

**COMMISSION FOR COMMON-INTEREST COMMUNITIES AND CONDOMINIUM  
HOTELS MEETING MINUTES MAY 31, 2022**

**VIA IN PERSON AND WEBEX VIRTUAL MEETING  
MAY 31, 2022**

Nevada State Business Center  
3300 W. Sahara Avenue  
4<sup>th</sup> Floor, Tahoe Room  
Las Vegas, Nevada 89102

The meeting was called to order at 9:10 A.M.

**1-A) Introduction of Commissioners in attendance**

Michael Burke, Charles Niggemeyer, Richard Layton, Phyllis Tomasso, Tonya Gale, Patricia Morse Jarman, James Bruner, and Deputy Attorney General Asheesh Bhalla sitting as Commission Counsel.

**1-B) Swearing in of reappointed Commissioner**

Chairman Burke swore in Commissioner Tomasso.

**1-C) Introduction of Division Staff in attendance**

Sharath Chandra, Administrator; Charvez Foger, Deputy Administrator; Jason Wyatt, Ombudsman; Shareece Bates, Administration Section Manager; Terry Wheaton, Chief Compliance Audit Investigator; Sonya Meriweather, Senior Resolution Specialist; Gary Little, Training Program Officer; Evelyn Pattee, Commission Coordinator; and Kelly Valadez, Commission Coordinator.

**2) Public Comment**

Kathy DeValk stated that she purchased her home in 2005 because it was not part of a homeowner's association and was assured that it was only a road association with the sole purpose of maintaining the road and removing snow. Ms. DeValk stated that she believes a homeowner has the right to paint their home whatever color they choose and to park any type of vehicle on their property for as long as they choose. Ms. DeValk stated that she did not want a homeowner's association when she purchased her home, and she does not want one now.

Carol Gorino stated that she supports everything stated by Ms. DeValk.

**3-D) NRED v. Highlands Road Association, Charles A. Lane, Eric Mortara, Cathy Lynch,  
and Barbara Small, for possible action**

**Case No. 2021-807 (combined with 2021-808 and 2021-810)**

**Type of Respondent: Board Members**

**Parties Present**

Matthew Feeley, Deputy Attorney General was present representing the Division.  
Sheila Van Dyne, Esq. was present via Webex representing the board members.

**Preliminary Matters**

Mr. Feeley stated that there was stipulation in this matter presented during the March 1, 2022 Commission meeting that was not accepted because one of the terms of the settlement had not been

completed. Mr. Feeley stated that all the terms of the settlement have been completed and the stipulation is being presented again for approval by the Commission.

Chairman Burke stated that the Commission was provided the stipulation that was signed by each of the board members and asked if any of the Commissioners had questions.

The Commission had no questions.

Chairman Burke moved to approve the settlement as presented. Seconded by Commissioner Niggemeyer. Motion carried.

**3-F) NRED v. Rancho San Juan Homeowners Association, Christopher Seckler, Sebastian Mayo, and Cesar Valdez, for possible action**

**Case No. 2021-161**

**Type of Respondent: Board Members**

Parties Present

Virginia Tomova, Deputy Attorney General was present representing the Division.

Patrick Orme, Esq. was present representing Rancho San Juan Homeowners Association.

Ms. Tomova stated that the association is severely underfunded often with a negative balance, the association has been through numerous transitions of community management companies, and that this complaint is against the board members: Christopher Seckler, Sebastian Mayo, and Cesar Valdez and the association. Ms. Tomova stated that there is a new community management company in place that is trying to work with homeowners to determine what needs to be done with the assessment fees and whether the fees will be affordable for the homeowners. Ms. Tomova stated that there are currently only two members on the board and Mr. Orme is working with the association and the new board members to help the owners understand the significance of the underfunding and the common elements of their association not being maintained.

Chairman Burke asked if Christopher Seckler, Sebastian Mayo, and Cesar Valdez were still on the board.

Mr. Orme stated that none of the respondents were currently on the board and two of the respondents no longer live in the association.

Ms. Tomova stated that the Division would like to move forward with a default against the three board members because there has been no response to the complaint, and they did not cooperate with the Division's requests for information.

Mr. Orme stated that the association has a delinquency rate of 13% of the homeowner's paying their regular HOA dues and asks that if the Commission imposes a fine to the respondents, for the Commission to take into consideration that Mr. Seckler is in a delinquent status because he financially struggles to pay his HOA dues.

Ms. Tomova stated that the Division would like to hold the association responsible for not following the reserve study and for their overall noncompliance with the law. Ms. Tomova stated that the Division would like the Commission to issue an order stating that a fine will be imposed if the association does not comply by bringing up their reserve accounts within a certain period of time.

Mr. Orme stated that it would take up to eighteen months to two years for the association to get the reserves up. Mr. Orme stated that the association has a lot of repairs to the common elements and that currently the association is barely meeting their operating expenses.

Chairman Burke stated that this item should stay on the agenda and benchmarks should be set for the association and if those benchmarks are not met, then a fine should be imposed.

Commissioner Jarman stated that she agrees but her concern is that if there are 61 homeowners with 1 in 8 not being able to pay their assessments, how it would be possible to get the association caught up.

Mr. Orme stated that FCCMI, the prior management company, was not doing any collection activity at the direction of Mr. Seckler. Mr. Orme stated that 13% of the homeowners are in arrears and the new board and management company have started the collection process. Mr. Orme stated that foreclosure proceedings would begin if homeowners do not get caught up with their assessments. Mr. Orme stated that he is open to suggestions from the Commission.

Ms. Tomova stated that the Division's recommendation is to impose a \$1,000 fine for each of the violations for a total of \$4,000 and continue with status checks to hold the association accountable.

Commissioner Gale asked why the board members were not being fined instead of the association.

Chairman Burke stated that he agreed that the board members should be fined and that benchmarks should be set for the association until the next hearing and then if the association does not meet the benchmarks issue a fine to the association.

Commissioner Tomasso asked if the 61 mobile unit owners owned the land.

Mr. Orme answered yes.

Chairman Burke asked if the association had money for the foreclosure process.

Mr. Orme stated that the foreclosure process would be handled by his office and the cost is a concern, but that he would proceed forward as long as he could. Mr. Orme stated that a survey had been sent to the homeowners asking if they wanted to stay as a homeowner's association or dissolve; about half or 50 percent homeowners want to dissolve. Mr. Orme stated that dissolution does pose a problem because the clubhouse and pool are owned by the association with no one that would want to take over ownership.

Mr. Burke stated that it would be beneficial to set benchmarks for the association as opposed to levying a fine that would place a burden on the homeowner's association that cannot afford it.

Ms. Tomova stated that the Division requests that the Commission issue an order that if the association does not comply that a fine will be imposed.

Chairman Burke stated that the fine could come later, but for now try to motivate the association to get where they need to be.

Commissioner Jarman stated that she does not know if it is possible, but she would like to see some type of incentive for the association to get on track, such as a fine amount assessed to the association that would decrease by a certain amount with each benchmark that the association met in a timely manner.

Commissioner Gale stated that this should be handled as a case-by-case basis with status checks in place and if the standards of that status check are not met then a fine be imposed.

Commissioner Layton stated that it is too early to impose a fine to the association and would like to wait until the next Commission meeting to see what progress the association makes. Commissioner Layton stated that if the association is making substantial progress, then the fine amount should be minimal, or a more severe fine if the association is not achieving any progress.

Ms. Tomova stated that the Division would like to enter a default against the board members and give the association ten days to file an answer to the allegations in the complaint and continue status checks with the association of benchmarks that need to be achieved before the next status check and still impose a fine for the prior violations that will become due and payable once the association gets back on track.

Chairman Burke moved that regarding the homeowner's association, the association is to file a response to the complaint within 10 business days of today's meeting and this matter will be continued until the next Commission meeting. In the meantime, Ms. Tomova needs to set reasonable benchmarks for the association within 20 days of today's meeting, to be achieved before the status check at the next scheduled Commission meeting and if those benchmarks are not met, the Commission will have a hearing on the merits of the complaint. Seconded by Commissioner Layton. Motion carried.

Chairman Burke asked for evidence from the Division regarding service of the board members: Christopher Seckler, Sebastian Mayo, and Cesar Valdez.

#### State's Witness

Kelly Valadez, Commission Coordinator, testified regarding service of complaint.

Chairman Burke moved that for respondents Christopher Seckler, Sebastian Mayo, and Cesar Valdez, service was properly provided to timely respond to the complaint and appear today and therefore find the respondents in default. Seconded by Commissioner Niggemeyer. Motion carried.

Chairman Burke moved that the factual allegations regarding the three individual respondents as pled in paragraphs 3-28 of the complaint be found proven. Seconded by Commissioner Gale. Motion carried.

Chairman Burke moved that the violations of law regarding the three individual respondents as pled in paragraphs 29-34 of the complaint be found proven. Seconded by Commissioner Gale. Motion carried.

#### Division's Recommendations for Discipline

Ms. Tomova presented the following:

- Each respondent pays \$1,000 per violation for a total of \$6,000.
- Each respondent pays one-third of the Division's total fees and costs in the amount of

\$1,491.95.

- The respondents cannot serve on a board of any homeowner's association for a period of no less than 10 years.
- The fines, fees and costs are payable by September 13, 2022.

Chairman Burke moved that respondents Christopher Seckler, Sebastian Mayo, and Cesar Valdez each be fined \$6,000, pay one-third of the Division's fees and costs in the amount of \$1,491.95 with all amounts payable on or before September 13, 2022, and that none of the respondent serve on a homeowner's association board for a period of no less than 10 years. Seconded by Commissioner Gale. Motion carried.

**3-G) NRED v. Sierra Ranchos Property Owners Association, for possible action  
Case No. 2018-1663**

**Type of Respondent: Board Members**

Parties Present

Michelle Briggs, Chief Deputy Attorney General was present representing the Division.

Greg DeFehr, Sierra Ranchos POA board member was present via Webex.

Joy Marvin, Sierra Ranchos POA board member was present via Webex.

William Roth, Sierra Ranchos POA board member was present via Webex.

Ms. Briggs stated that this case is a status update because this association was before the Commission in 2015 when a complaint was filed because a board member was retaliating against a neighbor and the Commission ordered that one board member be removed from the board and the other board members at that time agreed to step down.

Ms. Briggs stated that this association was before the Commission again in 2018 when a complaint was filed against Joy Marvin, who was a bookkeeper being paid and signing checks but not a community manager or a member of the board at that time, as well as allowing a former board member, who had been removed from the board, to sign checks. Ms. Briggs stated that in 2018, the Commission ordered the association to have a reserve study done to fund the reserves which was problematic because of the dirt roads not being maintained. Ms. Briggs stated that Ms. Marvin is currently the president of the association.

Ms. Briggs stated that the board members could speak about what the issues are in terms of non-compliance with Washoe county requirements for the roads, but the reason for the status check is because the association cannot keep a manager due to the fighting between prior board members and there is still a lot of contention. Ms. Briggs stated that the Division is not looking to impose a fine to the board member or the association, but they do need to adopt and follow a budget and fund their reserves. Ms. Briggs stated that the association's prior reserve study done in 2020 showed it was only 15% funded and currently it is less than that now.

Ms. Marvin stated that the homeowners do not want the assessments to increase, the dirt roads are in bad shape, and there are several issues with the governing documents. Ms. Marvin stated that the association would like to find a manager that would work with them to raise the assessments within the law and get the association turned around.

Chairman Burke stated that a marginal increase of more than twenty dollars a month or even doubling the monthly assessments for each of the lot owners is sustainable to ensure there is unfettered access on the roads if the homeowners need to get out. Mr. Burke asked if there had been

a meeting to discuss raising the assessments.

Ms. Marvin stated that there has not been a meeting this year to discuss raising the assessment, but in the past, there has always been pushback from the homeowners.

Chairman Burke stated that it might be an unpopular vote but a necessary one.

Ms. Briggs stated that the Division's recommendations are for the association to put together a funding plan for all costs associated with the expense to maintain the roads and bring them up to county standards, if the association needs to obtain engineering bids, to hire a contractor to maintain the roads, and determine what the individual assessments should be for each homeowner.

Commissioner Gale stated that the reserve study performed in 2020 clearly states that one of the recommendations was that there should be a \$44,000 special assessment, which would have been less than \$210 per homeowner; Commissioner Gale asked why this was not done.

Mr. DeFehr stated that the special assessment was levied against the homeowners and did go into the reserve account, but the problem is properly addressing the road maintenance issues. Mr. DeFehr stated that the board has hired license contractors to address the road issues, but then turns around and appoints themselves the sole director of the labor being done instead of depending on the licensed contractors. Mr. DeFehr stated that engineering has been a huge contention in this community, and the last board had to get engineering bids specifically to address illegal excavation that was done by unlicensed contractors or previous board members which were over \$100,000 and over the association's \$50,000 budget. Mr. DeFehr stated that it has been difficult to move forward in a proper way to address these issues because a lot of homeowners in the community do not believe there is a need for engineered roads, but a simple excavation can move a volume of water onto someone else's property and that must be addressed. Mr. DeFehr stated that the 2020 reserve study was under funded to maintain the number of roads in this association and the study assumed that the roads were in pristine condition. Mr. DeFehr stated that the roads are not in good condition due to seventeen years of unlicensed contractors grading the roads into ditches that diverts water. Mr. DeFehr stated that there are many in the community that have trust issues with allowing this board to take money and apply it in areas where they have seen this association damage other people's property. Mr. DeFehr stated that he is all for civil engineering, licensed contractors, community managers, but if the board refuses to take the advice of these entities, then it does no good.

Mr. Roth stated that he was the President of the board after stipulation went into effect and Focus One was the community management company that help get the reserve study completed. Mr. Roth stated that he is a non-practicing engineer and knows several engineers that he has consulted periodically and that some work began in 2020 because it was insisted that a permit was needed to do the emergency work. Mr. Roth stated that he agrees with Mr. DeFehr that there is a confidence issue with the homeowners and the community needs to see physical evidence that their roads are being improved, but not money being spent on attorneys trying to see who belongs to the association or engineering studies stating that the roads need to be upgraded to county standards. Mr. Roth stated that the association cannot afford to pave the roads, but a compacted rock surface, proper drainage channels, and replacing the old culvert pipes can be achieved. Mr. Roth stated that approximately \$26,000 of the special assessment that was collected in 2020 went to one road that washes out all the time. Mr. Roth stated that he has presented a draft budget that increases the assessments by about 50% but does not believe that there will be support from the community to

spend \$60,000 to \$100,000 on another study when there is roadwork that needs to be done with the current money.

Mr. DeFehr stated that the engineering study is a necessity and not an option because of the previous damage done by excavations and improper grading that has changed the water flow in the valley.

Ms. Briggs stated that it is recommended that the association go back to the reserve study specialist who prepared the report and explain the association's issues including the Washoe county violations, and have an update done to the reserve study to say what the necessary funding needs to be to correct the issues.

Chairman Burke moved that the association will appear before the Commission during the next meetings scheduled for September 13-15, 2022 for a status check but in the interim, the association will get an updated reserve study, obtain no less than two bids from civil engineers for the scope of work to be done, have a board meeting that is noticed to all homeowners for discussion of the new reserve study and possible assessment increases, and that the association hire a community manager. Seconded by Commissioner Gale. Motion carried.

**3-A) NRED v. J. Scott Hedlind for possible action**  
**Case No. 2021-65**  
**Type of Respondent: Community Manager**  
**License No.: CAM.0000190-SUPR (Active)**

**3-B) NRED v. J. Scott Hedlind for possible action**  
**Case No. 2021-224**  
**Type of Respondent: Community Manager**  
**License No.: CAM.0000190-SUPR (Active)**

**3-C) NRED v. J. Scott Hedlind for possible action**  
**Case No. 2021-1084**  
**Type of Respondent: Community Manager**  
**License No.: CAM.0000190-SUPR (Active)**

Parties Present

Virginia Tomova, Deputy Attorney General was present representing the Division  
J. Scott Hedlind was present.

Ms. Tomova stated that Mr. Hedlind requested a continuance but was informed by the Division that he needed to appear before the Commission to present his request. Ms. Tomova stated that Mr. Hedlind did not file an answer to the three complaints. Ms. Tomova stated that if a continuance was granted to Mr. Hedlind, she would request for the Commission to impose that Mr. Hedlind answer the complaints within ten days and provides the Division with a list of any witnesses and documents he intends to use in his defense.

Mr. Hedlind stated that he is asking for a continuance because he had obtained legal counsel that was supposed to provide a draft response to the complaint on May 17, 2022, which never happened, and he is in the process of hiring new counsel. Mr. Hedlind stated that when he does hire new counsel, ten days would not be enough time to have a response prepared.

Chairman Burke moved that Mr. Hedlind answer the complaints within 20 days from today's meeting and if the answer is not received within 20 days that a default be entered by the Division; and that a list of witnesses and any documentation to be used in his defense be provided to the Division within 30 days before the next meetings scheduled for September 13-15, 2022. Seconded by Commissioner Gale. Motion carried.

**3-E) NRED v. Laguna Palms Homeowners Association, Denise Jugenheimer, Stephen Bock, Peter Albert, and Suzanne Suter, for possible action  
Case No. 2020-666**

**Type of Respondent: Board Members**

Parties Present

Virginia Tomova, Deputy Attorney General was present representing the Division.

Ms. Tomova stated that settlement negotiations have been in progress with attorney Adam Clarkson and on May 5, 2022, the settlement terms were sent to Mr. Clarkson to present to his clients at the homeowner's association and on May 12, 2022, Mr. Clarkson replied in an email that the settlement terms were accepted. Ms. Tomova stated that on May 26, 2022, the settlement was sent to Mr. Clarkson for execution and told that DocuSign could not be used and that it was best to use wet signatures. Ms. Tomova stated that she has not heard back from Mr. Clarkson.

Chairman Burke moved for this matter to be continued until the next Commission meetings scheduled for September 13-15, 2022, to allow time for the stipulation to be signed. Seconded by Commissioner Niggemeyer. Motion carried.

**4-B) Ombudsman's summary report**

Jason Wyatt presented this report that was provided to the Commission in the meeting packet.

**4-C) CIC Compliance caseload report and summary**

Terry Wheaton presented this report that was provided to the Commission in the meeting packet.

**4-D) Education and Information Officer report**

Gary Little presented this report that was provided to the Commission in the meeting packet.

**4-E) Licensee and board member discipline report**

Shareece Bates presented this report that was provided to the Commission in the meeting packet.

**4-A) Administrator's report**

**5-D) Discussion regarding proposed changes to NAC 116**

Sharath Chandra stated that the Division is currently facing some challenges with the turnover and retention of staffing that have delayed some of the objectives of the Division. Mr. Chandra stated that the comments and suggestions received from the previous regulation workshop for the proposed changes to NAC 116 have been considered and incorporated into a draft that has been sent to LCB, and that the Division should receive the second draft of the proposed changes back to be able to present it for public comment and discussion during the next Commission meetings scheduled for September 13-15, 2022. Mr. Chandra stated that if there are no more significant changes, the Commission can make their decision to accept the changes for a final draft to go before a legislative committee for approval.

**5-A) Discussion regarding Commissioners' speaking engagement requests.**

The Commission stated that there was nothing to report.



**5-B) Discussion regarding the State of Nevada Controller's Office debt collection process for fines issued by the Commission.**

Commissioner Niggemeyer stated that there was no update to report.

**5-C) Discussion and decision to approve minutes of the March 1-2, 2022 Commission meeting.**

Chairman Burke moved to approve the March 1-2, 2022 meeting minutes. Seconded by Commissioner Niggemeyer. Motion carried.

**6) Discussion and decision on date, time, place and agenda items for upcoming meeting(s).**

➤ September 13-15, 2022.

**7) Public Comment**

None.

**8) Adjournment**

Meeting recessed at 11:17 a.m. on May 31, 2022.

Minutes prepared by: *Kelly Valadez*  
Kelly Valadez  
Commission Coordinator