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BEFORE THE COMMISSION FOR COMMON-INTEREST
COMMUNITIES AND CONDOMINIUM HOTELS
STATE OF NEVADA

JOSEPH (J.D.) DECKER, Administrator,
REAL ESTATE DIVISION, DEPARTMENT
OF BUSINESS & INDUSTRY,
STATE OF NEVADA,

Petitioner,

vs.

RHONDA FREIH,

Respondent.

Case No. 2013-464
(formerly CIN 13-02-37-238)

FILED

OCT 07 2015

NEVADA COMMISSION OF
COMMON INTEREST COMMUNITIES
AND CONDOMINIUM HOTELS

COMPLAINT FOR DISCIPLINARY
ACTION AND NOTICE OF HEARING

The Real Estate Division of the Department of Business and Industry, State of Nevada (the "Division"), by and through its counsel, Adam Paul Laxalt, Attorney General of the State of Nevada, and Michelle D. Briggs, Esq., Senior Deputy Attorney General, hereby notifies Respondent RHONDA FREIH ("RESPONDENT" or "FREIH" of an administrative hearing before the Commission for Common-Interest Communities and Condominium Hotels, State of Nevada, which is to be held pursuant to Chapters 233B and Chapters 116 and 116A of the Nevada Revised Statutes ("NRS") and Chapter 116 and 116A of the Nevada Administrative Code ("NAC"). The purpose of the hearing is to consider the allegations stated below and to determine if an administrative penalty will be imposed on the RESPONDENT pursuant to the provisions of NRS and NAC including, but not limited to, NAC 116A.360.

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1 **JURISDICTION**

2 1. During all relevant times mentioned in this complaint, FREIH was licensed as a
3 community manager by the Division and is, therefore, subject to the jurisdiction of the
4 Division and the provisions of NRS Chapters 116 and 116A and NAC Chapters 116 and
5 116A.

6 **ALLEGATIONS OF FACT**

7 2. FREIH was at all relevant times mentioned in this complaint and is currently
8 licensed as a supervisory community manager under certificate number CAM.0000084-
9 SUPR.

10 3. FREIH worked for Community Association Management Company, LLC
11 (CAMC) and acted as the community manager for the Autumn Trails Homeowners'
12 Association (the "Association") located in Sparks, Nevada from the date of the Association's
13 inception in 2005.

14 4. FREIH and CAMC were terminated by the Association in March 2012.

15 5. On February 11, 2013, the Association filed a statement of fact against FREIH.

16 6. Part of the records turned over to the ASSOCIATION'S new management
17 company included a 2011 contract signed by FREIH on behalf of the ASSOCIATION for Red
18 Rock Financial Services ("Red Rock").

19 7. The minutes provided to the ASSOCIATION for 2011 did not include any
20 meeting where the board voted to hire Red Rock.

21 8. The ASSOCIATION asked FREIH to provide evidence of her authority to sign
22 the contract with Red Rock.

23 9. In 2013, FREIH responded to the ASSOCIATION with unsigned minutes from
24 an executive session meeting of the board on March 3, 2011.

25 10. The board did have a regular meeting on March 3, 2011, but there is no
26 mention of a contract with Red Rock during the regular meeting.

27 11. The 2011 executive session minutes from FREIH state:

28 Per earlier email and phone communications with the Board members, it was ratified

1 to move all future accounts to Red Rock Financial services.

2 12. In response to the allegation that FREIH falsely generated the 2011 minutes to
3 justify having signed the Red Rock agreement, FREIH said it was authorized by board
4 members, Mike Thomey and Jolene Fisher.

5 13. FREIH provided an email from Mr. Thomey dated March 1, 2011 asking what
6 the purpose of the executive session meeting after the general meeting was, but FREIH'S
7 response to Mr. Thomey was not provided.

8 14. Mr. Thomey and Ms. Fisher deny ever having an executive session meeting to
9 discuss Red Rock.

10 15. Mr. Thomey does not recall ever discussing changing collection companies.

11 16. Ms. Fisher states there were no executive session meetings in 2011, and it is a
12 violation of law to hire a vendor in executive session.

13 **VIOLATIONS OF LAW**

14 17. RESPONDENT violated NRS 116A.630(1)(a) by breaching her fiduciary duty to
15 the Association when she signed a contract on behalf of the Association without authority.

16 18. RESPONDENT violated NRS 116A.630(1)(a) by breaching her fiduciary duty to
17 the Association when she provided unsigned executive session meeting minutes to evidence
18 her authority to sign a contract when hiring vendors cannot be done in executive session
19 according to NRS 116.31085(2) and the board members deny the executive session meeting
20 occurred.

21 19. RESPONDENT violated NRS 116A.630(1)(b) by failing to exercise ordinary and
22 reasonable care in the performance of her duties when she signed a contract on behalf of the
23 Association without authority.

24 20. RESPONDENT violated NRS 116A.630(1)(b) by failing to exercise ordinary and
25 reasonable care in the performance of her duties when she provided unsigned executive
26 session meeting minutes to evidence her authority to sign a contract when hiring vendors
27 cannot be done in executive session according to NRS 116.31085(2) and the board members
28 deny the executive session meeting occurred.

1 the Commission may decide the case as if all allegations in the complaint were true. If you
2 need to negotiate a more specific time for your hearing in advance because of coordination
3 with out of state witnesses or the like, please call Claudia Rosolen, Commission Coordinator,
4 at (702) 486-4606.

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

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


18 You have the right to request that the Commission issue subpoenas to compel
19 witnesses to testify and/or evidence to be offered on your behalf. In making this request, you
20 may be required to demonstrate the relevance of the witness' testimony and/or evidence.
21 Other important rights and obligations, including your obligation to answer the complaint, you
22 have are listed in NAC 116A.560 through NAC 116A.655, NRS Chapter 233B, and NRS
23 Chapters 116 and 116A and NAC 116 and 116A.

24 Note that under NAC 116A.585, not less than five (5) working days before a hearing,
25 RESPONDENT must provide to the Division a copy of all reasonably available documents
26 that are reasonably anticipated to be used to support his or her position, and a list of
27 witnesses RESPONDENT intends to call at the time of the hearing. Failure to provide any
28 document or to list a witness may result in the document or witness being excluded from


1 Respondent's defense. The purpose of the hearing is to determine if the RESPONDENT has
2 violated any of the provisions of NRS and NAC Chapters 116 and 116A, and to determine
3 what administrative penalty is to be assessed against RESPONDENT, if any, pursuant to
4 NAC 116A.360.

5 DATED this 6th day of October, 2015.

6 REAL ESTATE DIVISION
7 DEPARTMENT OF BUSINESS & INDUSTRY
8 STATE OF NEVADA

9 By: 
10 JOSEPH (J.D.) DECKER, Administrator
11 2501 East Sahara Avenue
12 Las Vegas, Nevada 89104
13 (702) 486-4033

14 ADAM PAUL LAXALT
15 Attorney General

16 By: 
17 MICHELLE D. BRIGGS, ESQ.
18 Senior Deputy Attorney General
19 555 East Washington Avenue, Suite 3900
20 Las Vegas, Nevada 89101
21 (702) 486-3809
22 Attorneys for Real Estate Division
23
24
25
26
27
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