

## ALTERNATIVE DISPUTE RESOLUTION



### WHAT IS ADR

The Alternative Dispute Resolution (ADR) process is intended to offer people more opportunity to determine when and how their dispute will be resolved. The process is a constructive and efficient procedure for voluntarily resolving disputes through the mutual consent of the parties involved; the parties are the claimant and the respondent. ADR encourages the parties to engage in negotiations to jointly develop a solution to the conflict. Nevada Revised Statute (NRS) 38 is the law that regulates the mediation and arbitration process relating to residential property within common-interest communities. The ADR process is available to all unit owners.

Participation in the ADR program is required under (NRS) 38.300 to 38.360 before parties may file a civil action in court. However, you may utilize the process even if you have no intention of filing a civil action in court.



State of Nevada  
Department of Business and Industry  
Real Estate Division  
Office of the Ombudsman for Owners in  
Common-Interest Communities and  
Condominium Hotels  
2501 East Sahara Avenue 202  
Las Vegas, Nevada 89104-4137  
Statewide toll free: 877-829-9907  
Telephone: 702-486-4480  
Facsimile: 702-486-4520  
www.red.s.nv.gov  
CICOmbudsman@red.nv.gov

In arbitration, the parties to a dispute present their arguments and evidence to an impartial arbitrator who will render an award for one side. Arbitration decisions can either be a legally binding proceeding that is non-appealable or it can be a non-binding proceeding.

### How to Contact the Office of the Ombudsman

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2501 East Sahara Avenue, Suite 202  
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Phone: (702) 486-4480  
Toll Free Phone (877) 829-9907  
Email: CICOmbudsman@red.nv.gov  
Website: [www.red.nv.gov](http://www.red.nv.gov).

### Office of the Ombudsman OUR MISSION

To provide a neutral and fair venue to assist homeowners, board members and community managers in handling issues that may arise while living in a common-interest community.

The program is available to owners who have participated in the Ombudsman's Informal Conference program, but participation in the Informal Conference is not necessary to utilize the ADR program.

Unit owners may employ this process by filing a **form 520** the *Alternative Dispute Resolution/Residential Planned Communities Claim Form*. To verify that this is the proper program for your dispute and to correctly complete and conclude the process, please familiarize yourself with **form 523** the *Residential Common Interest Alternative Dispute Resolution (ADR) Overview*. All mentioned forms may be found at [www.red.nv.gov](http://www.red.nv.gov).

## WHY USE ADR

- The process may provide a faster resolution.
- Administered by a neutral third party.
- Improves communication between the parties.
- ADR is a neutral process that leads the parties to a greater commitment to reach a settlement.
- Increases control over the process and the outcome.
- Required by statute if intending to proceed to civil court.

## ADR PROGRAMS

### • REFEREE PROGRAM

The Referee Program is a fully subsidized program, administered by the Nevada Real Estate Division to the extent funds are available. Please see *form 523* for subsidy requirements.

Referees are licensed attorneys approved by the Division to hear disputes. The referee reviews the provided supporting documents then governs the hearing procedure where evidence may be considered, and any witness testimony may be questioned and considered. Parties may elect to waive the hearing and have the case decided on the written supporting documents. If disputing parties do not agree to participate in the referee program their dispute will default to the mediation program.

### • MEDIATION

The Mediation may be subsidized up to \$250.00 per party, not to exceed \$500 per mediation. The parties must submit a *Subsidy Application for Mediation (form 668)* at the time of filing a *Claim Form (#520)* or a *Response Form (#521)* with the Division. Please contact the ADR Facilitator regarding eligibility. Unit owners may receive a subsidy once per state fiscal year for each unit owned. An association may receive one subsidy each fiscal year

against the same unit owner for each unit owned.

Mediation is the intervention in a dispute or negotiation of an acceptable impartial and neutral third party, who has no decision-making authority. The objective of this intervention is to assist the parties in reaching a mutually-acceptable resolution of the issues in dispute.

A mediator makes primarily procedural suggestions regarding how parties can reach agreement. A mediator may suggest some substantive options as a means of encouraging the parties to expand the range of possible resolutions under consideration. Mediation is the most relaxed and informal of the ADR methods.

If the disputing parties do not agree to participate in the referee program, they **must** utilize the mediation process prior to going to court.

### • ARBITRATION

After participating in mediation or the referee program, the parties may elect to have the claim arbitrated.

Arbitrator fees are limited to \$300 per hour; however, there is no time limit or maximum allowable billing for arbitration. Both parties must agree to arbitrate.