIUM OWNERS  
ASSOCIATION; WHISPERING TIMBERS  
HOMEOWNERS ASSOCIATION; WHITE  
HORSE ESTATES; HOMEOWNERS  
ASSOCIATION; WIGWAM RANCH EAST  
TWILIGHT HOMEOWNERS ASSOCIATION;  
DOES I through X and ROE ENTITIES I  
through X, inclusive

Defendants.

## COMPLAINT

### ARBITRATION EXEMPT: Declaratory Relief

The above Plaintiffs, by their attorney, Adams Law Group, Ltd., bring this civil action against the above Defendants, and each of them, and complain and allege as follows:

1. Plaintiffs, HIGHER GROUND, LLC, a Nevada limited liability company; RRR HOMES, LLC, a Nevada limited liability company; TRIPLE BRAIDED CORD, LLC, a Nevada limited liability company; EQUISOURCE, LLC, a Nevada limited liability company; EQUISOURCE HOLDINGS, LLC, a Nevada limited liability company; APPLETON PROPERTIES, LLC, a Nevada limited liability company; CBRIS, LLC, a Nevada limited liability company; MEGA, LLC, a Nevada limited liability company; SOUTHERN NEVADA ACQUISITIONS, LLC, a Nevada limited liability company, bring this action on behalf of themselves and all other owners and former owners of real property located within Defendant homeowners' associations ("Real Property") said Plaintiffs paying excess monies ("Excess Lien Amounts") to Defendants in order to satisfy homeowners' association

1 liens ("HOA Liens") claimed by Defendants or their agents under Nevada Revised Statutes §116  
2 against the Real Property of Plaintiffs, said Excess Lien Amounts and the collection thereof being in  
3 violation of the Nevada Revised Statutes and of the common laws of the State of Nevada.  
4 Additionally, this action is brought only on behalf of those owners of Real Property aforementioned  
5 who had obtained title to said Real Property through a trustee's sale instituted by the first security  
6 interest holder of said Real Property and which said first security interest had been recorded before the  
7 date on which the assessments, penalties, fees, charges, late charges, fines and interest sought by  
8 Defendants and comprising said liens, became delinquent.

9 2. This action is brought in accordance with Rule 23 of the Nevada Rules of Civil  
10 Procedure. The class represented by the named Plaintiffs in this action is described in Paragraph 1 of  
11 this Complaint. These persons and entities constitute a class that is so numerous that joinder is  
12 impracticable. Since the named Defendant homeowners' associations acted similarly in connection  
13 with one or more of the Plaintiffs, there exist questions of law or fact which are common to all  
14 members of the class, and which predominate over questions of law and fact which affect only  
15 individual members of the class. The impact of the offenses committed by the Defendants is common  
16 to all Plaintiffs. Since the named Plaintiffs have interests in this action which are coincident with and  
17 not adverse to the class they represent, and since the named Plaintiffs individually have a substantial  
18 financial interest in this action, these named Plaintiffs will adequately protect the interests of the class  
19 they represent.

20 3. The true names and capacities, whether individual, corporate, or otherwise, of  
21 Defendants herein designated as DOES I through X and ROE ENTITIES I through X inclusive, are  
22 unknown to the Plaintiffs at this time, who therefore sue said Defendants by such fictitious names.  
23 Plaintiffs are informed and believe and thereupon allege that each of said Defendants is responsible  
24 in some manner for the events and happenings alleged herein and proximately caused the injuries and  
25 damages herein alleged. Plaintiffs will seek leave to amend this Complaint to allege their true names  
26 and capacities as they are ascertained.  
27  
28

1 4. By maintaining this action as a class action, savings in time, effort, and expense will  
2 be achieved by both the court and parties to this action. One of the advantages of maintaining this  
3 action as a class action is that persons and entities who are members of the class, and who have claims  
4 which might not otherwise warrant individual actions, will be provided with a method for the redress  
5 of their claims. Additionally, the maintenance of this action as a class action will eliminate the  
6 possibility of repetitious litigation which might result in the establishment of incompatible standards  
7 of conduct for the Defendants. Thus, a class action is superior to other available methods for the fair  
8 and efficient adjudication of this controversy.

9 5. At all times material hereto, Defendant homeowners' associations were and now are  
10 corporations organized and existing under the laws of the State of Nevada and have their principal  
11 places of business and transact business in Clark County, State of Nevada.

12 6. Defendants are organized pursuant to Nevada Revised Statutes §116 and have those  
13 powers and obligations, and conduct those activities as contained in Nevada Revised Statutes  
14 §116.3102 et seq.

15 7. Nevada Revised Statutes §116.3116 governs liens against properties located within  
16 homeowners' associations, such as the Real Property, and generally states as follows:

17 a. homeowners associations have a lien for any assessment or fine levied against  
18 a unit within its association from the time the assessment or fine becomes due;

19 b. a homeowners' association's lien under Nevada Revised Statutes §116.3116 is  
20 junior to the first security interest of a mortgage lender whose security instrument was recorded before  
21 the date on which the assessment or fine sought to be enforced became delinquent with the exception  
22 that only to the extent of an amount equaling 9 months of assessments (only 6 months of assessments  
23 prior to October 1, 2009) (the "super priority lien amount") is the homeowners' association lien senior  
24 to the aforementioned first security interest of a mortgage lender.

25 8. Thus, Defendants' HOA Liens became extinguished by the trustee's sale of the security  
26 interest of the first mortgage lender except for the Defendants' super priority lien amount.

1           9. All Plaintiffs obtained title to their respective Real Property through a trustee's sale  
2 whereby a secured first lender foreclosed on the Real Property. The trustee's sale extinguished the  
3 Defendants' HOA liens against said Real Property but for the super priority lien amount which is the  
4 only amount of said lien which survived extinguishment pursuant to Nevada Revised Statutes  
5 §116.3116.

6           10. Defendants are homeowners' associations within the meaning of NRS 116 and are  
7 bound by its provisions.

8           11. Defendants currently claim, and have claimed liens against the Real Property of the  
9 Plaintiffs in an amount greater than the super priority lien amount in violation of Nevada Revised  
10 Statutes and the common laws of the State of Nevada.

11           12. Plaintiffs are, or have been "unit owners" within the definitions contained in NRS 116,  
12 said units comprising the Real Property.

13           13. Defendants currently demand, have demanded or have received through their demands  
14 in violation of NRS 116, Excess Lien Amounts from Plaintiffs, i.e., amounts greater than the super  
15 priority lien amount in order to satisfy the claimed HOA Liens of Defendants.

16           14. At all times material hereto, and continuing up to and including the date of filing of this  
17 Complaint, Defendants, and each of them, have knowingly and unlawfully overcharged Plaintiffs to  
18 satisfy said HOA Liens.

19           15. As a result of said overcharging, the named Plaintiffs and all other persons on whose  
20 behalf this suit has been brought, have suffered damage and injury in their property in an actual amount  
21 which is as yet unknown to Plaintiffs, but which Plaintiffs believe is in excess of \$10,000.00.

22           16. The named Plaintiffs, and all other persons on whose behalf this suit has been brought,  
23 are entitled to treble damages in an amount which is not yet ascertained, but which Plaintiffs believe  
24 is in excess of \$10,000.00.

25           17. The named Plaintiffs and the persons on whose behalf this suit is brought are entitled  
26 to recover reasonable attorneys' fees for the services of their attorneys in this proceeding, together with  
27 their costs of suit.  
28



First Cause of Action

**Civil RICO**

18. The allegations of paragraphs 1 through 17 above are hereby re-alleged and incorporated herein by this reference.

19. Defendants, and each of them, have demanded and received monies from Plaintiffs in order to satisfy the Excess Lien Amounts, said Excess Lien Amounts and the collection thereof being in violation of the Nevada Revised Statutes and of the common laws of the State of Nevada.

20. Defendants had no legal right to demand and collect the Excess Lien Amounts because, pursuant to Nevada Revised Statutes §116.3116, the Excess Liens Amounts were extinguished by trustees' sales instituted by the first security interest holders through which Plaintiffs obtained title to their Real Property, which left only the super priority lien amounts amenable to collection by Defendants to satisfy the HOA Liens.

21. On each of the multiple occasions Defendants or their agents, and each of them, demanded and received monies from Plaintiffs in excess of the super priority lien amount, Defendants having obtained the monies of Plaintiffs under false pretenses.

22. On multiple occasions, Defendants or their agents, and each of them, through the demanding and receiving the Excess Lien Amounts from Plaintiffs in violation of the Nevada Revised Statutes and of the common laws of the State of Nevada, have taken the property of Plaintiffs under circumstances not amounting to robbery, and have obtained possession of money valued at \$250 or more from Plaintiffs by means of false pretenses.

23. Each such of these multiple acts constitute crimes related to racketeering as defined in Nevada Revised Statutes §207.360.

24. As above described, and at all material times related hereto, Defendants or their agents, and each of them, have conducted "racketeering activity," meaning each has engaged in at least two crimes related to racketeering as defined in Nevada Revised Statutes §207.360, said crimes related to racketeering being

1 a. the demanding and receiving the Excess Lien Amounts, by falsely claiming such  
2 amounts were properly due to the Defendants by Plaintiffs when, in fact, they were not due, and

3 b. the wrongful taking of the monies of Plaintiffs under circumstances not amounting to  
4 robbery.

5 25. All Defendants engaged in these crimes related to racketeering which have the same  
6 or similar pattern, intents, results, accomplices, victims or methods of commission, or are otherwise  
7 interrelated by distinguishing characteristics and are not isolated incidents.

8 26. Through the combination of individuals comprising each of Defendants' respective  
9 governing board members, and each of Defendants' respective collection agencies and management  
10 companies, who, assisting in each of Defendants' acts as above described, have acted together,  
11 pursuant to a common design and agreement to engage in racketeering activity, have, therefore,  
12 structured a criminal syndicate as defined in Nevada Revised Statutes §207.370.

13 27. Defendants, and each of them, have with criminal intent, received monies derived,  
14 directly or indirectly, from racketeering activities as above described and used said monies to further  
15 establish, operate and control their enterprise.

16 28. Defendants, and each of them, have through their actions above described, intentionally  
17 organized, managed, directed, supervised and financed the criminal syndicate.

18 29. Defendants, and each of them, have knowingly incited or induced others, such as their  
19 respective collection agencies and management companies to engage in intimidation to promote or  
20 further the objectives of their criminal syndicate.

21 30. Acts of intimidation include, but are not limited to threats that unless the unlawful  
22 Excess Lien Amounts are paid Plaintiffs, title to Plaintiffs' Real Property would remain clouded, thus,  
23 precluding Plaintiffs from selling their Real Property to ready, willing and able buyers, such that  
24 Plaintiffs' livelihood would be negatively impacted.

25 31. Defendants, and each of them, by directing their respective collection agencies and  
26 management companies to demand the Excess Lien Amounts, furnished advice, assistance or direction  
27 in the conduct, financing or management of the affairs of the criminal syndicate with the intent to  
28

1 promote or further the criminal objectives of the syndicate.

2 32. Plaintiffs, and each of them, have been injured in their business or property by reason  
3 of Defendants, and each of their violations of Nevada Revised Statutes §207.400 and have a cause of  
4 action against Defendants for three times the actual damages sustained.

5 33. As a result of Defendants' actions as herein described, Plaintiffs have suffered damages  
6 in excess of \$10,000.00.

7 34. As a result of Defendants' actions as herein described, Plaintiffs have been forced to  
8 incur costs and fees in the prosecution of this action and have been required to hire an attorney and  
9 incur attorney fees and costs to which Plaintiffs hereby make claim and to which Plaintiffs are entitled.

10 **Second Cause of Action**

11 **Negligence Per Se**

12 35. The allegations of paragraphs 1 through 34 above are hereby re-alleged and  
13 incorporated herein by this reference.

14 36. Plaintiffs, owning and having owned the Real Property, each parcel of which is located  
15 within the jurisdiction of one of the Defendant homeowners' associations, belong to a class of persons  
16 that Nevada Revised Statutes §116, particularly Nevada Revised Statutes §116.3116, was intended to  
17 protect.

18 37. Defendants, and each of them have violated Nevada Revised Statutes §116.3116 by  
19 their actions as above described.

20 38. Each such violation by Defendants caused Plaintiffs to pay more money to the  
21 Defendants than required by the Nevada Revised Statutes, said overpayment comprising Plaintiffs'  
22 injuries.

23 39. The super priority lien amount limit which is outlined in Nevada Revised Statutes  
24 §116.3116 is intended to protect the very Excess Lien Amount injuries incurred by Plaintiffs.

25 40. As a result of Defendants' actions of violating Nevada Revised Statutes §116.3116 and  
26 overcharging Plaintiffs to satisfy the liens as above described, Plaintiffs have suffered damages in  
27 excess of \$10,000.00.  
28

1 41. As a result of Defendants' actions as herein described, Plaintiffs have been forced to  
2 incur costs and fees in the prosecution of this action and have been required to hire an attorney and  
3 incur attorney fees and costs to which Plaintiffs hereby make claim and to which Plaintiffs are entitled.

4 **Third Cause of Action**

5 **Breach of Fiduciary Duty**

6 42. The allegations of paragraphs 1 through 41 above are hereby re-alleged and  
7 incorporated herein by this reference.

8 43. In their capacity as homeowners' associations with all the statutory rights, duties and  
9 obligations imposed upon them by law, Plaintiffs had the right to expect trust and confidence in the  
10 integrity and fidelity of Defendants, such that Defendants owed to Plaintiffs a fiduciary duty.

11 44. Defendants' actions as described above, including their multiple and repeated  
12 overcharging of Plaintiffs to satisfy the Excess Lien Amounts, constitute of breach of the Fiduciary  
13 Duty Plaintiffs owed to Defendants.

14 45. As a result of Defendants' actions as herein described, Plaintiffs have suffered damages  
15 in excess of \$10,000.00.

16 46. As a result of Defendants' actions as herein described, Plaintiffs have been forced to  
17 incur costs and fees in the prosecution of this action and have been required to hire an attorney and  
18 incur attorney fees and costs to which Plaintiffs hereby make claim and to which Plaintiffs are entitled.

19 **Fourth Cause of Action**

20 **Breach NRS 116.3116**

21 47. The allegations of paragraphs 1 through 46 above are hereby re-alleged and  
22 incorporated herein by this reference.

23 48. Defendants' actions as described above, including their multiple and repeated  
24 overcharging of Plaintiffs to satisfy the Excess Lien Amounts, constitute of breach of Nevada Revised  
25 Statutes §116.3116.

1 49. Pursuant to Nevada Revised Statutes §116.4117, Defendants have a civil action for  
2 damages against Plaintiffs which includes punitive damages for Defendants' willful and material  
3 failure to comply with Nevada Revised Statutes §116.3116.

4 50. As a result of Defendants' actions as herein described, Plaintiffs have suffered damages  
5 in excess of \$10,000.00.

6 51. As a result of Defendants' actions as herein described, Plaintiffs have been forced to  
7 incur costs and fees in the prosecution of this action and have been required to hire an attorney and  
8 incur attorney fees and costs to which Plaintiffs hereby make claim and to which Plaintiffs are entitled.

9 **Fifth Cause of Action**

10 **Negligence**

11 52. The allegations of paragraphs 1 through 51 above are hereby re-alleged and  
12 incorporated herein by this reference.

13 53. In their capacity as homeowners' associations with all the statutory rights, duties and  
14 obligations imposed upon them by law, Defendants had a duty of due care to Plaintiffs when imposing  
15 any liens against Plaintiffs, to impose such liens in an amount consistent with, and not in excess of the  
16 amounts permitted by law. Defendants had a further duty to take all appropriate actions which would  
17 prevent the overcharging of Plaintiffs for such liens.

18 54. Defendants' actions as described above, including their multiple and repeated  
19 overcharging of Plaintiffs to satisfy the Excess Lien Amounts, constitute a breach of that duty, said  
20 breach being the legal cause of Plaintiffs' injuries.

21 55. As a result of Defendants' breaches and actions as herein described, Plaintiffs have  
22 suffered damages in excess of \$10,000.00.

23 56. As a result of Defendants' actions as herein described, Plaintiffs have been forced to  
24 incur costs and fees in the prosecution of this action and have been required to hire an attorney and  
25 incur attorney fees and costs to which Plaintiffs hereby make claim and to which Plaintiffs are entitled.

**Sixth Cause of Action**

**Slander of Title**

57. The allegations of paragraphs 1 through 56 above are hereby re-alleged and incorporated herein by this reference.

58. Pursuant to Nevada Revised Statutes §116.3116, Defendants had a lien against Plaintiffs' Real Property for any assessments, penalties, fees, charges, late charges, fines and interest permitted under Nevada Revised Statutes §116 to the extent of the super priority lien amount.

59. However, Defendants intentionally caused to publically recorded or transmitted to 3rd parties false liens and to make false claims to Plaintiffs and to third parties for amounts in excess of the amount to which they were entitled by law.

60. Defendants have, thus, made false and malicious communications disparaging to Plaintiffs' title in Plaintiffs' Real Property and have slandered Plaintiffs' title to such Real Property.

61. As a result of Defendants' actions as herein described, Plaintiffs have suffered special damages in excess of \$10,000.00.

62. As a result of Defendants' actions as herein described, Plaintiffs have been forced to incur costs and fees in the prosecution of this action and have been required to hire an attorney and incur attorney fees and costs to which Plaintiffs hereby make claim and to which Plaintiffs are entitled.

**Seventh Cause of Action**

**Unjust Enrichment**

63. The allegations of paragraphs 1 through 62 above are hereby re-alleged and incorporated herein by this reference.

64. Based upon the conduct of Defendants as above described, the Defendants have received undeserved monetary benefits from the collection of the Excess Lien Amounts from Plaintiffs.

65. The Defendants have been, therefore, unjustly enriched at the expense of the Plaintiffs giving rise to a legal and equitable duty to repay the Plaintiffs for all sums.

1 66. As a result of Defendants' actions as herein described, Plaintiffs have suffered special  
2 damages in excess of \$10,000.00.

3 67. As a result of Defendants' actions as herein described, Plaintiffs have been forced to  
4 incur costs and fees in the prosecution of this action and have been required to hire an attorney and  
5 incur attorney fees and costs to which Plaintiffs hereby make claim and to which Plaintiffs are entitled.

6 **Eighth Cause of Action**

7 **Declaratory Relief**

8 68. The allegations of paragraphs 1 through 67 above are hereby re-alleged and incorporated  
9 herein by this reference.

10 69. Nevada has adopted the Uniform Declaratory Judgments Act (the "Act").

11 70. The Act permits persons whose rights, status or other legal relations affected by a  
12 statute or municipal ordinance to have determined by a court of competent jurisdiction any question  
13 of construction or validity arising under the statute or ordinance and obtain a declaration of rights,  
14 status or other legal relations thereunder.

15 71. Plaintiffs seek a declaration from this Honorable Court that declares that Defendants,  
16 as statutory homeowners' associations under Nevada Revised Statutes §116, have a super priority lien  
17 for any assessments or fines levied against the Real Property of Plaintiffs, but because Plaintiffs took  
18 title through a trustees' sale by a first security interest holder, said lien amount cannot exceed 9 months  
19 of assessments (only 6 months of assessments prior to October 1, 2008).

20 72. Plaintiffs seek a declaration from this Honorable Court that Defendants have demanded  
21 and received from Plaintiffs monies in order to satisfy Defendants' claimed liens which exceed the  
22 super priority lien amount contained in Nevada Revised Statutes §116.3116, and, therefore, the Excess  
23 Lien Amounts have been unlawfully demanded and collected and must be returned with interest.

24 **PRAYER FOR RELIEF**

25 WHEREFORE, Plaintiffs, expressly reserving their right to amend this pleading at the time of,  
26 or prior to trial, prays for judgment against Defendants as follows:  
27  
28

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1. For general damages in excess of \$10,000.00;
2. For declaratory relief as set forth herein;
3. For reasonable attorneys' fees and costs of suit of litigation thereof as damages and under applicable statutes and/or as special damages in excess of \$10,000.00;
4. For pre and post judgement interest at the statutory rate as may be applicable;
5. For punitive and trebled damages;
6. For any further legal and equitable relief that this Court may deem just and equitable.

Dated this 22 day of January, 2010.

  
ADAMS LAW GROUP, LTD.

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