

**COMMISSION FOR COMMON-INTEREST COMMUNITIES AND CONDOMINIUM
HOTELS MEETING MINUTES MARCH 7-9, 2017**

**NEVADA DEPARTMENT OF EMPLOYMENT
TRAINING & REHABILITATION
2800 E. ST. LOUIS AVENUE
CONFERENCE ROOM A-C
LAS VEGAS, NV 89104**

**VIDEO CONFERENCE TO:
NEVADA DEPARTMENT OF EMPLOYMENT
TRAINING & REHABILITATION
500 E. THIRD STREET
CARSON CITY, NV 89713**

MARCH 7, 2017

9:00 A.M.

1-A) Introduction of Commissioners in attendance

In Las Vegas: Barry Breslow, Ken Williams, James Rizzi, Richard Layton, Doris Woods, Ryan Henderson, and Deputy Attorney General Asheesh Bhalla as Commission Counsel.

Scott Sibley was not present.

1-C) Introduction of Division Staff in attendance

In Las Vegas: Sharath Chandra, Administrator; Teralyn Thompson, Administration Section Manager; Charvez Foger, Ombudsman; Ingrid Trillo, Education Officer; Darik Ferguson, Chief Compliance Audit Investigator; Claudia Rosolen, Commission Coordinator; and Senior Deputy Attorney General Michelle Briggs serving as Division Counsel.

In Carson City: Sharon Jackson, Deputy Administrator and Chris Cooke, Compliance Audit Investigator.

Mr. Chandra stated that effective February 13, 2017 Sharon Jackson has been named Deputy Administrator and she is now stationed in Carson City. Mr. Chandra stated that Charvez Foger has been appointed as Ombudsman for Common-Interest Communities.

2) Public Comment

None.

3-A) For possible action: Respondent's report on the order regarding settlement of disciplinary action

NRED v. Max McCombs; and English Mill Condominiums Homeowners Association, for possible action

Case No. 2014-1179

Type of Respondent: Board Officer and Director

Parties Present:

Michelle Briggs was present representing the Division.

Max McCombs was present via videoconference in Carson City.

Ms. Briggs stated that the respondent needs to report on the status of the reserve account funding, provide Commissioner Layton with requested information regarding the number of homeowners who are current, homeowners that partially paid, how many had not paid at all and what the association has done to try to collect those funds.

Mr. McCombs stated that as of December 2016, there was \$12,000 in the reserve account. Mr. McCombs stated that \$10,500 was paid by him. Mr. McCombs stated that few other property owners are contributing money.

Ms. Briggs asked if each unit is now paying the \$54.83 per month, which is the amount that is stated in the order.

Mr. McCombs stated that there are three property owners that have not started paying that amount.

Ms. Briggs asked if each unit paid the retroactive amount.

Mr. McCombs stated that he paid the retroactive amount from January 2016 to January 2017.

Ms. Briggs asked for documentary evidence to support Mr. McCombs' statement.

Mr. McCombs stated that he can send the bank deposit for the reserve funds to Ms. Briggs.

Ms. Briggs asked to be provided with the ownership list for all units, an accounting per unit of what has been paid into the reserve fund, and proof that those funds were deposited into the Association's reserve fund.

Mr. McCombs agreed to provide those documents to Ms. Briggs.

Chairman Breslow proposed to do one more status check at the next Commission meeting. Chairman Breslow stated that if Senior Deputy Attorney General Briggs receives sufficient proof to convince her that Mr. McCombs and the Association are in compliance with the order, this matter will not be on the next agenda.

Mr. McCombs agreed with Chairman Breslow's proposal.

4-A) Disciplinary action: Hearing and possible action by the Commission

NRED v. Jeffrey Allan Frederick, for possible action

Case No. 2014-1057

Type of Respondent: Community Manager

License#: CAM.0007580 (ACTIVE)

Parties Present:

Michelle Briggs was present representing the Division.

Matthew Johnson was present representing Jeffrey Allan Frederick.

Jeffrey Allan Frederick was present.

Commissioner Williams stated that he had prior knowledge of some of the information regarding the case and recused himself.

Opening Statement:

Ms. Briggs made an opening statement.

Mr. Johnson made an opening statement.

State's Witness:

Christina Pitch testified.

Ms. Briggs submitted State's Exhibits 1 to 6, and 8 to 19.

State's Exhibits 1 to 16, 18, and 19 were accepted into evidence with no objection.

Mr. Johnson objected to State's Exhibit 17.

Chairman Breslow held on ruling on State's Exhibit 17 at this time.

Mr. Johnson cross-examined Ms. Pitch.

State's Exhibits 17 was re-submitted.

Mr. Johnson objected to State's Exhibit 17 on the basis that the State did not provide the bank's affidavit authenticating the bank records.

Ms. Briggs stated that those records were admitted into the record during the prior hearing.

Chairman Breslow overruled the objection and admitted State's Exhibits 17 into evidence.

Ms. Briggs re-directed Ms. Pitch.

Mr. Johnson re-cross examined Ms. Pitch.

Ms. Briggs re-directed Ms. Pitch.

Mr. Johnson re-cross examined Ms. Pitch.

The witness was excused.

State's Witness:

Kevin Ruth testified.

Mr. Johnson cross-examined Mr. Ruth.

Ms. Briggs re-directed Mr. Ruth.

Mr. Johnson re-cross examined Mr. Ruth.

Commissioner Woods questioned Mr. Ruth.

The witness was excused.

Respondent's Witness:

James Shumann testified.

Ms. Briggs cross-examined Mr. Shumann.

The witness was excused.

The hearing was continued to the next day due to time constraints.

9) Public Comment

None.

10) For possible action: Adjournment

The meeting recessed at 4:50 p.m. on March 7, 2017.

NOT APPROVED BY THE COMMISSION

NEVADA DEPARTMENT OF EMPLOYMENT
TRAINING & REHABILITATION
2800 E. ST. LOUIS AVENUE
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LAS VEGAS, NV. 89104

VIDEO CONFERENCE TO:
NEVADA DEPARTMENT OF EMPLOYMENT
TRAINING & REHABILITATION
500 E. THIRD STREET
CARSON CITY, NV. 89713

MARCH 8, 2017

9:00 A.M.

1-A) Introduction of Commissioners in attendance

In Las Vegas: Barry Breslow, Ken Williams, James Rizzi, Richard Layton, Doris Woods, Ryan Henderson, and Deputy Attorney General Asheesh Bhalla as Commission Counsel.

Scott Sibley was not present.

1-C) Introduction of Division Staff in attendance

In Las Vegas: Sharath Chandra, Administrator; Teralyn Thompson, Administration Section Manager; Charvez Foger, Ombudsman; Claudia Rosolen, Commission Coordinator; and Senior Deputy Attorney General Michelle Briggs serving as Division Counsel.

In Carson City: Chris Cooke, Compliance Audit Investigator.

2) Public Comment

None.

5-A) For possible action: Discussion and decision to approve minutes of November 15-17, 2016 Commission meeting

Commissioner Williams moved to approve the minutes. Commissioner Layton seconded.

Motion carried unanimously.

5-B) Discussion regarding Commissioners' speaking engagement requests.

Commissioner Layton stated that he was asked to write an article about the Commission.

6-B-1) Ombudsman's Report on intervention

Charvez Foger presented this report. Mr. Foger stated that the total number of interventions received in January was 13. Mr. Foger stated that year to date the number of interventions received is 110.

6-B-2) Ombudsman's Report on informal conferences

Charvez Foger presented this report. Mr. Foger stated that there was a 79% resolution rate for 2016 and currently the informal conference resolution rate for 2017 is 82%.

6-B-3) Ombudsman's Report on alternative dispute resolution filings and subsidy claims

Charvez Foger presented this report. Mr. Foger stated that there are 64 filings for January. Mr. Foger stated that 43 filings were from banks or mortgage holders, 19 from non-banks or mortgage holders, and 2 requests for referee. Mr. Foger stated that the section has reduced its backlog.

6-B-4) Ombudsman's Report on homeowner association and compliance audits

Charvez Foger presented this report. Mr. Foger stated that the Division has been without an auditor since fall 2016. Mr. Foger stated that for year 2017 there was 1 audit and the delinquent fees paid as result was \$473.03.

Commissioner Williams asked if fees collected go toward the self-funded budget account.

Mr. Foger stated that funds collected go toward budget account 3820.

6-B-5) Ombudsman's Report on Program Training Officer's Report

Charvez Foger presented this report. Mr. Foger stated that the Division has a new training officer who will start on March 13, 2017. Mr. Foger stated that the total classes presented year to date are 58.

6-B-6) Ombudsman's Report on number and types of associations registered with the State

Mr. Foger stated that the current number of registered associations is 3,146 with 522,908 units.

6-B-7) Compliance Section's report

Darik Ferguson presented this report. Mr. Ferguson stated that until January; 114 intervention affidavit cases were opened. Mr. Ferguson stated that 54 community manager cases are currently open and 60 for board of directors. Mr. Ferguson stated that cases are aging waiting to go in front of the Commission.

4-F) Disciplinary action: Hearing and possible action by the Commission

NRED v. Rodolfo Rocha, for possible action

Case No. 2016-4210

Type of Respondent: Board Officer and Director

Parties Present:

Michelle Briggs was present representing the Division.

Rodolfo Rocha was present.

Ms. Briggs stated that an agreement has been reached and the terms for a stipulation are as follows:

- Respondent agrees that factual allegations are accepted as true and admits to violation of law numbers 18 and 19.

- Respondent agrees not to serve as a board member or officer of any common-interest community located in the State of Nevada for a period of no less than 10 years from the date of the order.
- Respondent and the Division agree that by entering into the Stipulation, the Division does not concede any defense or mitigation Respondent may assert and that once the Stipulation and Order is approved and fully performed, the Division will close its file in this matter.
- Respondent agrees that if the terms and conditions of the Stipulation and Order are not met, the Division may at its option, rescind this Stipulation and Order and proceed with prosecuting the Complaint before the Commission.

Chairman Breslow asked Mr. Rocha if he was in favor of the obligations under the terms of the stipulation.

Mr. Rocha stated that he understood and agreed with the terms set forth in the stipulation.

Commissioner Williams asked if Mr. Rocha had guidance from a community manager.

Mr. Rocha stated that the community manager was PW James Management and they never told him that what he was doing was prohibited by statute.

Commissioner Layton moved to approve the stipulation. Commissioner Rizzi seconded.

Motion carried.

4-A) Disciplinary action: Hearing and possible action by the Commission

NRED v. Jeffrey Allan Frederick, for possible action

Case No. 2014-1057

Type of Respondent: Community Manager

License#: CAM.0007580 (ACTIVE)

Parties Present:

Michelle Briggs was present representing the Division.

Matthew Johnson was present representing Jeffrey Allan Frederick.

Jeffrey Allan Frederick was present.

Respondent's Witness:

Jeffrey Allan Frederick testified.

Mr. Johnson submitted Respondent's Exhibits B to H.

The Exhibits were accepted into evidence with no objection.

Ms. Briggs cross-examined Mr. Frederick.

Chairman Breslow questioned Mr. Frederick.

Mr. Johnson re-directed Mr. Frederick.

Commissioner Layton questioned Mr. Frederick.

Commissioner Woods questioned Mr. Frederick.

Commissioner Rizzi questioned Mr. Frederick.

The witness was excused.

Ms. Briggs requested to present a rebuttal witness.

Mr. Johnson opposed because the rebuttal witness was in the meeting room during Mr. Frederick's testimony.

Chairman Breslow denied Ms. Briggs' request.

Closing Arguments:

Ms. Briggs made her closing argument.

Mr. Johnson made his closing argument.

Ms. Briggs made a rebuttal argument.

Factual Allegations:

Ms. Briggs stated that for allegation of fact number 15 the month should be changed to "June of 2014" instead of "October of 2014".

Chairman Breslow requested to excise "but board member, Dov Erlichman, was not notified of the meeting to open the ballots and did not know how that occurred" from allegation of fact number 9 in order to be accepted as proven.

Chairman Breslow requested to amend allegation of fact number 54 from "no such forms were provided for" to "the Division is not in possession of such forms".

Commissioner Henderson moved to accept as proven factual allegations 2-5, 7-8, 10-14, 16-31, 33, 35-38, 40-43, 45-47, 49 to 53 amend 9 to exclude "but board member, Dov Erlichman, was not notified of the meeting to open the ballots and did not know how that occurred"; amend 15 to say "In June of 2014" instead of "In October of 2014"; and amend 54 from "no such forms were provided for" to "the Division is not in possession of such forms". Commissioner Layton seconded.

Commissioner Woods moved to amend the motion to exclude factual allegation 46.
Commissioner Rizzi seconded.

Motion carried 3 to 2 with Chairman Breslow and Commissioner Layton opposed;

Commissioner William abstained.

Violations of Law:

Commissioner Rizzi moved to accept violations of law 55, 58, 63-66, 68-70, 73, and 75 as proven. Commissioner Layton seconded.

Motion carried with Commissioner Williams abstained.

Division's Recommendation for Discipline:

Ms. Briggs gave the Division's recommendation for discipline:

- Revocation of certificate;
- Administrative fine of \$5,000.00 for each violation;
- Cost in the amount of \$ 22,233.54; and
- Reimbursement to Laurel Canyon Homeowners Association the amount of \$2,709.31 as reimbursement for Check No. 256 dated May 16, 2013.

Mr. Johnson stated that the revocation of the certificate is not justifiable. Mr. Johnson stated that a fine for the violation is appropriate, but a \$5,000 fine for each violation is too much.

Mr. Frederick stated that there has to be another way to get to the Commission. Mr. Frederick stated that if the Division gets you on their radar they will destroy you. Mr. Frederick stated that after replying to the Division for a year and a half, he stopped in order to get the matter in front of the Commission.

Chairman Breslow stated that Mr. Frederick's frustration with the process is evident. Chairman Breslow stated that he had wished that Mr. Frederick would have taken a bit more culpability in his statement because mistakes were made.

Commissioner Layton stated that people make mistakes, but based upon the testimonies in this matter, the number of mistakes made were excessive. Commissioner Layton stated that he has concerns about Mr. Frederick's ability to properly represent homeowner associations and proposed to revoke his certificate for 3 to 5 years. Commissioner Layton stated that he is in favor of a lower fine amount, the reimbursement to Laurel Canyon or proof that the check was deposited into Laurel Canyon's account.

Commissioner Woods stated that she has concerns with Mr. Frederick's ability to be a representative for associations because of his apparent lack of basic knowledge. Commissioner Woods stated that education should be included into the discipline.

Chairman Breslow recommendations:

- Revocation of certificate for a period of no less than 18 months from the date of the Order.
- Administrative fine of \$1,500.00 for each violation.
- Half of the Division's costs.
- Pay to Laurel Canyon Homeowners Association the amount of \$2,709.31 as reimbursement for Check No. 256 dated May 16, 2013; unless, within 45 days of the date

of the Order, Mr. Frederick provides to the Division evidence sufficient to verify that either Check No. 256 dated May 16, 2013 was not deposited into PW James' bank account, or alternatively, that reimbursement of the amount of the check was already made to the Association.

- 48 months to pay the Division's attorney's fees and costs.

Commissioner Layton moved to approve:

- Training and education.
- Revocation of certificate for a period of no less than 18 months from the date of the Order.
- Administrative fine of \$1,500.00 for each violation.
- Half of the cost of Division's costs.
- Pay to Laurel Canyon Homeowners Association the amount of \$2,709.31 as reimbursement for Check No. 256 dated May 16, 2013; unless, within 45 days of the date of the Order, Mr. Frederick provides to the Division evidence sufficient to verify that either Check No. 256 dated May 16, 2013 was not deposited into PW James' bank account, or alternatively, that reimbursement of the amount of the check was already made to the Association.
- 48 months to pay the Division's costs.

Commissioner Rizzi seconded.

Commissioner Rizzi amended the motion to:

- Frederick's community manager certificate is revoked for a period of no less than 18 months from the date of the Order.
- Frederick shall pay an administrative fine to the Division in the total amount of \$22,300 – which includes a fine of \$11,000 for the violations of law and \$11,300 representing the total amount for the Division's costs – no later than 48 months from the date of the Order. The total administrative fine shall be due in monthly payments of no less than \$464.58 each and shall be due on the first day of each month beginning on April 1, 2017, until the total fine is paid in full.
- Frederick shall pay to Laurel Canyon Homeowners Association the amount of \$2,709.31 as reimbursement for Check No. 256 dated May 16, 2013; unless, within 45 days of the date of the Order, Frederick provides to the Division evidence sufficient to verify that either Check No. 256 dated May 16, 2013 was not deposited into PW James' bank account, or alternatively, that reimbursement of the amount of the check was already made to the Association.

Commission Henderson seconded.

Motion carried with Commissioner Williams abstained.

**4-C) NRED v. Pecos Creek Homeowners Association, James Gilmore, Rodolfo Rocha, Omar Guerra, Ofelia Santos, and Patricia Yuen, for possible action
Case No. 2016-1949**

Type of Respondent: Executive Board

Parties Present:

Michelle Briggs was present representing the Division.

Preliminary Matters:

Ms. Briggs summarized the matter for the Commission. Ms. Briggs stated that factual allegations were accepted as true. Ms. Briggs stated that the board had filled the vacancy with another homeowner and are now trying to obtain records.

Ms. Briggs stated that the management company, PW James, has been non responsive. Ms. Briggs stated that at the end of December the association's bank account was closed and the board didn't know where the money was located. Ms. Briggs stated that the association got their money back and placed it in a new account.

Sherryl Baca, board member, stated that she was unable to get notice information from PW James and had to access the assessor records in order to send meeting notice for their February meeting. Ms. Baca stated that no one volunteered to serve on the board. Ms. Baca stated that the board terminated all the vendors that were on PW James' books and hired a new management company. Ms. Baca stated that the management company did not receive any records from 2016, and files and financial records that the association has are a mess. Ms. Baca stated that contracts were improperly signed by representatives of PW James without any minutes to support those actions. Ms. Baca stated that the money that was transferred over went to pay the association's insurance policy that lapsed since November, and there is no money in the reserve account. Ms. Baca stated that the next complaint that the Division is going to receive toward PW James will come from her association.

Ms. Briggs asked to have the new board ordered to come back to the next Commission meeting to address the issues in the complaint regarding the reserves and audits.

Chairman Breslow stated that this matter will be placed on the June agenda for a status update.

4-I) NRED v. Pecos Estates Homeowners Association, Barbara Stark, Melani Laver, and Ninette Macedo, for possible action

Case No. 2016-3278

Type of Respondent: Board Officer and Director

Parties Present:

Michelle Briggs was present representing the Division.

Michael Van Luven was present representing Pecos Estates Homeowners Association.

Preliminary Matters:

Ms. Briggs stated that the association filed an answer and is working to fund the reserve account.

Mr. Van Luven stated that the association was self-managed for quite some time and mainly had two board members embezzling from the reserve account. Mr. Van Luven presented the new plan that the association has adopted in order to get back on track:

- Increase the association assessment by 25%.
- Initiate a special reserve assessment of \$1,000.00 each year, until the reserve is fully funded.

Mr. Van Luven stated that presently the association has 33 homes: 3 are in collections and the others are in good standing.

Ms. Briggs asked to have the new board ordered to come back to the next Commission meeting for a status update.

Chairman Breslow stated that this matter will be placed on the June agenda for a status update.

4-H) NRED v. Palmilla Homeowners Association, Vijay Shetty, Tracy Dalton, William Simpson, James Lee, Renee Snodgrass, Shauna Carson, and Karen Henderson, for possible action
Case No. 2016-3042
Type of Respondent: Executive Board

Parties Present:

Michelle Briggs was present representing the Division.

Julie Funai was present representing Palmilla Homeowners Association.

Karen Henderson was present.

Christopher Lund was present representing William Simpson.

William Simpson was present.

Preliminary Matters:

Ms. Briggs stated that the association is deficient in their audits, reserve study and funding of the reserve account.

Ms. Funai stated that the association has been trying to get audits and financial records from the management company, PW James. Ms. Funai stated that on March 6 the association had a board meeting where the association terminated PW James and hired a new management company.

Ms. Henderson stated that she doesn't think that the association will ever receive the information and documents from PW James.

4-G) NRED v. William Simpson, and Palmilla Homeowner's Association, for possible action
Case No. 2016-4209
Type of Respondent: Board Officer and Director

Parties Present:

Michelle Briggs was present representing the Division.

Christopher Lund was present representing William Simpson.

William Simpson was present.

Ms. Briggs stated that an agreement has been reached and the terms for a stipulation are as follow:

- Factual allegations are accepted as true and violation of law 16 is accepted.
- Mr. Simpson agrees not to serve as a board member or officer of any common-interest community located in the State of Nevada for a period of no less than 3 years from the date of the order.
- Mr. Simpson agrees that if after 3 years from the date of this Order, Mr. Simpson serves as a board member or officer of any common-interest community within the State of Nevada that he will not have any company he owns receive payments from such community to the extent it is prohibited by NRS 116 at the time.

Chairman Breslow asked if Mr. Simpson was in favor of the obligations under the terms of the stipulation.

Mr. Simpson stated that he understood and agreed with the terms set forth in the stipulation.

Commissioner Rizzi moved to accept the stipulation. Commissioner Williams seconded.

Motion carried.

9) Public Comment

In Las Vegas: Kenneth Williams, Essential Management Solution of Las Vegas, commented.

Mr. Williams stated that what it is coming down is practical application; a licensed manager type should oversee the Division's investigation in order to help bring a more solid case in front of the Commission. Mr. Williams stated that he saw the voids in the process during the case and those voids could be avoided if a licensed manager was helping with the investigation. Mr. Williams stated that he was present from the first hearing and he saw no continuity. Mr. Williams stated that he is not wishing for people to go out of business, but found the 18 months suspension quite light considering the situation.

10) For possible action: Adjournment

The meeting recessed at 4:58 p.m. on March 9, 2017.

**HENDERSON CITY HALL
COUNCIL CHAMBERS
240 SOUTH WATER STREET
HENDERSON, NV. 89015**

NO VIDEOCONFERENCE

MARCH 9, 2017

9:03 A.M.

1-B) Introduction of Commissioners in attendance

In Las Vegas: Ken Williams, James Rizzi, Richard Layton, Doris Woods, Ryan Henderson, and Deputy Attorney General Asheesh Bhalla as Commission Counsel.

Scott Sibley and Barry Breslow were not present.

1-C) Introduction of Division Staff in attendance

In Las Vegas: Charvez Foger, Ombudsman; Ingrid Trillo, Education Officer; Darik Ferguson, Chief Compliance Audit Investigator; Claudia Rosolen, Commission Coordinator; and Senior Deputy Attorney General Michelle Briggs serving as Division Counsel.

2) Public Comment

None

4-B) Disciplinary action: Hearing and possible action by the Commission

**NRED v. Penny D. Frederick (fka Penny Wood), for possible action
Case No. 2016-3885**

Type of Respondent: Unlicensed Community Manager

Parties Present:

Michelle Briggs was present representing the Division.

Penny D. Frederick was not present.

Preliminary Matters:

Ms. Briggs stated that due to the respondent's failure to appear for the hearing, the Division requested that a default be entered against the respondent. Ms. Briggs asked that the Commission accept the factual allegations and violations of law as true.

Commissioner Williams moved to accept as true all of the factual allegations and violations of law against respondent for failing to appear. Commissioner Layton seconded.

Motion carried.

Division's Recommendation for Discipline:

Ms. Briggs gave the Division's recommendation for discipline:

- Respondent shall pay an administrative fine to the Division in the total amount of \$22,697.01 – which includes a fine of \$20,086.42 for the violations of law and \$2,610.59 representing the total amount due for the Division’s costs – no later than 60 days from the date of the Order.

Ms. Briggs stated that Ms. Frederick did not pay the fine that was imposed to her at the last meeting.

Commissioner Williams asked what happens when the Commission has no jurisdiction over the license and no one is paying the fine.

Ms. Briggs stated that the State will send the case through its collection procedure.

Commissioner Williams moved to accept the Division’s recommendation for discipline against the respondent. Commissioner Layton seconded.

Motion carried.

4-D) Disciplinary action: Hearing and possible action by the Commission
**NRED v. Vistana Condominium Owners Association, Larry Fitch, Anthony Knelp,
Lynn Williams, Ardyce Nelson, for possible action**
Case No. 2015-3373

Type of Respondent: Executive Board

This matter was continued to the next Commission meeting.

4-E) Disciplinary action: Hearing and possible action by the Commission
NRED v. Rosario Orozco, for possible action
Case Nos. 2014-3723 & 2014-3453

Type of Respondent: Community Manager

License#: CAM.0007435 (ACTIVE)

Parties Present:

Michelle Briggs was present representing the Division.

Steve Scow was present representing of Rosario Orozco.

Rosario Orozco was present.

Preliminary Matters:

Ms. Briggs made an opening statement.

Mr. Scow made an opening statement.

Ms. Briggs submitted State’s Exhibits 1 to 11. The Exhibits were accepted into evidence with no objection.

Mr. Scow submitted Respondent’s Exhibit A. The Exhibit was accepted into evidence with no

objection.

Commissioner Williams asked why Ms. Orozco let her license lapse.

Ms. Orozco stated that at that the time she was on medical leave and let her employer know that her license was about to expire. Ms. Orozco stated that the corporate office covered for her while she was getting continuing education credits to renew her license.

Commissioner Williams asked where the money collected went.

Ms. Orozco stated that the money collected went into the association's operating account.

Commissioner Layton asked if the respondent kept copies of payments in order to track down and refund people after it was learned that what was done was not legal.

Ms. Orozco stated that they only had information of the vehicles that were towed. Ms. Orozco stated that she can definitely try to get that information from the office and refund the money.

Commissioner Williams moved to approve violation of law from 35 to 42 and 45.
Commissioner Woods seconded.

Motion carried.

Division's Recommendation for Discipline:

Ms. Briggs gave the Division's recommendation for discipline:

- Revocation of certificate for 1 year.
- Fine of \$22,500 for the violations of law.
- Division's cost in the amount of \$4,108.37.
- Payments due in 60 days.

Mr. Scow stated that Ms. Orozco won't be able to pay the recommended amount in 60 days. Mr. Scow stated that Ms. Orozco acknowledge that she made mistakes. Mr. Scow stated that a probation period and restitution to be imposed over a longer period of time is something that Ms. Orozco would be able to do.

Commissioner Williams recommended:

- \$1,000 fine per violation.
- Division's cost \$4,108.37.
- Payment due in 4 years.

Commissioner Layton recommended:

- \$5,000 total fine for violation of law.
- Division's cost in the amount of \$4,108.37.
- Payment due in 4 years.

Acting Chair Rizzi recommendation:

- Revocation of the certificate for 1 year.
- \$5,000 total fine for violation of law.

Ms. Briggs stated that at the last hearing Ms. Orozco agreed to pay the \$2,000 fine that had originally been imposed. Ms. Briggs stated that the fine was not paid. Ms. Briggs asked the Commission to include the \$2,000 fine into the current discipline.

Mr. Scow asked the Commission to have a chance to consult with Ms. Orozco after the Commission decides on the discipline to see if Ms. Orozco will be able to meet the conditions imposed or if she will need to surrender her license.

Commissioner Layton asked if there was a way, without revoking Ms. Orozco license, to have someone oversee her work for a period of time.

Ms. Briggs stated that the Commission can downgrade Ms. Orozco license to a provisional license for a period of time.

Commissioner Layton moved to approve the following:

- Respondent's community manager certificate is downgraded to a provisional community manager certificate for a period of no less than 12 months from the date of the Order. Respondent must petition this Commission prior to receiving a full community manager certificate. Prior to approving a full community manager certificate for Respondent, the Commission will need to receive a report from Respondent's supervising community manager.
- Pay the \$2,000 fine plus \$5,000 fine.
- Division's cost in the amount of \$4,108.37.
- Payment due in 3 years.

Commissioner Williams seconded.

Motion carried.

Mr. Scow asked the Commission to have some time to address the financial obligation of the discipline with Ms. Orozco.

Acting Chair Rizzi accepted Mr. Scows' request.

6-A-1) Administrator's Report: Personnel

6-A-2) Administrator's Report: The Division's Las Vegas office moving to another location.

6-C) Licensee and board member discipline report

Charvez Foger stated that Administrator Chandra was not able to attend and asked to table all the Division business until the June meeting.

Commissioner Williams asked when the Division's move is happening.

Mr. Foger stated that the last day that the Division will be open to the public will be March 14, 2017. Mr. Foger stated that March 15 - 17, the Division will be closed to the public and will re-open on March 20, 2017 at the new location.

6-D) Discussion regarding the Division's change of testing vendors to Pearson VUE

Ingrid Trillo presented this report. Ms. Trillo stated that effective January 1, 2017 Pearson VUE is the Division new exam service vendor.

Commissioner Williams asked if the test questions are the same ones as the old vendor.

Ms. Trillo stated that the company developed new test questions.

7) For possible action: Discussion and decision on date, time, place, and agenda items for upcoming meeting(s)

Acting Chair Rizzi stated that the Commission is scheduled for June 27-29, 2017 in the south.

4-E) Disciplinary action: Hearing and possible action by the Commission

NRED v. Rosario Orozco, for possible action

Case Nos. 2014-3723 & 2014-3453

Type of Respondent: Community Manager

License#: CAM.0007435 (ACTIVE)

Acting Chair Rizzi re-opened the case.

Parties Present:

Michelle Briggs was present representing the Division.

Steve Scow was present representing of Rosario Orozco.

Rosario Orozco was present.

Mr. Scow asked to either have the \$5,000 fine removed or the payment due date pushed to a 5 year timeframe. Mr. Scow stated that Ms. Orozco can't afford what the Commission has stipulated to.

Ms. Briggs stated that the Division would agree in extending the timeframe for the payment to be due.

Commissioner Williams stated that the Commission cannot continue to be lenient when mistakes are made because that is sending a terrible signal to the entire industry. Commissioner Williams stated that he is in favor of extending the timeframe for the payment.

Commissioner Layton moved to amend the order as follow:

- Respondent's community manager certificate is downgraded to a provisional community manager certificate for a period of no less than 12 months from the date of the Order. Respondent must petition this Commission prior to receiving a full community manager certificate. Prior to approving a full community manager certificate for Respondent, the Commission will need to receive a report from

- Respondent's supervising community manager.
- Respondent shall pay an administrative fine to the Division in the total amount of \$11,108.37 – which includes a fine of \$7,000 for the violations of law and \$4,108.37 representing the total amount due for the Division costs – no later than 60 months from the date of the Order. The total administrative fine shall be due in monthly payments of no less than \$185.14 each and shall be due on the first day of each month beginning on April 1, 2017, until the total fine is paid in full.
 - The Commission's Order Continuing Case dated November 30, 2016 for this matter is vacated.

Commissioner Williams seconded.

Motion carried.

8) Public Comment

None.

9) Commissioner Comments

Commissioner Williams stated that during the next legislative session there will be a proposal that management companies will be required to have some sort of certification in order to be in business in order to avoid other cases like the one that just went in front of the Commission. Commissioner Williams stated that it should be an entity that oversees management companies.

10) For possible action: Adjournment

The meeting adjourned at 11:00 a.m. on March 9, 2017.

Respectfully Yours,

Claudia Rosolen
Commission Coordinator