

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

Sharath Chandra, Administrator,
Real Estate Division, Department of
Business & Industry, State of Nevada,

Petitioner,

vs.

J. SCOTT HEDLIND,

Respondent.

Case No. 2021-224

FILED

SEP 29 2022

NEVADA COMMISSION FOR
COMMON INTEREST COMMUNITIES
AND CONDOMINIUM HOTELS

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FINDINGS OF FACT, CONCLUSIONS OF LAW AND ORDER

This matter came on for hearing before the Commission for Common-Interest Communities and Condominium Hotels, State of Nevada (the "Commission"), during a regular agenda set on a three-day stack beginning at 9 am on September 13-15, 2022. (the "Hearing"). The Respondent, J. Scott Hedlind ("Hedlind" and/or "RESPONDENT"), appeared personally at the Hearing. This case was initially set for a hearing on the three-day stack on May 31, 2022, to June 2, 2022. On May 31, 2022, the RESPONDENT appeared before the Commission and requested a continuance of the hearing, which was granted. The Commission also ordered the RESPONDENT to provide an answer to the Real Estate Division of the Department of Business and Industry, State of Nevada (the "Division") Complaint within twenty (20) days from the date granting the continuance on May 31, 2022. The RESPONDENT's answer to the Division's Complaint was due on June 20, 2022. The RESPONDENT failed to submit the answer as ordered by the Commission. A notice of default was filed on July 12, 2022.

The RESPONDENT appeared at the continued hearing before the Commission on September 14, 2022. Virginia T. Tomova, Esq., Deputy Attorney General with the Nevada Attorney General's Office, appeared on behalf of the Division. During the hearing, the RESPONDENT admitted that he did not provide the answer to the Division's Complaint as ordered by the Commission.

Ms. Tomova represented to the Commission that the RESPONDENT had failed to

1 follow the Commission's order. The Commission, having considered the evidence
2 introduced by the Division and being fully advised, enters the following Findings of Fact,
3 Conclusions of Law, and Order. Under Nevada Revised Statutes (NRS) and Nevada
4 Administrative Code (NAC) Chapter 116, the Commission has legal jurisdiction and
5 authority over this matter.

6 FINDINGS OF FACT

7 The Commission, based upon the filed complaint, and the evidence filed by the
8 Division in support of the complaint, finds that the following Findings of Fact are accepted
9 as true.

10 1. RESPONDENT holds a community manager certificate from the Division
11 (CAM.0000190.SUPR), said license being in "active" status at the time of filing this
12 complaint.

13 2. On or about March 19, 2021, the Division received a Complaint from a
14 homeowner against the RESPONDENT for his failure to provide her with the meeting
15 minutes of the Liberty at Warm Springs Community Association since June of 2020.

16 3. On or about March 19, 2021, the Division informed the RESPONDENT that it
17 had initiated an investigation against the RESPONDENT regarding his community
18 management of the Liberty at Warm Springs Community Association, specifically as to
19 the association's failure to renew with the Division.

20 4. The RESPONDENT was asked to provide a response to the allegations within
21 10 business days from the correspondence, and any supporting documentation for the
22 Association's failure to renew with the Division.

23 5. The RESPONDENT did not respond.

24 6. On or about April 27, 2021, the Division sent a second follow-up correspondence
25 to the RESPONDENT regarding the same information.

26 7. The RESPONDENT did not respond.

27 8. On or about July 6, 2021, the Division sent a third follow-up to the
28 RESPONDENT requesting the same information in addition to an explanation about his

1 failure to provide the meeting minutes to the complainant upon her request.

2 9. The RESPONDENT did not respond.

3 10. On or about August 19, 2021, the Division sent a fourth follow-up to the
4 RESPONDENT in which it informed the RESPONDENT that he was in violation of NRS
5 116A.630(10), failure to cooperate with the Division to resolve the allegations raised in
6 the Complaint.

7 11. The RESPONDENT did not respond and did not cooperate with the Division.

8 12. Prior to the filing of this Complaint, the RESPONDENT allowed, on
9 numerous occasions, his community manager certificate to expire.

10 13. After expiring on numerous occasions, the RESPONDENT's community manager
11 certificate was reinstated on November 4, 2014, December 21, 2016, March 22, 2019, and
12 May 3, 2021.

13 14. Even though his community manager certificate was expired, RESPONDENT
14 continued to act as a community manager for community and homeowners' associations,
15 including Liberty at Warm Springs Community Association.

16 15. The RESPONDENT was employed by Desert HOA Management.

17 16. As of March 17, 2021, during the RESPONDENT's management of these
18 communities, the RESPONDENT allowed 7 of the 10 Associations he managed to become
19 delinquent with the Division and 3 of the Associations to be in default with the Secretary
20 of State.

21 17. Champion Village Community Association was delinquent with the Division on
22 September 2, 2020, and was taken out of delinquency on May 3, 2021.

23 18. Champion Village Community Association is current with the Division and the
24 Secretary of State.

25 19. Day Dawn Village Homeowners Association was in default with the Division and
26 the Secretary of State on November 3, 2020, but now is current with the Division and the
27 Secretary of State.

28 20. Deerbrooke Estates Homeowners Association was in default with the Division

1 and Secretary of State on May 4, 2021, but now is current with the Division and the
2 Secretary of State.

3 21. Enclave II Homeowners Association was in default with the Division and the
4 Secretary of State on October 1, 2020, but now is current with the Division and the
5 Secretary of State.

6 22. Foothills Ranch East Homeowners Association was in default with the Division
7 and the Secretary of State on December 3, 2019, but now is current with the Division and
8 the Secretary of State.

9 23. Heritage Estates Community Association was in default with the Division on
10 September 2, 2020 and became current on May 4, 2021, and is in current status with the
11 Division and the Secretary of State.

12 24. Spring Creek Estates Owners Association has been delinquent with the Division
13 since August 4, 2020 but is now in current status with the Division.

14 25. However, Spring Creek Estates Owners Association is on administrative hold
15 with the Secretary of State.

16 26. On or about June 25, 2021, Val D'Isere Homeowners Association was delinquent
17 with the Division, but is now in current status with the Division and the Secretary of State.

18 27. On or about February 18, 2022, the Division properly notified RESPONDENT it
19 intended to file a complaint against him for disciplinary action before the Commission.

20 CONCLUSIONS OF LAW

21 28. RESPONDENT violated NRS 116A.630 (10) when he failed to provide a
22 response to the Division's four certified mail letters mailed on March 19, 2021, April 27,
23 2021, July 6, 2021, and August 19, 2021.

24 29. RESPONDENT violated NRS 116A.630(2)(a) by failing to comply with state
25 law when he failed to provide the minutes to the homeowner unit complainant pursuant
26 to NRS 116.31175(1).

27 30. RESPONDENT violated NAC 116A.140(1) when he failed to timely renew his
28 community manager certificate biennially.

31. RESPONDENT violated NAC 116A.355(1)(a)(1), (2) and (3) pursuant to NAC 116A.355(2)(a)(3) by engaging in unprofessional conduct, professional incompetence and negligence or gross negligence when he failed to submit annual registrations for the Associations, he was managing causing them to be in default with the Division and the Secretary of State.

32. RESPONDENT violated NAC 116A.355(1)(a)(1), (2) and (3) pursuant to NAC 116A.355(2)(a)(3) by engaging in unprofessional conduct, professional incompetence and negligence or gross negligence when he continued to provide community management services, even though he knew that his community management certificate had expired.

33. RESPONDENT violated NAC 116A.355(1)(a) pursuant to NAC 116A.355(2)(f) by engaging in unprofessional conduct, when he failed to provide the requested documentation for the renewal of his certificate to the Division.

ORDER

The Commission, being fully apprised in the premises and good cause appearing,
ORDERS as follows:

1. RESPONDENT J. SCOTT HEDLIND shall pay the Division a total of \$11,434.88 ("Amount Due") consisting of a fine in the amount of \$10,000.00 and the Division's attorney's fees and costs in the amount of \$1,434.88 within ninety (90) days of the date of this Order.

2. RESPONDENT J. SCOTT HEDLIND's community manager certificate issued from the Division (CAM.0000190.SUPR) is hereby revoked for ten (10) years.

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3. The Division may institute debt collection proceedings if the RESPONDENT fails to pay the total amount of \$11,434.88. Further, if collection goes through the State of Nevada, then RESPONDENT shall pay the costs association with collection.

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

By:

MICHAEL BURKE
CHAIRMAN

Submitted by:

AARON D. FORD
Attorney General

By: /s/ Virginia T. Tomova

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