

1 to the jurisdiction of the Division, and the Commission for Common Interest Communities and
2 Condominium Hotels.

3 **FACTUAL ALLEGATIONS**

4 3. In July of 2011, FREDERICK entered into a settlement with the Nevada Real
5 Estate Division for engaging in the management of multiple common-interest communities in
6 the state of Nevada without a certificate from the Division.

7 4. FREDERICK'S community manager certificate expired in 2005.

8 5. As part of the settlement accepted and ordered by this Commission,
9 FREDERICK agreed to pay an administrative fine and also agreed that any management
10 contract with her company, PWJames Management, would include notice that she is not a
11 certified community manager.

12 6. In March of 2014, the Division received a statement of fact against FREDERICK
13 alleging she was performing the services of a community manager for Laurel Canyon
14 Homeowners Association (the "Association") without a certificate.

15 7. The complaint alleged FREDERICK controlled board meetings, advised board
16 members, dealt with all vendors, paid bills, controlled the election process, and refused to turn
17 over Association records after her contract was terminated in January 2014.

18 8. The documents FREDERICK refused to turn over to the new manager included
19 returned ballots for an upcoming election.

20 9. The Association pursued litigation to have the records, including the sealed
21 ballots, provided to the new manager.

22 10. FREDERICK provided a declaration to the court stating that she prepared the
23 ballots for the election and deliberately left off names of candidates provided by the board
24 president, because she determined they were not eligible.

25 11. Instead of returning the sealed ballots to the new manager, the ballots were
26 given to two of the candidates running in the election.

27 12. The two candidates who received the ballots opened them at a meeting they
28 called; and according to themselves, they became board members.

13. In March 2014, after being terminated and assisting unit owners running in the

1 election to open the ballots, FREDERICK attended an emergency meeting of the self-
2 proclaimed newly elected board members held at FREDERICK'S management office.

3 14. At the emergency meeting, the new board members fired the community
4 manager, rehired FREDERICK'S company, and fired the Association's attorney.

5 15. By the end of March 2014, the Association's case against FREDERICK and her
6 company was dismissed by virtue of a stipulation of the parties.

7 16. According to the audio recordings of board meetings, FREDERICK regularly
8 advised the board on a variety of association matters, including, without limitation, fines,
9 collections, appointing officers, hiring vendors, bids, and recall elections.

10 17. The complainant stated in an affidavit to the Division that he took two checks to
11 FREDERICK'S office at the end of 2013, because they needed a second signature.

12 18. FREDERICK told him that her husband needed to sign the checks.

13 19. FREDERICK'S husband had a community manager certificate, but he was not
14 there.

15 20. FREDERICK used a stamp of her husband's signature, stamped both checks
16 with her husband's name, and returned the checks to the complainant.

17 21. FREDERICK'S husband was not a signor on the Association's bank account.

18 22. FREDERICK'S management contract through PWJames Management does not
19 contain a provision notifying the Association that FREDERICK is not a community manager.

20 23. During the litigation initiated by the Association to recover the records,
21 FREDERICK provided a declaration to the court saying:

22 I have been working with the Real Estate Division to reinstate my license, but
23 the Real Estate Division has been unable to determine the proper course for
24 reinstatement since my license expired (and was not suspended or terminated).

25 24. The Division's regulations for a community manager certificate are clear. NAC
116A.145(4) provides as follows:

26 If a certificate has not been renewed for a period that exceeds 1 year past its
27 expiration date, an applicant must reapply pursuant to the provisions of NAC
28 116A.110.

1 **VIOLATIONS OF LAW**

2 25. RESPONDENT violated NRS 116A.400(1) by engaging in the management of a
3 common-interest community without a community manager certificate from the Division.

4 **DISCIPLINE AUTHORIZED**

5 Pursuant to the provisions of NRS 116A.900 the Commission has discretion to impose
6 discipline as it deems appropriate, including, but not limited to one or more of the following
7 actions:

8 1. Impose a fine not to exceed the amount of any gain or economic benefit
9 RESPONDENT derived from the violation or \$10,000, whichever is greater.

10 2. Require the RESPONDENT to pay the costs of the investigation and hearing;
11 and

12 3. Take such other disciplinary action as the Commission deems appropriate.

13 The Commission may order one or any combination of the discipline described above.

14 **NOTICE OF HEARING**

15 **PLEASE TAKE NOTICE**, that a disciplinary hearing has been set to consider this
16 Administrative Complaint against the above-named RESPONDENTS in accordance with
17 Chapters 233B and 116 and 116A of the Nevada Revised Statutes and Chapters 116 and
18 116A of the Nevada Administrative Code.

19 **THE HEARING WILL TAKE PLACE** on June 7-9, 2016 beginning at 9:00 a.m. each
20 day or until such time as the Commission concludes its business. **The Commission meeting**
21 **on June 7 and 8, 2016, will be located at the Grant Sawyer Building, 555 East**
22 **Washington Avenue, Room 4412, Las Vegas, Nevada 89101, with videoconferencing at**
23 **the Legislative Building, 401 South Carson Street, Room 2134, Carson City, Nevada**
24 **89701. The Commission meeting on June 9, 2016, will be located at the Department of**
25 **Business and Industry, 2501 E. Sahara Avenue, 2nd Floor Conference Room, Las Vegas,**
26 **Nevada 89104, with videoconferencing to the Department of Business and Industry,**
27 **Director's Office, 1830 East College Parkway, Suite 100, Carson City, Nevada 89706.**
28

1 STACKED CALENDAR: Your hearing is one of several hearings that may be
2 scheduled at the same time as part of a regular meeting of the Commission that is expected to
3 take place on June 7-9, 2016. Thus, your hearing may be continued until later in the day or
4 from day to day. It is your responsibility to be present when your case is called. If you are not
5 present when your hearing is called, a default may be entered against you and the
6 Commission may decide the case as if all allegations in the complaint were true. If you need
7 to negotiate a more specific time for your hearing in advance because of coordination with out
8 of state witnesses or the like, please call Claudia Rosolen, Commission Coordinator, at (702)
9 486-4606.

10 YOUR RIGHTS AT THE HEARING: Except as mentioned below, the hearing is an
11 open meeting under Nevada's open meeting law, and may be attended by the public. After
12 the evidence and arguments, the commission may conduct a closed meeting to discuss your
13 alleged misconduct or professional competence. A verbatim record will be made by a certified
14 court reporter. You are entitled to a copy of the transcript of the open and closed portions of
15 the meeting, although you must pay for the transcription.

16 As a RESPONDENT, you are specifically informed that you have the right to appear
17 and be heard in your defense, either personally or through your counsel of choice. At the
18 hearing, the Division has the burden of proving the allegations in the complaint and will call
19 witnesses and present evidence against you. You have the right to respond and to present
20 relevant evidence and argument on all issues involved. You have the right to call and examine
21 witnesses, introduce exhibits, and cross-examine opposing witnesses on any matter relevant
22 to the issues involved.

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

Office of the Attorney General
555 East Washington Avenue, Suite 3900
Las Vegas, Nevada 89101

1 Chapter 233B.

2 Note that under NAC 116.575, not less than five (5) working days before a hearing,
3 RESPONDENT must provide to the Division a copy of all reasonably available documents that
4 are reasonably anticipated to be used to support his or her position, and a list of witnesses
5 RESPONDENT intends to call at the time of the hearing. Failure to provide any document or
6 to list a witness may result in the document or witness being excluded from a
7 RESPONDENT'S defense. The purpose of the hearing is to determine if the RESPONDENT
8 has violated the provisions of Chapter 116A, and to determine what administrative penalty is
9 to be assessed against RESPONDENT.

10 DATED this 15th day of April, 2016.

11
12 REAL ESTATE DIVISION
13 DEPARTMENT OF BUSINESS & INDUSTRY
14 STATE OF NEVADA
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