

CICCH - EDUCATION
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TO: Common-Interest Community and Condominium Hotels Commission
FROM: Charvez Foger - Ombudsman
 Monique Williamson - Education and Information Officer
SUBJECT: Education Summary – approvals from **November 2018 through February 2019**

NEWLY APPROVED COMMUNITY MANAGER CONTINUING EDUCATION COURSES (12)

1.

<p>Sponsor: The Clarkson Law Group. P.C. Course Title: <i>Accommodation Animals</i> Request: 1 Hour General Classroom Objective: This course covers accommodation animals in CICs by demonstrating how the law has become more tolerant to what is considered “reasonable” and how to best handle these requests. Standards: Complies with the following provisions of NAC 116A.232: 1(a) contains current information that will improve professional knowledge; 1(b) pertinent Nevada laws and regulations; 2(b) legislative issues concerning community managers and the management of a common-interest community; 2(e) insurance and risk management; 2(g) accounting, including, without limitation, the preparation and monitoring of budgets, the monitoring of expenditures and reserves and the use of financial statements; 2(i) federal laws pertinent to the management of a common-interest community, including, without limitation, the Fair Housing Act, 42 U.S.C. §§ 3601 et seq., and the Americans with Disabilities Act of 1990, 42 U.S.C. §§ 12101 et seq; and 2(j) health and safety issues in common-interest communities and condominium hotels. Instructors: Adam H. Clarkson, Esq.; John W. Aylor, Esq. Determination: Approved – 1 Hour – General - Classroom</p>		
Content:	Minutes:	
I. Speaker introductions and overview	2	
II. Handicap defined a. 42 U.S.C. 3604(f) – Unlawful discrimination b. 42 U.S.C. 3602(h) – Definition	3	
III. Three elements of a reasonable accommodation claim a. Refusal b. Reasonableness c. Necessity d. <i>Schwartz v. City of Treasure Island</i> , 544 F.3d 1201 (11 th Cir. 2008)	5	
IV. Necessity requires amelioration of disability by accommodation a. Discussion of <i>Bronk v. Ineichen</i> , 54 F.3d 425 (7 th Cir. 1995)	5	
V. Reasonable accommodation is a question of fact, not law a. Must investigate b. Discussion of <i>Auburn Woods Homeowners Association v. Fair Employment and Housing Commission</i> , 18 Cal.Rptr. 3d 669, 681 (2004)	5	
VI. Failure to properly conduct a meaningful review = constructive denial a. Discussion of <i>Bhogaita v. Altamonte Heights Condominium Association, Inc.</i> , 765 F.3d 1277 (11 th Cir. 2014)	5	
VII. Reasonableness of accommodation requires cost-benefit analysis a. Discussion of <i>Stevens v. Hollywood Towers and Condominium Association, et al.</i> , 836 F.Supp.2d 800, 808 (N.D.II.2011)	5	

VIII.	Breed restrictions are generally not a proper consideration for accommodations a. Discussion of Warren v. Delvista Towers Condo Association, Inc., 49 F.Supp.3d 1082 (S.D. Fla. 2014)	5
IX.	Temporary exemption in place during accommodation investigation precluded claim a. Discussion of Dubois v. Association of Apartment Owners of 2987 Kalakaua, 453 F.3d 1175 (9 th Cir. 2006)	5
X.	Accommodation animal does not count as a pet a. Fees or limits are improper b. U.S. Department of Housing & Urban Development (FHEO-2013-01)	5
XI.	A clear record of the review process is critical a. Discussion of Revoek v. Cowper Bay West Condominium Association, 853 F.3d 96 (3 rd Cir. 2017)	5
XII.	Improper denial of emotional support dog a. Discussion of Castillo Condominium Association v. U.S. Department of Housing & Urban Development, 821 F.3d 92 (1 st Cir. 2016)	5
XIII.	Service animals a. Service animal defined – NRS 426.097 b. Service animal in training – NRS 426.099 c. Penalties for misrepresentation/misuse – NRS 426.805 & 510	5
XIV.	Questions	
TOTAL: 1 hour class		60

2.

<p>Sponsor: McKelleb Carpenter Hazlewood Course Title: <i>Understanding Board of Director Fiduciary Duties, Business Judgment Rule, and Good Faith</i> Request: 2 Hours Law Credit Classroom Objective: To aid community managers in understanding how to properly guide association boards when making business decisions. Standards: Complies with the following provisions of NAC 116A.232: 1(a) contains current information that will improve professional knowledge; 1(b) pertinent Nevada laws and regulations; 2(a) the ethics of managing a common-interest community or the association of a condominium hotel; 2(c) the administration of laws and regulations concerning community managers and the management of a common-interest community or the association of a condominium hotel, including, without limitation, licensing and enforcement. Instructors: Michael W. McKelleb, Esq. Determination: Approved – 2 Hours – Law Credit - Classroom</p>		
Content:	Minutes:	
I. Introduction a. The relationship between a board of director’s fiduciary duties, the business judgement rule, and good faith	5	
II. Fiduciary duties a. Formation of CIC – statutory basis for a board’s fiduciary duties i. NRS 116.3101(4)(a) requires that common-interest communities be organized as one of the following: For profit corporation; Non-profit corporation; Association; Limited-liability company; Trust; Partnership; Any other authorized by state law. ii. NRS 116.3101(4)(d) requires that a common-interest community “[c]omply with the applicable provisions of chapters 78, 81, 82, 86, 87, 87A, 88, and 88A. NRS 82 for non-profits.	15	

<ul style="list-style-type: none"> b. NRS 82 imposes: The Duty of: Care; Loyalty; Account; Confidentiality; Fair Dealing; Obedience; Attention; to Act on an Informed Basis. c. NRS 116.3103 – board members are fiduciaries <ul style="list-style-type: none"> i. Duty of care – act on an informed basis, in good faith and in the best interest of the association ii. Duty of loyalty – subject to conflict of interest rules d. Shoen v. SAC Holdings, Corp., 137 P.3d 1171, 1179 (Nev. 2006) - Ordinarily, under Nevada's corporations laws, a corporation's "board of directors has full control over the affairs of the corporation." The board's power to act on the corporation's behalf is governed by the directors' fiduciary relationship with the corporation and its shareholders. 	
<p>III. Fiduciary duty of loyalty</p> <ul style="list-style-type: none"> a. NRS 82.226 - Allows a director of a non-profit corporation to enter into contracts with a company a director has a financial interest in when... b. NRS 116.31187(1) c. Wachovia Bank & Trust Co. v. Johnston, 269 N.C. 701, 715, 153 S.E.2d 449, 459- 60 (1967) d. Examples of Breach of the Duty of Loyalty <ul style="list-style-type: none"> i. Promoting and making decisions that result in personal gain and misappropriation of association funds ii. Unfair treatment of unit owners iii. Improper use of corporate position (avoiding fines, lowering assessments for personal reasons) e. Duty of Confidentiality regarding other unit owners – NRS 116.31085(3c) 	15
Break	10
<p>IV. Fiduciary duty of care</p> <ul style="list-style-type: none"> a. A board member that fails to take required action breaches his or her duty of care. b. Informed action – informed on state law, CC&Rs, budget c. NRS 82.221 - in performing their respective duties, directors and officers are entitled to rely on information, opinions, reports, books of account or statements, including financial statements and other financial data, that are prepared or presented by...but a director or officer is not entitled to rely on such information, if the director or officer has knowledge concerning the matter in question that would cause reliance thereon to be unwarranted. 	15
<p>V. Business judgment rule</p> <ul style="list-style-type: none"> a. The Business Judgment Rule provides director protection by setting the burden of proof and a high standard of proof required to overcome a presumption that a director acted inappropriately. b. NRS 82.221(3) c. NRS 82.221(4) – act or omission which involves intentional misconduct, fraud or knowing violation of the law. d. Standards of proof: <ul style="list-style-type: none"> i. Substantial Evidence - that which a reasonable mind might accept as adequate to support a conclusion. ii. Preponderance of the Evidence (Most Civil Cases) - defined as being 50% more likely than not. iii. Clear and Convincing Evidence - the trier of fact has an abiding conviction that the truth of the contention is highly probable and substantially more likely to be true than untrue, but it need not be beyond any doubt. iv. Beyond a Reasonable Doubt (Criminal cases only) 	30

Break	10
<p>VI. Good faith</p> <ol style="list-style-type: none"> a. NRS 116.1113 - Obligation of good faith. Every contract or duty governed by this chapter imposes an obligation of good faith in its performance or enforcement. b. Honesty in fact and observance of reasonable standards of fair dealing - UCIOA § 1 – 113 (Comment) c. Good faith, based on the decency, fairness or reasonableness of the community and not on the individual’s own belief as to what might be decent, fair, or reasonable. Both common sense and tradition dictate an objective standard for good faith. d. Good faith requires a director to exercise discretion by considering the reasonable expectations of the parties to an agreement. <p>VII. Conclusion - As you can see, the requirement to act in good faith permeates every decision an executive board makes. If a decision is deemed not in good faith, it is a violation of statute, it violates the board’s fiduciary duties (twice, once for violating a statute and once for not acting in good faith, as the duty requires), and may cause the board to lose the protections of the business judgment rule, for failing to act in good faith, even though the board member may have taken all other precautions (e.g. received an expert opinion to become informed).</p>	20
Questions	
TOTAL: 2 hour class	120

3.

<p>Sponsor: Wolf, Rifkin, Shapiro, Schulman & Rabkin, LLP Course Title: <i>Playgrounds: Paperwork and Problems</i> Request: 4 Hour General Classroom Objective: To help community managers better understand facilities management, including discussions regarding legal, accounting, reserve and maintenance responsibilities, as well as the impact of current legal cases on insurance and operational practices within homeowner associations. Standards: Complies with the following provisions of NAC 116A.232: 1(a) current information that will improve professional knowledge; 1(b) pertinent Nevada laws and regulations; 2(d) reserve studies; 2(e) insurance; 2(f) recordkeeping; 2(g) accounting; 2(h) inspecting the CIC for maintenance, planning, etc.; 2(j) health and safety issues; 2(l) planning and zoning for land use and 2(p) contracts. Instructors: Gregory P. Kerr, Esq.; Ron Wright; Jan Porter Determination: Approved – 3 Hours – General - Classroom</p>	
Content:	Minutes:
<p>I. Introductions and Goals of Part I– “Why are we here?”</p> <ol style="list-style-type: none"> a. Purpose of the Class b. Statistics: deaths/serious injuries c. Statistics: leading causes of playground injuries 	10
<p>II. Standard of Care</p> <ol style="list-style-type: none"> a. What is a tort b. Premise liability c. Negligence in context of premises d. Business Judgement Rule 	15
<p>III. Thompson v. Lamplight Village HOA, et. al., A-14-697688</p> <ol style="list-style-type: none"> a. Who/What were alleged/allegation against HOAs b. History and Notices c. Outcome/verdict/appeal- bad faith coverage; NRS 116 prohibition on punitive damages d. NRS 116.311 vs NRS116.4117 	20

	e. Other Homeowners Association Premises Liability Cases	
IV.	Playground Safety Standards a. Important acronyms: ASTM, CPSC, NPSI b. What is CPSC? What kind of standards? c. Where does it apply? Are playgrounds public or private? d. Certified playground inspectors/designation -where to find certified inspectors e. Inspections Repairs and Duty of Care	15
V.	Rules and Regulations a. Signage: Adoption and Misuse b. FHA issues: Age as a protected class/requirement for adult supervision c. Other premises to protect. Q & A	15
Break		10
VI.	Insurance, Accounting and Reserve Goals Part II – a. Insurance – Which policies cover what? - Role of Broker - Contractor’s Coverage b. Accounting- Duty to Disclose and Accounting for a claim c. Reserves – Do you really look? d. Practical Tips and Best Practices	5
VII.	Insurance Primer a. What to expect from your Broker and Insurance Carrier b. Policies Overview – General Liability & Property, Umbrella, D&O, E&O c. Claims made vs occurrence	15
VIII.	Contractor Coverage a. Product and Completed Ops Liability & Cost of Construction b. Insured vs Additionally Named Insured c. Reading the Certificate of Liability	15
IX.	Claims Process and Best Practices Q&A	10
Break		10
X.	Overview - Putting what you've learned so far into practice	5
XI.	Accounting – a. Budgeting for a disaster b. Operations or Reserve Funds c. Disclosures/Audits/Financials/Demands	10
XII.	Reserves a. Duties of the Board b. Timelines and Cost	5
XIII.	Operations and Administration Overview - Putting what you've learned so far into practice a. Is a playground worth it b. Removing an Amenity / Capital improvement c. Overview of Construction and Cost d. Proactive Best Practices	10
XIV.	Comprehensive Playground Maintenance Program a. General Inspections b. Maintenance c. Audits d. Known Hazards e. When accidents happen Q&A	10
TOTAL: 3 hour class		180

4.

<p>Sponsor: The Patrick Ward Insurance Agency Course Title: <i>The ABC's of HOA Risk Management</i> Request: 1 Hour General Classroom Objective: To teach community managers how risk analysis programs are set up, including questions asked and property inspections. Standards: Complies with the following provisions of NAC 116A.232: 1(a) contains current information that will improve professional knowledge; 2(e) insurance and risk management; 2(h) inspection of the CIC; 2(j) health and safety issues. Instructors: Patrick Ward; Betsi Williams; Kyle McCulloch Determination: Approved – 1 Hour – General - Classroom</p>	
Content:	Minutes:
<p>I. Exposure to Loss</p> <ul style="list-style-type: none"> a. Property <ul style="list-style-type: none"> i. Tangible – physical (real estate, buildings, sidewalks, roads, clubhouse, pools, gates, etc.) ii. Intangible – legal privileges, information and rights held exclusively by the association iii. Liability – NRS 116.31037 	15
<p>II. Inspections of Property</p> <ul style="list-style-type: none"> a. Identifying potential loss <ul style="list-style-type: none"> i. Personal inspections ii. Records and pictures of potential hazards b. Loss frequency - the number of times a financially adverse event occurs or is expected to occur (water leaks, slips and falls, gates) c. Loss severity - the expected dollar loss <ul style="list-style-type: none"> i. An uninsured catastrophic loss could put an association out of business and jeopardize board and association member's personal assets d. NRS 116.3107 – damage inflicted by unit owners e. Preventative maintenance <ul style="list-style-type: none"> i. Playground ii. Railings iii. Trip hazards iv. Pool furniture 	15
<p>III. Setting up a Risk Management Program</p> <ul style="list-style-type: none"> a. Risk control <ul style="list-style-type: none"> i. Exposure avoidance ii. Loss prevention – reduce frequency iii. Contractual transfer of risk (insurance) b. Liability exposures to loss <ul style="list-style-type: none"> i. Third party claims ii. Difficult to measure loss potential iii. Tort and related laws change iv. Claims for liability may be filed years after triggering event v. Indemnification and hold harmless agreements vi. NRS 116.4109 – Resale package c. Reported liability problems of any sort can damage the community's reputation 	15
<p>IV. Summary</p> <ul style="list-style-type: none"> a. Using negotiation and mediation b. Get assistance from experts – NAC 116.405 	15

<ul style="list-style-type: none"> c. Have a risk plan d. Implement the risk plan e. Inspections should be set-up with managers, board members and Insurance Agents/Brokers f. Educational programs should be set-up with board members and homeowners g. Communication is very important when risk analysis is involved 	
TOTAL: 1 hour class	60

5.

<p>Sponsor: Angius & Terry LLP</p> <p>Course Title: <i>Declarant Reserve Account Under Funding</i></p> <p>Request: 1 Hour General Classroom</p> <p>Objective: To teach community managers, board members and homeowners the duties and obligations of the declarant pertaining to establishing and funding adequate reserves, including the declarant's responsibility to deliver a proper reserve study at the end of its control period.</p> <p>Standards: Complies with the following provisions of NAC 116A.232: 1(a) contains current information that will improve professional knowledge; 2(d) reserve studies; 2(g) accounting, including, without limitation, the preparation and monitoring of budgets, the monitoring of expenditures and reserves and the use of financial statements; and 2(k) issues pertaining to declarants and developers of common-interest communities and condominium hotels.</p> <p>Instructors: Bradley J. Epstein, Esq.; Scott P. Kelsey, Esq.</p> <p>Determination: Approved – 1 Hour – Law and Legislation - Classroom</p>	
Content:	Minutes:
<ul style="list-style-type: none"> I. Introduction <ul style="list-style-type: none"> a. NRS 116.3115 – funding of adequate reserves b. Time of declarant control 	5
<ul style="list-style-type: none"> II. NRS 116.31038 – delivery to association of property held or controlled by declarant <ul style="list-style-type: none"> a. Within 30 days of control ending, declarant delivers: <ul style="list-style-type: none"> i. The reserve account ii. A complete study of the reserves b. Problems encountered: <ul style="list-style-type: none"> i. Declarants procure understated reserve studies, leading to an underfunded reserve account ii. The reserve study does not properly account for the age of components, leading to errors in estimating remaining useful life iii. The reserve study omits major components iv. The reserve study does not include defective construction v. The reserve study is not based upon a current inspection vi. The reserve study relies heavily upon information contained in a prior, incorrect reserve study c. Any of these problems will result in an increase in assessments for unit owners 	15
<ul style="list-style-type: none"> III. NRS 116.31152 – study of the reserves <ul style="list-style-type: none"> a. Purpose of the study b. Inclusions: <ul style="list-style-type: none"> i. Summary of inspection ii. Identification of major components iii. Estimation of remaining useful life iv. Estimation of the cost of maintenance, repair, replacement or restoration of 	20

<ul style="list-style-type: none"> each component v. Estimation of the total annual assessment and funding plan that may be necessary c. An understated reserve study lessens the financial burden on the declarant d. It is important that the board at the time of transition procure a second reserve study from a specialist not utilized by the declarant 	
IV. NRS 116.3111 - Tort and contract liability	5
V. NRS 116.4102 – Liability for preparation and delivery of public offering statement <ul style="list-style-type: none"> a. NRS 116.4103 b. NRS 116.4117 c. NRS 11.190 – periods of limitation 	10
VI. Q&A	5
TOTAL: 1 hour class	60

6.

<p>Sponsor: McKelleb Carpenter Hazlewood Course Title: <i>Bidding & Contracting in a CIC</i> Request: 2 Hours Law Classroom Objective: To further the understanding community managers may have regarding the basics of contracting, including oft-forgotten topics such as indemnification. Standards: Complies with the following provisions of NAC 116A.232: 1(a) contains current information that will improve professional knowledge; 1(b) pertinent Nevada laws and regulations; 2(e) insurance and risk management; and 2(p) contracts, including, without limitation, the preparation of requests for proposals and the obtaining of bids. Instructors: Michael W. McKelleb, Esq. Determination: Approved – 2 Hours – Law - Classroom</p>	
Content:	Minutes:
I. Introduction <ul style="list-style-type: none"> a. Basic concepts for community managers b. Soliciting bids for an association project <ul style="list-style-type: none"> i. When and how must bids be solicited ii. NRS 116.31086 and annual budget percentages 	10
II. NRS 116.31086 <ul style="list-style-type: none"> a. Association project defined – NRS 116.31086(2) b. “If” and “must” language c. Understanding “reasonably possible” d. Who may submit a bid? e. Must you receive three bids? f. Who is responsible for soliciting and collecting bids? 	13
III. Who can perform an association project? <ul style="list-style-type: none"> a. NAC 116.405(8)(d) – reputable service providers who possess the proper licensing b. NRS 116.31187(1) – a board member shall not enter into a contract with the association to provide financing goods or services or accept any commission, personal profit or compensation of any kind from the association for providing such. c. Bids must be opened and read aloud during a meeting of the executive board. <ul style="list-style-type: none"> i. Can this be in executive session? ii. Must all companies resubmit if one company is asked to? 	10
Break	10
IV. Contracting for an association project	25

<ul style="list-style-type: none"> a. Types of contracts <ul style="list-style-type: none"> i. Express vs. implied – immediate service and payment, is there a contract? ii. Bilateral vs. unilateral – vendor agrees to service, HOA agrees to pay X amount iii. Executory – a contract not fully performed iv. Adhesion – take it or leave it b. Elements of a contract <ul style="list-style-type: none"> i. Offer ii. Acceptance iii. Consideration iv. Capacity v. Legality c. Written vs. oral contracts <ul style="list-style-type: none"> i. Evidence of a contract <ul style="list-style-type: none"> 1. Formal agreement 2. E-mail 3. Performance (a contract implied by law) 4. Emergencies 	
<ul style="list-style-type: none"> V. Licenses <ul style="list-style-type: none"> a. How do you know if a vendor is licensed? <ul style="list-style-type: none"> i. Nevada State Contractors Board b. Are there limitations on the size of an improvement a contractor can perform? c. What about “handymen” under the law? d. NRS 624.031 – Exemptions 	11
<ul style="list-style-type: none"> VI. Insurance <ul style="list-style-type: none"> a. How much insurance should a vendor carry? b. Is it enough to simply believe the contractor’s written or oral representation of coverage? c. Types of insurance <ul style="list-style-type: none"> i. Worker’s compensation ii. Liability insurance iii. Automobile insurance iv. Additional named insured endorsement – association, management company 	8
<ul style="list-style-type: none"> VII. Indemnification <ul style="list-style-type: none"> a. Compensate for actual losses b. Provide defense, and pay for it, in a lawsuit c. Key words in a contract that provide indemnification: <ul style="list-style-type: none"> i. “indemnify” ii. “hold harmless” iii. “defend” d. Implied (equitable) indemnification vs. contractual <ul style="list-style-type: none"> i. Implied – two parties in a contractual relationship are both responsible for injuring a third party (Prince v. Pacific Gas & Elec. Co., 45Cal.4th 1151) ii. Contractual - provision in the contract requires one of the parties (or both) to indemnify the other e. Type of indemnity <ul style="list-style-type: none"> i. Type I – provides for indemnity even when the indemnified committed negligence ii. Type II – requires indemnity where the negligence of the indemnified is passive, not active iii. Type III – general indemnity; requires indemnity only where the negligence 	11

was caused by the indemnitor and where the negligence is not the result of active negligence by the indemnitee	
VIII. Adhesion (vendor) contracts <ul style="list-style-type: none"> a. Terms will likely favor the vendor, review them carefully b. Many are short and lack a significant amount of boilerplate provisions c. Always check the back of the form or look for a reference to another document that may not have been provided d. Know the anatomy <ul style="list-style-type: none"> i. Parties ii. Preamble iii. Scope of work iv. Price v. Timing of performance vi. Start/completion date vii. Boilerplate provisions viii. Execution 	12
Questions	10
TOTAL: 2 hour class	120

7.

<p>Sponsor: Mutual of Omaha Bank</p> <p>Course Title: <i>White Collar Crime in the HOA: Preventing Fraud and Embezzlement</i></p> <p>Request: 1 Hour General Classroom</p> <p>Objective: To make management company owners, managers and board members aware of fraud and embezzlement, specifically what to look for and how to prevent it.</p> <p>Standards: Complies with the following provisions of NAC 116A.232: 1(a) contains current information that will improve professional knowledge; 2(o) interpersonal communications; and 2(g) accounting, including, without limitation, the preparation and monitoring of budgets, the monitoring of expenditures and reserves and the use of financial statements.</p> <p>Instructors: Chuck Balacy; Alan Crandall; Tony Troilo</p> <p>Determination: Approved – 1 Hour – General - Classroom</p>	
Content:	Minutes:
<p>I. Introduction</p> <ul style="list-style-type: none"> a. There are huge sums of money in the HOA industry; overseen by volunteers b. Money is the lifeblood of every association c. Las Vegas, with 24 hour gambling, is at a higher risk for fraud and embezzlement d. Check fraud is growing at the rate of 20% per year 	5
<p>II. What is fraud and embezzlement?</p> <ul style="list-style-type: none"> a. Fraud - deceit, trickery; intentional perversion of the truth in order to induce another to part with something of value or to surrender a legal right b. Embezzlement - to appropriate (as property entrusted to one's care) to one's own use c. How bad is it? <ul style="list-style-type: none"> i. 2.2 million+ worthless checks enter the banking system each day ii. Check fraud losses over \$13 billion per year iii. Average loss for small business is \$157,500, for large business \$115,000 d. Who are these criminals? <ul style="list-style-type: none"> i. Married or Single ii. Member of a Church iii. Educated beyond High School 	15

- iv. No arrest record
- v. Tenure from 1 to 20 years
- vi. Usually act alone
- vii. Board Member
- viii. Manager
- ix. Employee
- e. What is their motivation?
 - i. Drug/Alcohol/Gambling/Sex Addiction
 - ii. Marital problems
 - iii. Medical bills
 - iv. Emotional Crisis

III. Fraud and embezzlement

- a. Elements
 - i. Misrepresentation or concealment of important information (“the lie”)
 - ii. The victim’s reliance on the perpetrator’s misrepresentation (“reliance”)
 - iii. The victim’s loss of something valuable (“the loss”)
- b. Warning signs
 - i. Unauthorized purchases
 - ii. Missing or altered invoices
 - iii. Payments for services with little or no backup
 - iv. Large and unusual transactions including round amounts
 - v. Unexplained entries in the books (“creative accounting”)
 - vi. Missing bank statements and reconciliations
 - vii. Missing Credit Card Statements
 - viii. Vendors not being paid on a timely basis
 - ix. Unusual changes in lifestyle
 - x. An employee working an unusual amount of hours or foregoing vacation time
 - xi. Transactions with related parties (board members, friends, or relatives)
 - xii. Unexplained major fluctuations between actual and budgeted amounts
 - xiii. Deliberate override of existing internal accounting controls
 - xiv. Too many bank accounts
 - xv. No annual review or audit by a CPA
 - xvi. Lack of supervision by senior management
- c. Regulation
 - i. NAC 116.0433
 - ii. NAC 116.405
 - iii. NAC116.410, NAC 116.451, NAC 116.453
 - iv. NRS 116.3118(2)
 - v. NRS 116A.630 & 640
 - vi. NRS 116.31084
- d. Prevention
 - i. Put association financial and accounting procedures in writing and monitor
 - ii. Keep association accounting records up to date
 - iii. Don’t commingle funds (operating, reserve, special assessments, construction defect)
 - iv. Notify banks on a timely basis when authorized signers change and keep bank signature cards up to date
 - v. Board members should authorize all replacement fund withdrawals
- e. Insurance and risk management
 - i. Maintain fidelity insurance for employees who handle cash and checks

<ul style="list-style-type: none"> ii. Maintain directors and officers (D&O) insurance iii. Conduct an annual check and balances f. Preventing and avoiding problems <ul style="list-style-type: none"> i. Establish an investment policy that ensures safety of principal ii. Verify references and last place of employment of any new employee iii. Store financial records in a safe place iv. Passwords – change them periodically, do not share, delete access to those no longer authorized v. Computer virus protection up to date g. Board member duties and recommended items; unless the governing documents impose more stringent standards, the board of directors should -- at a minimum review on a quarterly basis: <ul style="list-style-type: none"> i. Current bank reconciliations for operating and reserve accounts ii. Current year actual reserve revenues and expenses compared to budget iii. Latest bank statements for operating and reserve accounts iv. An income and expense statement for the association’s operating and reserve accounts h. Other items for board review <ul style="list-style-type: none"> i. Balance sheet ii. Aged homeowner delinquency report iii. Collection status report iv. Monthly check registers v. Monthly general ledger activity reports vi. Canceled checks or images i. Steps to take if wrongdoing is discovered <ul style="list-style-type: none"> i. Put a stop on all activity in all bank accounts ii. Remove books and records from control of the alleged fraud perpetrator iii. Check bank signature cards and, if necessary, change the signers iv. Remove the person from a position of control v. Gather documents and evidence vi. Consider reporting the loss to your insurance carrier vii. File a police report – be prepared with answers to who, what, when, where, why, and how? viii. If it’s a major fraud, the board may report the problem directly to the District Attorney ix. Civil action 	
<p>IV. Conclusion</p> <ul style="list-style-type: none"> a. Examples of HOA embezzlement cases from OK, MO, GA, FL, CA b. Fraud prevention checklist c. Questions 	20
<p>TOTAL: 1 hour class</p>	60

8.

Sponsor: Community Association Institute (CAI) Course Title: <i>M-310: Management Company Administration</i> Request: 14 Hours General Classroom Objective: To educate community managers on their roles and responsibilities from beginning to end. Standards: Complies with the following provisions of NAC 116A.232: 1(a) contains current information that will improve professional knowledge; 2(a) the ethics of managing; 2(b) legislative issues; 2(d) reserve studies; 2(f) administering the office; 2(g) accounting; 2(h) inspecting a common-interest community or condominium hotel for the purposes of maintenance, planning or enforcing the governing documents; 2(i) pertinent federal laws; 2(j) health and safety issues; 2(k) issues pertaining to declarants and developers; 2(l) planning and zoning for land use; 2(m) the disclosures required in a transaction involving a unit in a common-interest community or condominium hotel; 2(n) parliamentary procedures; 2(o) interpersonal communications; 2(p) contracts, including, without limitation, the preparation of requests for proposals and the obtaining of bids; 2(q) the enforcement of financial obligations, including, without limitation, liens and collections procedures; and 2(r) the supervision of provisional community managers by supervising community managers. Instructors: Sara E. Barry Determination: Approved – 7 Hours – General - Classroom	
Content:	Minutes:
I. Introduction and purpose	10
II. Management organization: theory and practice <ul style="list-style-type: none"> a. History b. Definitions c. Skills required of a manager d. Roles that a manager must perform e. Business plan 	40
III. Pricing management services <ul style="list-style-type: none"> a. A review of pricing strategies b. Analysis of the need to determine cost of doing business c. Framework for deciding how to price services d. Charges for: administration; meetings; financial services; property management; etc. 	40
Break	10
IV. Income enhancements <ul style="list-style-type: none"> a. Special projects b. Resale certificates, transfer fees, refinance fees, etc. c. The use of available systems d. Ways of reducing expenses 	40
V. Management ethics and professionalism <ul style="list-style-type: none"> a. Fiduciary obligations b. Improving respect by applying the highest degree of professionalism 	40
Break	60
VI. The management agreement <ul style="list-style-type: none"> a. Negotiation b. Reviewing the terms c. Highlighting benefits and pitfalls d. Sample agreement – role of agent, services insurance, terms, compensation, etc. 	40
VII. Management evaluation <ul style="list-style-type: none"> a. Methods of evaluating performance b. Audits c. Sample questionnaires 	40

Break	10
VIII. Contract retention <ul style="list-style-type: none"> a. Aim for zero defections b. Profit in long-term retention c. Increasing the amount of board contact – improving and building the relationship 	40
IX. Risk management insurance <ul style="list-style-type: none"> a. Property and liability exposures b. Identifying exposures to loss – surveys c. Examining the feasibility of alternative techniques – risk control and risk financing d. Selecting and implementing chosen techniques e. Continuously monitoring and improving f. Establishing a program 	40
X. Conclusion	10
TOTAL: 7 hour class	420

9.

<p>Sponsor: Community Association Solutions Course Title: <i>Fire Prevention in the HOA</i> Request: 1 Hour General Classroom Objective: To assist community managers in understanding the importance of preparing to respond proactively to potential fire hazards in the community. Standards: Complies with the following provisions of NAC 116A.232: 1(a) contains current information that will improve professional knowledge; 2(h) inspecting a common-interest community or condominium hotel for the purposes of maintenance, planning or enforcing the governing documents; and 2(j) health and safety issues. Instructors: Sara E. Barry; Fred Wechselberger Determination: Approved – 1 Hour – General - Classroom</p>	
Content:	Minutes:
I. Introduction and purpose	5
II. Inspections <ul style="list-style-type: none"> a. How often are they recommended? b. Every month, year, two years, five years, etc.? c. Sample inspection form for review 	5
III. Protecting properties <ul style="list-style-type: none"> a. Make sure the access gate has all the code required components necessary for emergency vehicles b. Enforcing fire land parking c. Mandatory fire clearance around fire hydrants d. Blue dot marking for fire hydrants e. Inspections of public and private hydrants f. What do different color hydrants mean? 	20
IV. Issues in CICs <ul style="list-style-type: none"> a. Single family, townhome, condo and commercial – each have different needs b. Difference between public streets vs. gated or private 	15
V. Insurance issues <ul style="list-style-type: none"> a. What are company guidelines? b. How often should items be inspected? c. What should be inspected? <ul style="list-style-type: none"> i. Water supply and fire alarms 	10

<ul style="list-style-type: none"> ii. Sprinklers iii. Fire extinguishers iv. Fire doors/fire walls v. Storage spaces/ storage of chemicals vi. Enforcement of smoking regulations 	
VI. Q & A	5
TOTAL: 1 hour class	60

10.

<p>Sponsor: Community Association Solutions Course Title: <i>Got Volunteers?</i> Request: 2 Hours General Classroom Objective: Addressing the issue associations have when recruiting unit owners to serve. Standards: Complies with the following provisions of NAC 116A.232: 1(a) contains current information that will improve professional knowledge; 2(e) insurance and risk management in common-interest communities and condominium hotels; and 2(o) interpersonal communications. Instructors: Sara E. Barry Determination: Approved – 2 Hours – General - Classroom</p>	
Content:	Minutes:
I. Introduction	5
II. Map for today <ul style="list-style-type: none"> a. How did we get to where we are today in the CIC industry? b. Why do people serve or not serve? c. The 4-corners of active and productive volunteerism d. Tools and best practices 	5
III. An experiment <ul style="list-style-type: none"> a. CICs are multimillion-dollar not-for-profit corporations b. Managing the single most significant asset of its members c. Required to be run by volunteers – NRS 116.31187(1) & NRS 116.31034(10)(a)(2) 	5
IV. Perceptions of CICs <ul style="list-style-type: none"> a. Tyrannical mini-governments obsessed with power b. Anti-American in nature, attempting to modify behavior c. Micro-managers of uniformity d. Managed by a manager “in cahoots” with the board 	5
V. Sample HOA – an HOA with all the problems	5
VI. Recruiting tools – open dialogue <ul style="list-style-type: none"> a. Speaking to both those who complain and have a positive attitude b. Showing that their help is genuinely needed 	5
VII. The 3 Ps <ul style="list-style-type: none"> a. People b. Pets c. Parking d. Do people join to regulate others? – NRS 116.3103 & NRS 116.3102(1) 	10
VIII. Why don't people serve? <ul style="list-style-type: none"> a. Lack of time b. Lack of interest c. Lack of understanding d. The community's perception 	5
IX. 4 corners of volunteerism	5

a. Gain them b. Maintain them c. Protect them d. Properly utilize them	
Break	10
X. The #1 job of the board – asset protection and enhancement (APE) a. NRS 116.3115(2)(b); NAC 116.405(8); NRS 116.3102(4) b. Policy governing vs. operations c. Challenges for both professionally managed and self-managed associations	10
XI. Committee charters a. A detailed charter for every committee – vision, mission, values b. Service discipline for all volunteer positions c. The single biggest barrier to success in most organizations – unstated expectations	5
XII. Tightening service disciplines a. The tighter the discipline, the easier it is to keep members focused b. Have specific, measurable, attainable goals c. Make sure the goals are time-bound d. Make sure volunteers know their relevance e. For managers, make sure the agreement is clear – NRS 116A.630 f. With clear job descriptions and ‘no other duties’ clause, members can be kept safe	10
XIII. Say no to scope creep a. What is the scope of each actor’s authority – bylaws, agreements, charters b. When duties cross, confusion and animosity can set in	5
XIV. D&O coverage – NRS 116.3113(1)(d) a. High general liability limits b. Umbrella liability – drop-down clause	5
XV. Worker’s compensation – work related injuries, when do they occur? a. BOD – property inspections, meetings, running errands b. Volunteers – parties, social events, service projects c. Labor law or insurance law?	5
XVI. The uninsured contractor a. Heiman v. CA Workers’ Comp. Appeals Board (2007) 149 Cal.App.4 th 724 b. Manager, at the direction of the board, hires a contractor who gets permanently, severely injured. Both liable.	10
XVII. Ready, set, recruit – battle the community perception of serving on the board by changing the reality of serving. Be creative.	5
Questions	5
TOTAL: 2 hour class	120

11.

<p>Sponsor: Leach Kern Gruchow Anderson Song Course Title: <i>Anti-Bullying Policies & Tactics</i> Request: 1 Hour General Classroom Objective: This class is intended to help with understanding how to best deal with individuals when there is potential harassment or bullying occurring. Standards: Complies with the following provisions of NAC 116A.232: 1(a) contains current information that will improve professional knowledge; 1(b) pertinent Nevada laws and regulations; 2(b) legislative issues concerning community managers; 2(c) the administration of laws and regulations concerning community managers, including, without limitation, licensing and</p>	
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<p>enforcement; 2(i) pertinent federal laws; 2(j) health and safety issues; 2(o) interpersonal communications; and 2(s) dispute resolution techniques and processes. Instructors: Gayle Kern, Esq.; John Leach, Esq.; Donna Zanetti, Esq.; Cheri Hauer, Esq. Determination: Approved – 1 Hour – General - Classroom</p>	
Content:	Minutes:
<p>I. Introduction and purpose</p> <ul style="list-style-type: none"> a. Introduction of speaker b. Overview of the topic & definitions <ul style="list-style-type: none"> i. Bully – a person who habitually seeks to harm or intimidate those whom they perceive as vulnerable ii. Harassment – aggressive pressure or intimidation iii. Defamation – the action of damaging the good reputation of someone iv. Slander – the action or crime of making false spoken statement damaging to a person’s reputation v. Libel – a published false statement that is damaging to a person’s reputation, a written defamation c. Ensure handouts were received: Copy of Power Point; Protection Order Contacts; Protection Orders in NV 	3
<p>II. NRS 116.31184 – discussion of statute and the Division’s limitations</p>	3
<p>III. Where do we see this behavior happening?</p> <ul style="list-style-type: none"> a. Owners/Residents threatening or trying to intimidate the manager or other personnel when conducting community inspections b. Owners/Residents threatening or harassing managers or Board Member or even other Owners at a meeting c. Owners harassing Board Members or Manager through constant threats and intimidation via letters, email or other forms of communication d. Board Members intimidating fellow Board Members at a meeting e. Board Members intimidating Owners f. Owners/Residents defaming and/or slandering the manager 	5
<p>IV. Examples</p> <ul style="list-style-type: none"> a. #1 – disruptive board meeting. Best way to handle this situation and/or what could have been done differently to avoid this situation b. #2 – deciding on a vendor. Best way to handle this situation and/or what could have been done differently to avoid this situation. c. Photos – are these harassment/bullying? How should these situations be handled? 	15
<p>V. Being proactive rather than reactive</p> <ul style="list-style-type: none"> a. Anti-Bullying Policy or Resolution - Harassment or other conduct which may create a hostile or unacceptable environment shall include, but not be limited to: <ul style="list-style-type: none"> i. Threats of physical violence or other harm ii. Verbal Abuse iii. Intimidation iv. Bullying v. Physical abuse vi. Committing any tortious acts vii. Using profane language viii. Yelling or screaming in a manner to offend or intimidate individuals within the community ix. Cyber threats or harassment x. Unreasonably interfering with the business of the association xi. Stalking or surveillance 	5

	xii. Sexual harassment xiii. Disseminating false information	
VI.	NRS 116.31065 – adoption of rules a. Any resolution adopted by the board must conform with the language in the CC&Rs. b. Resolutions should not go beyond the intent of preserving common elements and enforcing conduct restrictions.	2
VII.	Having a policy allows for enforcement action	4
VIII.	Health, safety and welfare a. Not defined by law b. There must be a threat of harm to personhood c. Simply being a bully, annoying or using foul language does not equate to such a violation d. There must be a threat of causing bodily or severe emotional harm	7
IX.	Other remedies a. Review Protection Order and how an individual can file for one b. Review the difference in a Protection Order vs a Restraining Order c. Discuss Neighborhood Mediation Programs and when they may be able to assist	4
X.	Resources a. www.washoecounty.us/rjc/court-documents/forms/civil/stalking-harassment.php b. www.clarkcountynv.gov/sheriff-civil/Pages/stalking.aspx c. elkocountycourts.com/self-help-legal-forms-carlin/stalking-and-harassment-2 d. nvcourts.gov/AOC/Programs_and_Services/Protection_Orders/Overview/	2
XI.	Other issues we face a. Intentional Interference with Contractual Relations (Vendors, Contracts, etc.) b. Interference with Prospective Economic Advantage c. Civil Conspiracy	5
XII.	Q & A	5
TOTAL: 1 hour class		60

12.

Sponsor: Leach Kern Gruchow Anderson Song Course Title: <i>Violation Enforcement: Beyond the Fines</i> Request: 1 Hour General Classroom Objective: This class is intended to help with understanding the violation process. Standards: Complies with the following provisions of NAC 116A.232: 1(a) contains current information that will improve professional knowledge; 1(b) pertinent Nevada laws and regulations; 2(c) the administration of laws and regulations concerning community managers, including, without limitation, licensing and enforcement; 2(i) pertinent federal laws; 2(j) health and safety issues; 2(o) interpersonal communications; and 2(s) dispute resolution techniques and processes. Instructors: Gayle Kern, Esq.; John Leach, Esq.; Donna Zanetti, Esq.; Cheri Hauer, Esq. Determination: Approved – 1 Hour – General - Classroom		
Content:	Minutes:	
I. Introduction and purpose a. NRS 116.31031 handout b. NRS 116.31085 handout	2	
II. Enforcement a. What gives the board enforcement power? b. Law and governing documents	3	
III. Governing document requirements	5	

<ul style="list-style-type: none"> a. Notice timeframes? b. How many notices are required before a hearing can be called? c. Example – CC&R language where the type of notice is specified and a requirement to allow 30 days to cure is required. 	
<p>IV. Notices for violations</p> <ul style="list-style-type: none"> a. Requirement to uniformly enforce the rules and governing documents b. Explanation of alleged violations c. Applicable provisions allegedly being violated d. Proposed action to cure e. Clear photograph when possible f. Hearing scheduled g. Mailed to both mailing address and unit 	8
<p>V. Hearings</p> <ul style="list-style-type: none"> a. Pros and cons of the hearings being conducted by the Board vs. a Committee b. Restrictions of a board member participating if they are delinquent on their assessments c. Difference between a closed hearing and a hearing held in an open meeting d. Proper involvement/attendance at a hearing e. How a hearing should be conducted and the roles of the board vs. the owner, deliberation process, etc. f. Need for a letter to go to the owner describing the results of the hearing g. What is meant by “within a reasonable amount of time following the hearing” and the importance to check governing documents for any specific requirements h. The importance of being clear and precise on the board’s determination as well as what is expected of the owner regarding curing the violation and any fines and/or continuing fines 	15
<p>VI. Fines/sanctions</p> <ul style="list-style-type: none"> a. Restriction on how much an HOA can charge b. Types of sanctions – loss of use of common elements and voting rights (new AO) 	4
<p>VII. Continuing violations</p> <ul style="list-style-type: none"> a. Understanding the 14-day period to cure before continuing fines can be incurred and then the 7-day periods in which the fine may continue. b. Importance of language to be included in the hearing results letter that specifies that continuing fines will apply if violation not cured. 	3
<p>VIII. Options beyond fines</p> <ul style="list-style-type: none"> a. HOA to make repairs and charge back costs to Owner (Abatement) b. Collections – Lien (for fines) c. Chapter 38 (ADR) – process including time frames, costs, considerations before pursuing the matter through litigation, etc. 	15
<p>IX. Q&A</p>	5
<p>TOTAL: 1 hour class</p>	60