

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

3 SHARATH CHANDRA, Administrator,
4 REAL ESTATE DIVISION, DEPARTMENT
5 OF BUSINESS AND INDUSTRY, STATE
6 OF NEVADA,

 Petitioner,

7 vs.

8 DIANA D. STEGEMAN,
9 (CAM.0009065),

 Respondent.

Case No. 2022-756

FILED

OCT 05 2023

NEVADA COMMISSION FOR
COMMON INTEREST COMMUNITIES
AND CONDOMINIUM HOTELS

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11 **FINDINGS OF FACT, CONCLUSIONS OF LAW AND ORDER**

12 This matter came on for hearing before the Commission for Common-Interest
13 Communities and Condominium Hotels, State of Nevada (the "Commission") during a
14 regular agenda set on a three-day stack beginning at 9:00 am on September 26, 2023 (the
15 "Hearing."). Diana D Stegeman ("RESPONDENT") did not appear in person, through
16 counsel, or otherwise. Christal P. Keegan, Deputy Attorney General with the Nevada
17 Attorney General's Office, appeared on behalf of the Real Estate Division of the
18 Department of Business and Industry, State of Nevada (the "Division").

19 Mrs. Keegan advised the Commission that RESPONDENT was aware of her
20 attendance at the hearing, and that her hearing was scheduled for the June 13-15, 2023
21 hearings, but the RESPONDENT requested a continuance, which the Commission
22 granted. The Division sent the RESPONDENT Meeting Re-Notices no later than 30 days
23 prior to the September 26-28, 2023 hearings. The RESPONDENT never filed an Answer
24 as part of the record in the proceedings and did not ask for a second continuance.

25 Therefore, the Commission, having considered the evidence introduced by the
26 Division and being fully advised, enters the following Findings of Fact, Conclusions of
27 Law, and Order. Under Nevada Revised Statutes (NRS) and Nevada Administrative Code

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1 (NAC) Chapter 116A, the Commission has legal jurisdiction and authority over
2 this matter.

3 FINDINGS OF FACT

4 Based on a preponderance of the evidence in the record and the documents admitted
5 at the Hearing, the Commission voted, with one abstention, to find the following factual
6 allegations were proven:

7 1. RESPONDENT holds a community manager certificate from the Division
8 (CAM.0009065), said license being in “active” status at the time of filing this complaint.

9 2. Starting October 1, 2022, RESPONDENT’S company Heritage Management
10 Group, LLC’s contract would terminate with The Gables Condominium Owners
11 Association, Inc. (“Association”) and transfer to the new management company, Prime
12 Management, LLC (“Succeeding Management Company”). *CICC024 – CICC025*.

13 3. Prior to the transfer, on or about September 15, 2022, the Succeeding
14 Management Company requested RESPONDENT provide the Association’s records no
15 later than October 1, 2022. *CICC024 – CICC025*.

16 4. On or about October 10, 2022, counsel for the Succeeding Management
17 Company sent a final demand letter to RESPONDENT requesting the Association’s
18 records. *CICC021 – CICC022*.

19 5. As of October 19, 2022, RESPONDENT had not provided the Association’s
20 records to the Succeeding Management Company. *CICC043 – CICC047*.

21 6. On October 31, 2022, the Division received an Intervention Affidavit against
22 RESPONDENT by the Succeeding Management Company. *CICC001-CICC020*.

23 7. The Intervention Affidavit alleged RESPONDENT failed to turn over
24 the entirety of the Association’s records within the 30 days as set forth in
25 NRS 116A.620(6). *CICC003*.

26 8. On or about November 16, 2022, the Division sent its first Request for
27 Information to the RESPONDENT with a deadline of December 2, 2022.
28 *CICC029 – CICC034*.

1 9. On the deadline date, RESPONDENT acknowledged receipt of the letter but
2 did not provide a response to the Request for Information. *CICC035 – CICC036.*

3 10. On or about December 23, 2022, the Division sent its second Request for
4 Information to the RESPONDENT with a deadline of January 10, 2023.
5 *CICC038 – CICC042.*

6 11. On December 27, 2022, RESPONDENT transmitted her response to the
7 Division but did not provide any documentation. *CICC053.*

8 12. As of January 24, 2023, the Division still had not received any
9 documentation. *CICC059 – CICC060.*

10 13. On January 27, 2023, RESPONDENT appeared at the Division in person and
11 dropped off emails from October of 2022. *CICC043 – CICC047.*

12 14. The emails demonstrated that RESPONDENT had not provided the
13 documents requested by the Succeeding Management Company. *CICC043 – CICC047.*

14 15. As of January 31, 2023, RESPONDENT had not provided all items initially
15 requested by the Succeeding Management Company. *CICC067 – CICC070.*

16 16. On or about February 16, 2023, the Division sent RESPONDENT a
17 Compliance Demand Letter requiring proof of compliance by March 3, 2023 that the
18 documents requested by the Succeeding Management Company were provided.
19 *CICC048 – CICC051.*

20 17. As of March 17, 2023, RESPONDENT failed to comply with the Compliance
21 Demand Letter. *CICC061 – CICC063.*

22 18. As a result of RESPONDENT'S inadequate responsiveness to the Division
23 and the Succeeding Management Company, now comes herewith.

24 **CONCLUSIONS OF LAW**

25 Based on the foregoing factual findings and the preponderance of the evidence, the
26 Commission voted, with one abstention, that the following violations of
27 law occurred:

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1 19. RESPONDENT violated NRS 116A.620(6) for failing to provide records or
2 proof thereof that within 30 days of termination such transfer of records occurred to the
3 succeeding community manager.

4 20. RESPONDENT violated NRS 116A.630(1)(b) for failing to exercise ordinary
5 and reasonable care in the performance of her duties by not transferring the Association
6 record's timely or completely to the succeeding community manager.

7 21. RESPONDENT violated NRS 116A.630(2)(a) by failing to comply with state
8 laws and regulations when she failed to provide the Division and/or the succeeding
9 community manager with the requested documents.

10 22. RESPONDENT violated NRS 116A.630(9) by failing to make the financial
11 records of the Association for years 2020, 2021, and 2022 available for inspection by
12 the Division.

13 23. RESPONDENT violated NRS 116A.630(10) when she failed to cooperate with
14 the Division in resolving the complaints filed against her.

15 24. RESPONDENT violated NRS 116A.640(2)(a) for impeding the Division's
16 investigation by failing to comply with requests to provide documents.

17 25. RESPONDENT violated NAC 116A.355(2)(f) when she failed to cooperate
18 with the Division's requests for a response and production of documents.

19 26. RESPONDENT violated NAC 116A.355(1)(a)(1) and (3) by engaging in
20 unprofessional conduct when she failed to provide the Association's records to the
21 succeeding management company impacting the association's ability to file tax returns
22 and incur additional expenses to recreate records.

23 **ORDER**

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

- 26 1. RESPONDENT'S certificate (CAM.0009065) is immediately revoked;
- 27 2. RESPONDENT shall pay a fine of \$2,500 per violation (8 violations) for a
28 total administrative fine amount of \$20,000;

1 3. RESPONDENT shall pay the costs of the investigation and the hearing in
2 the amount of \$5,317.42 which is actual, reasonable, and necessary;

3 4. The total amount due is \$25,317.42 and shall be paid in full within 90 days
4 of this Order;

5 5. If payment is not actually received by the Division on or before its due date,
6 it shall be a default by RESPONDENT. In the event of default, the unpaid balance of the
7 administrative fine and costs, together with any attorney's fees and costs that may have
8 been assessed, shall be due in full to the Division within ten (10) calendar days of the date
9 of default, and the Division may obtain a judgment for the amount owed, including
10 collection fees and costs;

11 6. The Commission retains jurisdiction for correcting any errors that may have
12 occurred in the drafting and issuance of this document.

13 DATED this 5th day of October, 2023.

14 COMMISSION FOR COMMON-INTEREST
15 COMMUNITIES AND CONDOMINIUM HOTELS
16 DEPARTMENT OF BUSINESS AND INDUSTRY
17 STATE OF NEVADA

18 By: 
19 CHARLES NIGGEMEYER
20 VICE CHAIRMAN

21 Submitted by:

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