

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,

Case No. 2014-1179

Petitioner,

vs.

FILED

NOV 30 2015

MAX MCCOMBS; and ENGLISH MILL  
CONDOMINIUMS HOMEOWNERS  
ASSOCIATION,

NEVADA COMMISSION OF  
COMMON INTEREST COMMUNITIES  
AND CONDOMINIUM HOTELS

Respondent.

**ORDER REGARDING SETTLEMENT OF DISCIPLINARY ACTION**

This matter having come before the Commission at its regularly scheduled meeting on November 17, 2015 in Carson City, Nevada, Petitioner, Real Estate Division of the Department of Business and Industry, State of Nevada (the "Division"), through its Administrator, JOSEPH (J.D.) DECKER, appeared by and through its counsel, Adam Paul Laxalt, Attorney General of the State of Nevada, Michelle D. Briggs, Senior Deputy Attorney General and Respondent, Max McCombs appeared for himself and English Mill Condominiums Homeowners Association (the "Association"). Ms. Briggs and Mr. McCombs presented to the Commission an oral stipulated settlement agreement as set forth in this Order Regarding Settlement of Disciplinary Action ("Order"). At the hearing, the Commission voted to approve the stipulated settlement terms as provided in this Order. The Complaint on file herein states as follows:

**JURISDICTION AND NOTICE**

1. During the relevant times mentioned in this complaint, RESPONDENT MAX MCCOMBS was an officer and director of ENGLISH MILL CONDOMINIUM HOMEOWNERS ASSOCIATION which governs a common interest community located in Reno, Nevada.

2. RESPONDENTS are subject to the provisions of Chapter 116 of each the Nevada Revised Statutes ("NRS") and the Nevada Administrative Code ("NAC") (hereinafter

1 collectively referred to as "NRS 116") and are subject to the jurisdiction of the Division, and  
2 the Commission for Common Interest Communities and Condominium Hotels pursuant to the  
3 provisions of NRS 116.750.

4 **FACTUAL ALLEGATIONS**

5 3. RESPONDENT ENGLISH MILL CONDOMINIUM HOMEOWNERS  
6 ASSOCIATION (the "Association") governs a 30 unit condominium project built in 1986.

7 4. RESPONDENT MAX MCCOMBS was the original declarant and is the sole  
8 board member for the Association.

9 5. The Association is self-managed.

10 6. The Association's board failed to submit the annual fee due to the  
11 Ombudsman's office in 2011 with its annual registration form.

12 7. The Division requested the fee by letter dated May 25, 2011 to the Association's  
13 board.

14 8. Receiving no response, the Division sent notice to the Nevada Secretary of  
15 State requesting that the Association be put in default status.

16 9. The Division sent a second request to the Association's board dated October 19,  
17 2011.

18 10. The Division received no response.

19 11. The Association's board has not submitted an annual registration form to the  
20 Division since 2011.

21 12. The Division opened an investigation against the Association and  
22 RESPONDENT MAX MCCOMBS and requested Association records by letter dated April 8,  
23 2014.

24 13. Receiving no response, the Division sent a follow-up letter dated June 26, 2014  
25 with a deadline of July 11, 2014.

26 14. RESPONDENT MAX MCCOMBS responded in part to the Division's requests by  
27 letter dated August 25, 2014 to the Division's education officer.

28 15. The Association does not have regular meetings of the board or annual  
meetings of the owners.

1 16. The Association is in permanently revoked status with the Nevada Secretary of  
2 State.

3 17. The Association does not have a reserve study or reserve funds.

4 18. The Association charges an assessment of \$50 per month.

5 19. The minutes and budgets supplied to the Division by RESPONDENT MAX  
6 MCCOMBS appear to have been created just to satisfy the Division's requests.

7 20. The Association owes the Division approximately \$438.54 in unit fees, late  
8 charges and interest.

9 **VIOLATIONS OF LAW**

10 21. RESPONDENT MAX MCCOMBS knowingly and willfully violated NRS 116.3103  
11 by failing to transition the Association to the owners in accordance with NRS 116.31038 and  
12 NRS 116.31032.

13 22. RESPONDENT MAX MCCOMBS knowingly and willfully violated NRS 116.3103  
14 (through NAC 116.405(3)) by committing an act or omission which amounts to incompetence,  
15 negligence or gross negligence by failing to have annual meetings and elections for the board.

16 23. RESPONDENT MAX MCCOMBS knowingly and willfully violated NRS 116.3103  
17 (through NAC 116.405(3)) by committing an act or omission which amounts to incompetence,  
18 negligence or gross negligence by failing to have a reserve study performed.

19 24. RESPONDENT MAX MCCOMBS knowingly and willfully violated NRS 116.3103  
20 (through NAC 116.405(3)) by committing an act or omission which amounts to incompetence,  
21 negligence or gross negligence by failing to cause the Association to have an adequately  
22 funded reserve account.

23 25. RESPONDENT MAX MCCOMBS knowingly and willfully violated NRS 116.3103  
24 (through NAC 116.405(3)) by committing an act or omission which amounts to incompetence,  
25 negligence or gross negligence by failing to cause the Association to file annual registration  
26 forms with the Division required by NRS 116.31158 and pay the fees required by NRS  
27 116.31155.

28 26. RESPONDENT MAX MCCOMBS knowingly and willfully violated NRS 116.3103  
(through NAC 116.405(3)) by committing an act or omission which amounts to incompetence,

1 negligence or gross negligence by failing to cause the Association to file an annual list of  
2 officers and directors with the Nevada Secretary of State's Office.

3 27. RESPONDENT MAX MCCOMBS knowingly and willfully violated NRS 116.3103  
4 (through NAC 116.405(3)) by committing an act or omission which amounts to incompetence,  
5 negligence or gross negligence by failing to have annual meetings of the owners in  
6 accordance with NRS 116.3108.

7 28. RESPONDENT MAX MCCOMBS knowingly and willfully violated NRS 116.3103  
8 (through NAC 116.405(3)) by committing an act or omission which amounts to incompetence,  
9 negligence or gross negligence by failing to have board meetings in accordance with NRS  
10 116.31083.

11 29. RESPONDENT MAX MCCOMBS knowingly and willfully violated NRS 116.3103  
12 (through NAC 116.405(3)) by committing an act or omission which amounts to incompetence,  
13 negligence or gross negligence by failing to prepare a budget in accordance with NRS  
14 116.31151.

15 30. RESPONDENT MAX MCCOMBS knowingly and willfully violated NRS 116.3103  
16 (through NAC 116.405(5)(a)) by impeding or otherwise interfering with an investigation of the  
17 Division by failing to comply with a request by the Division.

18 31. RESPONDENT MAX MCCOMBS knowingly and willfully violated NRS 116.3103  
19 (through NAC 116.405(5)(b)) by impeding or otherwise interfering with an investigation of the  
20 Division by supplying false or misleading information to an investigator.

21 **SETTLEMENT**

22 1. Respondent Max McCombs admits that the Association does not have a  
23 properly funded reserve account; he failed to file annual registration forms with the Division;  
24 and failed to complete all filings with the Nevada Secretary of State's Office for the  
25 Association.

26 2. Respondents and the Division desire to compromise and settle the instant  
27 controversy pursuant to the following terms and conditions.

28 3. Respondents agree to pay to the Division the sum of \$438.54 within 30 days of  
the date of this Order.

1           4.       Respondents agree to file an annual registration form with the Division and  
2 every year thereafter as required by NRS 116 and take all necessary steps to put the  
3 Association in good standing with both the Division and the Nevada Secretary of State within  
4 60 days from the date of this Order.

5           5.       Respondents agree to adopt the most recent reserve study obtained by Mr.  
6 McCombs from a reserve study specialist and to file Division Form 609 with the Division within  
7 60 days from the date of this Order.

8           6.       In accordance with the Association's reserve study, Respondents agree to  
9 impose a reserve assessment on all unit owners or add to the regular budget for 2016 the  
10 amount of \$54.83 monthly per unit to be paid to the Association's separate reserve bank  
11 account.

12           7.       Respondents agree to consult with a community manager regarding the  
13 requirements of NRS 116, but the Association is not required to be managed by a community  
14 manager.

15           8.       In accordance with NRS 116, Respondents agree to have board meetings every  
16 100 days and to provide notice to the owners of the board meetings no less than 10 days  
17 prior.

18           9.       Respondents agree to send all unit owners a nomination form every 6 months  
19 until there is a full board in place.

20           10.       Once this Order is fully performed, the Division will close its file in this matter.

21           11.       This Order includes any claims that could have been included in a supplemental  
22 or amended complaint arising from the same operative facts, transactions and occurrences in  
23 existence as of the effective date of this Order. However, this Order does not include claims  
24 arising from facts or circumstances which have been concealed by Respondents.

25           12.       Respondents agree that if the terms and conditions of this Order are not met, the  
26 Division may, at its option, rescind this settlement and proceed with prosecuting the Complaint  
27 before the Commission.

28           13.       Respondents agree and understand that by entering into this settlement,  
Respondents are waiving their right to a hearing at which Respondents may present evidence

1 in their defense, their right to a written decision on the merits of the Complaint, their rights to  
2 reconsideration and/or rehearing, appeal and/or judicial review, and all other rights which may  
3 be accorded by the Nevada Administrative Procedure Act, the Nevada Common Interest  
4 Ownership statutes and accompanying regulations, and the federal and state constitutions.

5 14. Respondents understand that this Order and other documentation may be  
6 subject to public records laws. The Commission members who review this matter for approval  
7 of this Order may be the same members who ultimately hear, consider and decide the  
8 Complaint if this Order is not timely performed by Respondents.

9 15. Respondents fully understand that they have the right to be represented by legal  
10 counsel in this matter at their own expense.

11 16. Each party shall bear its own attorney's fees and costs.

12 17. Order is Not Evidence. Neither this Order nor any statements made concerning  
13 this Order may be discussed or introduced into evidence at any hearing on the Complaint, if  
14 the Division must ultimately present its case based on the Complaint filed in this matter.

15 **IT IS ORDERED.**

16 Dated this 24<sup>th</sup> day of November, 2015.

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

21 By: 

SCOTT SIBLEY, CHAIRMAN

22 Submitted by:  
23 ADAM PAUL LAXALT,  
24 Attorney General

25 By: 

26 Michelle D. Briggs, Esq,  
27 Senior Deputy Attorney General  
28 Attorney for the Division