

BEFORE THE COMMISSION FOR COMMON-INTEREST
COMMUNITIES AND CONDOMINIUM HOTELS
STATE OF NEVADA

JOSEPH (J.D.) DECKER, Administrator,
REAL ESTATE DIVISION, DEPARTMENT
OF BUSINESS & INDUSTRY,
STATE OF NEVADA,

Petitioner,

vs.

RHONDA FREIH,

Respondent.

Case No. 2013-464
(formerly CIN 13-02-37-238)

FINDINGS OF FACT,
CONCLUSIONS OF LAW, AND
ORDER

FILED

AUG 24 2016

NEVADA COMMISSION OF
COMMON INTEREST COMMUNITIES
AND CONDOMINIUM HOTELS

This matter came on for hearing before the Commission for Common-Interest Communities and Condominium Hotels, Department of Business and Industry, State of Nevada (the "Commission"), during a regular agenda on August 17th and 18th, 2016, at the Nevada State Gaming Control Board, 1919 College Parkway, Carson City, Nevada (the "Hearing"). Respondent RHONDA FREIH represented by Sheila D. Van Duyne, Esq. appeared at the Hearing. Michelle D. Briggs, Senior Deputy Attorney General 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").

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

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FINDINGS OF FACT

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2 The Commission, by a vote of 4 to 0 with 1 abstention, based upon the evidence
3 presented during the Hearing, finds that by a preponderance of the evidence in the record the
4 following facts have been proven.

5 1. FREIH was at all relevant times mentioned in this complaint and is currently
6 licensed as a supervisory community manager under certificate number CAM.0000084-
7 SUPR.

8 2. FREIH worked for Community Association Management Company, LLC
9 (CAMC) and acted as the community manager for the Autumn Trails Homeowners'
10 Association (the "Association") located in Sparks, Nevada from the date of the Association's
11 inception in 2006.

12 3. On February 11, 2013, the Association filed a statement of fact against FREIH.

13 4. Part of the records turned over to the ASSOCIATION'S new management
14 company included a 2011 contract signed by FREIH on behalf of the ASSOCIATION for Red
15 Rock Financial Services ("Red Rock").

16 5. The minutes provided to the ASSOCIATION for 2011 did not include any
17 meeting where the board voted to hire Red Rock.

18 6. The ASSOCIATION asked FREIH to provide evidence of her authority to sign
19 the contract with Red Rock.

20 7. In 2013, FREIH responded to the ASSOCIATION with unsigned minutes from
21 an executive session meeting of the board on March 3, 2011.

22 8. The board did have a regular meeting on March 3, 2011, but there is no
23 mention of a contract with Red Rock during the regular meeting.

24 9. The 2011 executive session minutes from FREIH state:

25 Per earlier email and phone communications with the Board members, it was ratified
26 to move all future accounts to Red Rock Financial services.

27 10. In response to the allegation that FREIH falsely generated the 2011 minutes to
28 justify having signed the Red Rock agreement, FREIH said it was authorized by board

1 members, Mike Thomey and Jolene Fisher.

2 11. FREIH provided an email from Mr. Thomey dated March 1, 2011 asking what
3 the purpose of the executive session meeting after the general meeting was, but FREIH'S
4 response to Mr. Thomey was not provided.

5 12. Mr. Thomey and Ms. Fisher deny ever having an executive session meeting to
6 discuss Red Rock.

7 13. Mr. Thomey does not recall ever discussing changing collection companies.

8 **CONCLUSIONS OF LAW**

9 Based on the foregoing factual findings, the Commission concludes by a vote of 3-1,
10 with 1 abstention, that only the following violations of law occurred:

11 14. RESPONDENT violated NRS 116A.630(1)(b) by failing to exercise ordinary and
12 reasonable care in the performance of her duties when she signed a contract on behalf of the
13 Association without authority.

14 15. RESPONDENT violated NRS 116A.630(1)(b) by failing to exercise ordinary and
15 reasonable care in the performance of her duties when she provided unsigned executive
16 session meeting minutes to evidence her authority to sign a contract when hiring vendors
17 cannot be done in executive session according to NRS 116.31085(2) and the board members
18 deny the executive session meeting occurred.

19 16. RESPONDENT violated NAC 116A.355(1)(a)(1) (through NAC 116A.355(2)(i))
20 by exceeding the authority granted to her by the Association.

21 17. RESPONDENT violated NAC 116A.355(1)(a)(2) (through NAC 116A.355(3)(a))
22 by committing an act of professional incompetence when she demonstrated a significant lack
23 of ability, knowledge or fitness to perform a duty or obligation owed to the Association when
24 she signed a contract on behalf of the Association without authority.

25 18. RESPONDENT violated NAC 116A.355(1)(a)(2) (through NAC 116A.355(3)(b))
26 by committing an act of professional incompetence when she failed to exercise reasonable
27 skill and care with respect to a duty or obligation owed to the Association when she signed a
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1 contract on behalf of the Association without authority.

2 19. RESPONDENT violated NAC 116A.355(1)(a)(3) by committing negligence or
3 gross negligence by signing a contract on behalf of the Association without authority.

4 **ORDER**

5 The Commission being fully apprised in the premises, and good cause appearing to
6 the Commission, by a vote of 4 to 0, with 1 abstention, ORDERS as follows:

7 20. RESPONDENT FREIH'S community manager certificate shall be suspended for
8 a period of six months from August 18, 2016.

9 21. RESPONDENT FREIH shall pay an administrative fine to the Division in the
10 total amount of \$8,384.09, representing a fine of \$5,000 (\$833.33 for each of the 6 violations
11 of law), and Division costs of \$3,384.09, all of which to be paid in full no later than August 18,
12 2017.

13 22. RESPONDENT FREIH shall complete 60 hours of precertification courses no
14 later than August 18, 2017. The education required by this section shall not be applied to any
15 continuing education requirement for the renewal of RESPONDENT FREIH'S certificate.

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23. The Division may institute debt collection proceedings for failure to timely pay the total fine. Further, if collection goes through the State of Nevada, then RESPONDENT FREIH shall also pay the costs associated with collection.

DATED this 24th day of August, 2016.

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

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SCOTT SIBLEY, CHAIRMAN

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