

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

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

6 Petitioner,

7 vs.

8 J. SCOTT HEDLIND,

9 Respondent.

Case No. 2021-224

FILED

APR 25 2022

NEVADA COMMISSION FOR
COMMON INTEREST COMMUNITIES
AND CONDOMINIUM HOTELS

Kelley Valadez

10 **COMPLAINT FOR DISCIPLINARY**
11 **ACTION AND NOTICE OF HEARING**

12 The Real Estate Division of the Department of Business and Industry, State of
13 Nevada (the "Division"), by and through its counsel, Aaron D. Ford, Attorney General of
14 the State of Nevada, and Virginia T. Tomova, Deputy Attorney General, hereby notifies J.
15 Scott Hedlind ("Hedlind" and/or "RESPONDENT") of an administrative hearing before the
16 Commission for Common-Interest Communities and Condominium Hotels, State of
17 Nevada, which is to be held pursuant to Chapters 233B and Chapters 116 and 116A of the
18 Nevada Revised Statutes ("NRS") and Chapter 116 and 116A of the Nevada
19 Administrative Code ("NAC"). The purpose of the hearing is to consider the allegations
20 stated below and to determine if an administrative penalty will be imposed on the
21 RESPONDENT pursuant to the provisions of NRS and NAC including, but not limited to,
22 NAC 116A.360.

23 **JURISDICTION AND NOTICE**

24 During all relevant times mentioned in this complaint, RESPONDENT held a
25 community manager certificate from the Division (CAM.0000190.SUPR) and is, therefore,
26 subject to the jurisdiction of the Division and the provisions of NRS Chapters 116 and
27 116A and NAC Chapters 116 and 116A. RESPONDENT'S certificate is currently in
28 "active" status.

1 **FACTUAL ALLEGATIONS**

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

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

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

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

15 5. The RESPONDENT did not respond.

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

18 7. The RESPONDENT did not respond.

19 8. On or about July 6, 2021, the Division sent a third follow-up to the
20 RESPONDENT requesting the same information in addition to an explanation about his
21 failure to provide the meeting minutes to the complainant upon her request.

22 9. The RESPONDENT did not respond.

23 10. On or about August 19, 2021, the Division sent a fourth follow-up to the
24 RESPONDENT in which it informed the RESPONDENT that he was in violation of NRS
25 116A.630(10), failure to cooperate with the Division to resolve the allegations raised in the
26 Complaint.

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

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

3 13. After expiring on numerous occasions, the RESPONDENT's community
4 manager certificate was reinstated on November 4, 2014, December 21, 2016, March 22,
5 2019, and May 3, 2021.

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

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

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

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

16 18. Champion Village Community Association is current with the Division and
17 the Secretary of State.

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

21 20. Deerbrooke Estates Homeowners Association was in default with the
22 Division and Secretary of State on May 4, 2021, but now is current with the Division and
23 the Secretary of State.

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

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

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

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

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

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

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

17 **VIOLATIONS OF LAW**

18 28. RESPONDENT violated NRS 116A.630 (10) when he failed to provide a
19 response to the Division's four certified mail letters mailed on March 19, 2021, April 27,
20 2021, July 6, 2021, and August 19, 2021.

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

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

26 31. RESPONDENT violated NAC 116A.355(1)(a)(1), (2) and (3) pursuant to NAC
27 116A.355(2)(a)(3) by engaging in unprofessional conduct, professional incompetence and
28 negligence or gross negligence when he failed to submit annual registrations for the

1 Associations, he was managing causing them to be in default with the Division and the
2 Secretary of State.

3 32. RESPONDENT violated NAC 116A.355(1)(a)(1), (2) and (3) pursuant to NAC
4 116A.355(2)(a)(3) by engaging in unprofessional conduct, professional incompetence and
5 negligence or gross negligence when he continued to provide community management
6 services, even though he knew that his community management certificate had expired.

7 33. RESPONDENT violated NAC 116A.355(1)(a) pursuant to NAC
8 116A.355(2)(f) by engaging in unprofessional conduct, when he failed to provide the
9 requested documentation for the renewal of his certificate to the Division.

10 **DISCIPLINE AUTHORIZED**

11 Pursuant to the provisions of NAC 116A.360 the Commission has discretion to
12 impose discipline as it deems appropriate, including, but not limited to one or more of the
13 following actions:

- 14 1. Revoke or suspend the certificate;
- 15 2. Refuse to renew or reinstate the certificate;
- 16 3. Place the community manager on probation;
- 17 4. Issue a reprimand or censure to the community manager;
- 18 5. Impose a fine of not more than \$5,000 for each violation of a statute or
19 regulation;
- 20 6. Require the community manager to pay restitution;
- 21 7. Require the community manager to pay the costs of the investigation and
22 hearing;
- 23 8. Require the community manager to obtain additional education relating to
24 the management of common-interest communities; and
- 25 9. Take such other disciplinary action as the Commission deems appropriate.

26 The Commission may order one or any combination of the discipline described
27 above.

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NOTICE OF HEARING

PLEASE TAKE NOTICE, that a disciplinary hearing has been set to consider this Administrative Complaint against the above-named RESPONDENT in accordance with Chapters 233B and 116 and 116A of the Nevada Revised Statutes and Chapter 116 and 116A of the Nevada Administrative Code.

THE HEARING WILL TAKE PLACE at the Commission meeting(s) scheduled for May 31 – June 2, 2022, beginning at approximately 9:00 a.m. each day, or until such time as the Commission concludes its business. The Commission meeting will be held at the Nevada State Business Center, 3300 W. Sahara Avenue, 4th Floor, Tahoe Room, Las Vegas, Nevada 89102 with videoconferencing to Department of Business & Industry, Division of Insurance, 1818 E. College Parkway, Suite 103, Carson City, Nevada 89706.

STACKED CALENDAR: Your hearing is one of several hearings that may be scheduled at the same time as part of a regular meeting of the Commission that is expected to take place on May 31– June 2, 2022. Thus, your hearing may be continued until later in the day or from day to day. It is your responsibility to be present when your case is called. If you are not present when your hearing is called, a default may be entered against you and the Commission may decide the case as if all allegations in the complaint were true. If you need to negotiate a more specific time for your hearing in advance, please call Kelly Valadez, Commission Coordinator, at (702) 486-4606.

YOUR RIGHTS AT THE HEARING: Except as mentioned below, the hearing is an open meeting under Nevada’s open meeting law and may be attended by the public. After the evidence and arguments, the commission may conduct a closed meeting to discuss your alleged misconduct or professional competence. You are entitled to a copy of the transcript of the open and closed portions of the meeting, although you must pay for the transcription. As a RESPONDENT, you are specifically informed that you have the right to appear and be heard in your defense, either personally or through your counsel of choice. At the hearing, the Division has the burden of proving the allegations in the

1 complaint and will call witnesses and present evidence against you. You have the right to
2 respond and to present relevant evidence and argument on all issues involved. You have
3 the right to call and examine witnesses, introduce exhibits, and cross-examine opposing
4 witnesses on any matter relevant to the issues involved.

5 You have the right to request that the Commission issue subpoenas to compel
6 witnesses to testify and/or evidence to be offered on your behalf. In making this request,
7 you may be required to demonstrate the relevance of the witness's testimony and/or
8 evidence. Other important rights and obligations, including your obligation to answer the
9 complaint, you have are listed in NAC 116A.560 through NAC 116A.655, NRS Chapter
10 233B, and NRS Chapters 116 and 116A and NAC 116 and 116A.

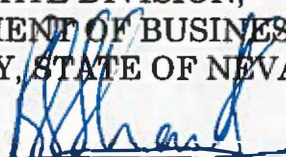
11 Note that under NAC 116A.585, not less than five (5) working days before a
12 hearing, RESPONDENT must provide to the Division a copy of all reasonably available
13 documents that are reasonably anticipated to be used to support his or her position, and
14 a list of witnesses RESPONDENT intends to call at the time of the hearing. Failure to
15 provide any document or to list a witness may result in the document or witness being
16 excluded from RESPONDENT'S defense. The purpose of the hearing is to determine if
17 the RESPONDENT has violated any of the provisions of NRS and NAC Chapters 116 and

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1 116A, and to determine what administrative penalty is to be assessed against
2 RESPONDENT, if any, pursuant to NAC 116A.360.

3 DATED this 21 day of April, 2022.

4 REAL ESTATE DIVISION,
5 DEPARTMENT OF BUSINESS &
6 INDUSTRY, STATE OF NEVADA

7 By: 

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12 AARON D. FORD
13 Attorney General

14 By: /s/ Virginia T. Tomova

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