

# Community Insights

SUMMER  
2024

A NEWSLETTER FROM THE COMMON-INTEREST  
COMMUNITIES AND CONDOMINIUM HOTELS  
PROGRAM

DEPARTMENT OF BUSINESS & INDUSTRY  
REAL ESTATE DIVISION



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# A Message from the Ombudsman



It is with great pleasure and enthusiasm that I write to you, bringing forth our first newsletter in some time. Starting as the new Ombudsman involves learning, growth, and making impactful decisions. This role comes with great responsibility and the opportunity to shape the program's trajectory.

Since my appointment, our office has been diligently working to accomplish our mission of assisting those living in common-interest communities and condominium hotels in understanding their rights and responsibilities. We have prioritized becoming fully staffed to efficiently and effectively serve our constituents. I am pleased to announce that, as of now, all but one position has been filled. My goal is to fill the remaining position swiftly.

I want to express my sincere gratitude to the dedicated team at the Office of the Ombudsman. Your unwavering commitment and professionalism have been instrumental in our achievements thus far. Thank you for your perseverance and hard work. Together, we will begin to write the next chapters of our journey.

Moving forward, I am excited about our priorities. Our primary focus is to resume providing relevant education materials to assist in our mission while continuing our outreach efforts. We will provide training for board members and unit owners both in person and via video conferencing. Offering multiple participation methods allows us to reach many people while providing opportunities for in-person interaction.

While education and training are at the forefront, we also recognize the importance of addressing and investigating allegations in a timely manner. We remind constituents to succinctly identify the alleged violation pertaining to Nevada Revised Statutes (NRS), the Nevada Administrative Code (NAC) 116, and/or the governing documents when filing a complaint with the Division. To assist in understanding how to use the correct form when filing a complaint, I highly recommend reviewing the class presentation "Pathway of Complaints" available [here](#).

Looking ahead, we are committed to enhancing our services, including online HOA registration and complaint filing. Conducting business with the Division via the internet is both efficient and a time-saver. We also intend to include additional resources to navigate HOA living and address some of the challenges that may arise. We will look at utilizing social media platforms as we continue to engage with our constituents. This journey will bring new and exciting developments. Thank you for your continued support and trust in us as we look forward to serving you.

Best wishes,  
*Sonya Meriweather*

## HIGHLIGHT

### *Continuing to Serve*

During the June 2024 CICCH Commission Meeting, James Bruner was sworn in for his second term fulfilling the role as the declarant representative on the Common-Interest Communities and Condominium Hotels Commission.

Thank you, Commissioner Bruner, for continuing to serve.





# RESERVE FUNDING

## Are You Properly Funded?

### NRS 116.31152



Recent audits by the Division's HOA auditor have found that some HOAs are consistently underfunding their reserves. Reserve funding is an important aspect that directly impacts the long-term sustainability and value of the community. Under NRS 116.31152, HOAs are required to establish and maintain adequate reserves for the repair, replacement, and restoration of major components. ***Is your association properly funded?***

NRS 116.31152 (1)(a) requires HOAs to conduct a reserve study once every five years and fund for the repair, replacement, and restoration of the major components of the common elements. Furthermore, annual revisions must be conducted, and necessary adjustments be made to the budget, which will ensure that sufficient funds are available when the necessary work needs to be completed (NRS 116.3115 (2)(b); NRS 116.31151(1)(b); and NRS 116.31152 (1)(c)).

The law aims to ensure associations set aside sufficient funds to cover future maintenance and replacement costs without resorting to special assessments or loans that can become a burden and may cause financial hardship for some unit owners. Proper reserve funding not only helps to maintain property values, but it also safeguards against the community's infrastructure ending up in poor condition. Failure to properly fund the reserve can result in significant consequences such as leading to deferred maintenance that may result in:

- Deteriorating infrastructure and amenities
- The need for special assessments, which can become burdensome
- The HOA taking on loans
- A risk devaluing your property

These may place a financial burden on some unit owners, cause property values to decrease, and result in an increase in delinquencies.

### TAKEAWAYS

- » Conduct a reserve study no less than once every five years
- » Monitor and review the budget annually to ensure reserves are sufficient
- » Review NRS 116.3115, .31151, & .31152
- » Develop a funding plan
- » Educate homeowners

# Informational Bulletin #39

## Revisited



### Adherence to NAC 116A.305

The requirements set forth in Informational Bulletin #39 aligns with NAC 116A.305. This regulation stipulates that to receive a certificate of completion for an approved course, students must:

- Direct their attention to the instruction being provided and refrain from engaging in activities unrelated to instruction.
- Avoid engaging in activities that are distracting to other students or the instructor or that otherwise disrupt the orderly conduct of the class including, but not limited to, the use of voice pagers, beepers and telephones.



### Reasonable Requirement For Virtual Attendance

It is reasonable to require attendees to have their cameras on during virtual courses. This measure ensures active participation and engagement, which is critical for effective learning.



### Equitable Learning

The Bulletin's requirements do not violate principles of equitable learning. Ensuring that all participants are engaged and attentive, helps maintain a fair and productive learning environment.

## Best Practices for Instructors

We understand the concerns raised by some stakeholders and appreciate the feedback. The Division remains committed to providing high-quality educational opportunities while ensuring compliance with established regulations. To further support effective virtual learning environments, the Division recommends that instructors adhere to the following best practices:



### Monitor Active Participation

Instructors should determine effective methods for monitoring active participation and engagement throughout the course. This can include regular check-ins, interactive activities and the use of participation tracking tools.



### Limit Class Size

Consider imposing reasonable and necessary limits on the total number of licensees who may register for and attend a course. This helps ensure effective control and interaction, thereby enhancing the quality of instruction.

## INTERESTED IN HAVING AN ARTICLE FEATURED IN THE NEWSLETTER?

Be sure to submit your piece for consideration to [CAMEducation@red.nv.gov](mailto:CAMEducation@red.nv.gov)

# EDUCATION REMINDEES

## COURSE RENEWALS



*Course renewals are due at least two weeks before the expiration date, which is the last date of the month. Ensure your courses are up to date to avoid any disruptions. Prior to submitting for renewal, ensure the following conditions are met:*

### **COURSE CONTENT**

- ✓ Ensure the content is relevant to Community Managers, focusing on topics that will equip managers to effectively carry out their duties and responsibilities whilst complying with the law and adhering to CC&Rs.

### **COURSE FORMAT**

- ✓ Specify whether the course is classroom, online or hybrid. Include details about the delivery platform for online and hybrid courses.

### **INSTRUCTOR QUALIFICATIONS**

- ✓ Ensure instructors are qualified with relevant experience and credentials in accordance with NAC 116A.270.

### **ASSESSMENT METHODS**

- ✓ Include assessments such as quizzes, assignments, or practical projects to evaluate participants' understanding and retention of the course material.

### **INTERACTIVE ELEMENTS**

- ✓ Incorporate interactive elements such as case studies, role-playing, group discussions, and Q&A sessions to enhance engagement and practical understanding.

### **COURSE DURATION AND SCHEDULING**

- ✓ Clearly outline the course duration and schedule (Timed Outline), ensuring it aligns with NAC 116A standards for continuing education and recommended Best Practices by the Division.

### **CITING LAW/REGULATION (NRS/NAC) AND REFERENCE SOURCE**

- ✓ Where the law is discussed in the content, it is highly recommended to reference the specific NRS/NAC 116, 116A, 116B (and state, local laws and regulations) provisions in the timed outline and in the content so that students are aware of the source of a transactional obligation or practice.

*We encourage you to continue to teach your existing courses and submit new ones. Write to us at [CAEducation@red.nv.gov](mailto:CAEducation@red.nv.gov) or reach out to the Education and Information Officer for assistance.*

## **Tips For Effective Community Management**

Implementing best practices can significantly improve the functionality and harmony of your community. Here are some tips to consider:

- Engage with residents regularly.
- Foster transparent communication.
- Implement sustainable practices.
- As a Community Manager ensure you adhere to [NRS116A.630](#).

# What Happened at Commission?

## **ALLEGATIONS/STIPULATIONS**

Stipulations occur when both the Respondent and the Division have agreed to conditions reviewed and accepted by both sides. A stipulation may or may not be an admission of guilt.

## **ACTIONS/DECISIONS**

Acts of the Commission for Common-Interest Communities and Condominium Hotels are not published until after the 30-day period allowed for filing under Judicial Review. If a stay on discipline is issued by the court, the matter is not published until the final outcome of the review.

## **NRED V. DEL REY ESTATES HOMEOWNERS ASSOCIATION**

<b>CASE NUMBER</b>	2023-929	<b>TYPE OF RESPONDENT</b>	Association
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## **ALLEGATIONS/VIOLATIONS**

Respondent violated NRS 116.31083(1) by admission for failing to adhere to all meeting requirements. Violated NRS 116.3108(1), (3), (4), (5), and/or (6) by admission for failing to adhere to all annual meeting requirements. Violated NRS 116.31153 by failing on numerous occasions to have the requisite number of signatures required to withdraw from association funds. Violated NRS 116.31151 by admission for failing to adhere to the requirement to prepare budgets. Violated NRS 116.3115 by admission for never doing a reserve study over the course of 25 years. Violated NRS 116.3103(1) by and through President Berman's for misusing his law firm's letterhead in communication.

## **DISCIPLINARY ACTIONS**

Respondent Del Rey Estates Homeowner Association shall pay \$3,818.34, the costs of the investigation and hearing, within 60 days of entry of Order; perform a reserve study by a licensed reserve study specialist, and such requirement may be stayed until the next Commission meeting if Association determines it is a limited-purpose association for exemption purposes; provide a status report at the September 10-12, 2024 Commission Meetings on the following: bank statements from December 31, 2023 to August 2024; draft budget for 2025; and tax return filings for years 2022 and 2023; all three board members must be present and appear at the September 10-12, 2024 Commission Meetings.

## **NRED V. KEITH DEMPSEY**

<b>CASE NUMBER</b>	2023-552	<b>TYPE OF RESPONDENT</b>	Board Member
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## **ALLEGATIONS/VIOLATIONS**

Respondent violated NRS 116.3103 pursuant to NAC 116.405(1) by acting outside of the scope of the authority granted to him in the Association's governing documents. Violated NRS 116.3103 through NAC 116.405(2) by failing to act in good faith and in the honest belief that his actions are in the best interest of the Association by acting for reasons of self-interest, gain, prejudice, and/or revenge. Violated NRS.116.3103 through NAC 116.405(5)(a) by failing to comply with a request by the Division to produce information or documents during its investigation.

## **DISCIPLINARY ACTIONS**

Respondent Keith Dempsey shall pay to the Division a total amount of \$4,324.07 within 30 days of the effective date of the Order. Settlement: Respondent shall relinquish his board member position with Admiral Point Homeowner's Association as of the effective date of the Order; shall not seek any election or accept any appointment to become the board member of any CIC board as set forth in NRS 116 for a period of three years from the effective date of the Order.

**NRED V. ST. JAMES'S VILLAGE HOMEOWNERS ASSOCIATION**

**CASE NUMBER** 2023-591      **TYPE OF RESPONDENT** Association

**ALLEGATIONS/VIOLATIONS**

Respondent violated NRS 116.31032(1)(e) by failing to surrender its declarant control since it has been over five years after its right to add new units was last exercised. Violated NRS 116.1104 by evading the limitations of this prevailing chapter pursuant to NRS 116.11085 or the declaration.

**DISCIPLINARY ACTIONS**

Respondent St. James's Village shall pay \$4,324.07 in Division costs to be paid within 30 days of the effective date of the Order; shall tender control of the Association to the homeowners pursuant to NRS 116.31038 through NRS 116.3104 by no later than June 1, 2024; agrees not to take any actions to the detriment of the homeowners during the turnover process.

**NRED V. TROPICANA SQUARE HOMES ASSOCIATION**

**CASE NUMBER** 2023-846      **TYPE OF RESPONDENT** Association

**ALLEGATIONS/VIOLATIONS**

Respondent violated NAC 116.415 for failing to resolve proper funding of reserve funds. Violated NAC 116.435 by failing to provide a summary of the Reserve Study (Form 609) to the Division no later than the 210-day allowance. Violated NRS 116.31152(4) by failing to submit a summary of the study of the reserves to the Division within 45 days of adoption.

**DISCIPLINARY ACTIONS**

Respondent Tropicana Square Homes Association shall pay \$4,771.89 in Division costs to be paid within 60 days of the effective date of the Order; shall provide a status update at the September 10-12, 2024 Commission Meeting on the following: election occurred; budget for 2025 (drafted or anticipated); potential sale of property; transfer amount due from and due to the reserve account; collections as of financial statements for end of July 31, 2024; and insurance. Respondent's new President of the Association shall appear at the September 10-12, 2024 Commission Meeting and advise on the direction for funding.

**NRED V. VILLAGIO COMMUNITY ASSOCIATION**

**CASE NUMBER** 2023-38      **TYPE OF RESPONDENT** Association

**ALLEGATIONS/VIOLATIONS**

Respondent violated NAC 116.415 failing to reasonably reconcile the amount required to adequately fund the reserves. Respondent violated NRS 116.31152 failing to take the necessary steps to fund the Reserve account.

**DISCIPLINARY ACTIONS**

Respondent Villagio Community Association shall pay \$5,022.71 within 60 days of entry of Order; shall provide a status report at the September 10-12, 2024 Commission meeting on the following: funding plan; due to the reserve amount funding \$131,829; construction defect account; and draft budget for 2025.

## NRED V. YVONNE CULLIVER

**CASE NUMBER** 2020-929      **TYPE OF RESPONDENT** Community Association Manager

### ALLEGATIONS/VIOLATIONS

Respondent violated NRS 116A.620(6) for failing to provide records or proof thereof that within 30 days of termination such transfer of records occurred to the succeeding Management Company. Respondent violated NRS 116A.630(1)(b) for failing to exercise ordinary and reasonable care in the performance of her duties by not transferring the Association record's timely or completely to the succeeding Management Company. Respondent violated NAC 116A.355(1)(a)(1) and (3) by engaging in unprofessional conduct when she failed to provide Association's record to the succeeding Management Company impacting the Association's ability to administer the affairs of the Association. Respondent violated NAC 116A.630(10) for failing to cooperate with the Division to resolve complaints filed against her for not producing documents. Respondent violated NAC 116A.355(2)(f) when she failed to cooperate with the Division's request for a response and/or production of documents. Respondent violated NRS 116A.640(2)(a) for impeding the Division's investigation by failing to comply with requests to provide documents. Respondent violated NRS 116A.640(7)(b) when she attempted to provide the Association with community management representation when her license was clearly suspended.

### DISCIPLINARY ACTIONS

Respondent Yvonne Culliver's license is revoked for 10 years. Ms. Culliver shall pay \$40,000 in fines (8 violations, \$5,000 per violation) within 30 days of the entry of Order and pay \$3,739.98 in Division costs within 30 days of the entry of Order.

## NRED V. DIANA STEGEMAN

**CASE NUMBER** 2023-883      **TYPE OF RESPONDENT** Community Association Manager

### ALLEGATIONS/VIOLATIONS

Respondent violated NRS 116A.630(1) (a) for failing to act as a fiduciary to the client when embezzled funds from the Association. Respondent violated NRS 116.640(10) for collecting amounts from her client above and beyond the agreed amounts specified in the management agreement. Respondent violated NAC 116A.345 (9) for collecting fees or other charges from a client not specified in the management agreement. Respondent violated NAC 116A.355(2)(i) for exceeding the authority granted to her by the management agreement and/or engaging in deceitful, fraudulent and/or dishonest conduct when she applied Board members signatures on Association's checks, unapproved, to herself. Respondent violated NRS 116A.630 (10) when she failed to cooperate with the Division in resolving the complaints filed against her. Respondent violated NRS 116A.640 (2) (a) for impeding or otherwise interfering with the Division's investigation by failing to provide documents. Violated NAC 116.345 (2) for failing to comply with the Division's request for documents.

### DISCIPLINARY ACTIONS

Respondent Diana Stegeman's license revocation shall be upheld. Ms. Stegeman shall pay a fine of \$5,000 per 7 violations for a total administrative fine amount of \$35,000; shall pay the costs of the investigation and the hearing in the amount of \$3,141.82 and pay restitution to the Association in the amount of \$11,726.80 subject to the ability to seek downward departure within 12 months of the entry of the order.

### UPCOMING COMMISSION MEETINGS

SEPTEMBER 10-12, 2024

DECEMBER 3-5, 2024

All dates will have the option for in-person or virtual participation through Webex in both Las Vegas and Carson City. Further details can be found on the [CICCH Commission Calendar](#).



# NEW HIRES TO THE OMBUDSMAN'S OFFICE

## ALTERNATIVE DISPUTE RESOLUTION PROGRAM FACILITATOR

Karina Duenas first came to the Ombudsman's Office for Owners in Common-Interest Communities and Condominium Hotels in mid-September of 2023 as an Administrative Assistant I. She brought with her over a decade of experience in customer service, most recently as a retail store manager in a high-volume clothing store. Karina graduated from the University of Nevada, Las Vegas in December of 2023 with a Bachelor of Art in Psychology. She is fluent in both English and Spanish. In mid-March of 2024, Karina was promoted to the Administrative Assistant III position that facilitates the Alternative Dispute Resolution Program. She is eager to learn and grow while providing a meaningful contribution to the Division.

## COMPLIANCE/AUDIT INVESTIGATOR II

We are thrilled to announce the addition of James Johnston II in May of 2024. James brings with him over 40 years of government experience in compliance and operations, having served in the United State Postal Service for thirty years, and most recently having overseen regulatory compliance across several other industries throughout the United States. James looks forward to bringing his extensive regulatory experience to our Division and assisting in conducting investigations for the constituents of our state. James' expertise and dedication will greatly enhance our services.

## ADMINISTRATIVE ASSISTANT III

Isabella Wehbe commenced her new role within the Ombudsman's Office for Owners in the Common-Interest Communities and Condominium Hotels program in late April of 2024. She is excited about learning the CIC program and helping constituents. Isabella grew up in the Philippines and moved to Las Vegas in 2009. She is fluent in both English and Tagalog. In 2015, Isabella graduated from the University of Nevada, Las Vegas with a Bachelor of Science in Environmental Science. She has previous administrative experience for a federal government contractor specializing in aircraft maintenance and repair at Nellis Air Force Base.

## EDUCATION AND INFORMATION OFFICER

Ayana Band joined the Ombudsman's Office for Owners in the Common-Interest Communities and Condominium Hotels program in late April of 2024. She brings over two decades of combined experience from working in education, finance, and the automotive industry. Ayana's decision to join the program is largely due to the joy she gets from being a knowledge broker and looks forward to being of service to the Nevada community. She is also an advocate, practitioner, and teacher of Yoga and Mindfulness.

## STATE OF NEVADA DEPARTMENT OF BUSINESS & INDUSTRY

Dr. Kristopher Sanchez  
DIRECTOR

### REAL ESTATE DIVISION

Sharath Chandra  
ADMINISTRATOR

Charvez Foger  
DEPUTY ADMINISTRATOR

### COMMON-INTEREST COMMUNITIES & CONDOMINIUM HOTELS

#### Office of the Ombudsman

Sonya Meriweather  
OMBUDSMAN

Ayana Band  
EDUCATION & INFORMATION OFFICER

### COMMISSION FOR COMMON-INTEREST COMMUNITIES & CONDOMINIUM HOTELS

Phyllis Tomasso, Chairman  
HOMEOWNER MEMBER

Patricia Morse Jarman, Vice-Chairman  
HOMEOWNER MEMBER

June Heydarian, Secretary  
COMMUNITY MANAGER MEMBER

Kim E. Lighthart Commissioner  
ACCOUNTANT MEMBER

James Bruner, Commissioner  
DEVELOPER MEMBER

Sarah Gilliam, Commissioner  
HOMEOWNER MEMBER

Robert Sweetin, Commissioner  
ATTORNEY MEMBER

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