1	BEFORE THE COMMISSION FOR COMMON-INTEREST COMMUNITIES AND CONDOMINIUM HOTELS STATE OF NEVADA			
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3	SHARATH CHANDRA, Administrator, REAL ESTATE DIVISION, DEPARTMENT	Case No. 2023-180		
4	OF BUSINESS AND INDÚSTRY, STATE	Case 110. 2020 100		
5	OF NEVADA,	FILED		
6	Petitioner,			
7	vs.	OCT 0 5 2023		
<i>'</i>	DIANA D. STEGEMAN,	NEVADA COMMISSION FOR COMMON INTEREST COMMUNITIES		
8	(CAM.0009065),	AND CONDOMINIUM HOTELS		
9	Respondent.	mpallo		
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## FINDINGS OF FACT, CONCLUSIONS OF LAW AND ORDER

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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 "Hearing."). Diana D Stegeman ("RESPONDENT") did not appear in person, through 15 counsel, or otherwise. Christal P. Keegan, Deputy Attorney General with the Nevada 16 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 20attendance at the hearing, and that her hearing was scheduled for the June 13-15, 2023 21hearings, but the RESPONDENT requested a continuance, which the Commission 22 granted. The Division sent the RESPONDENT Meeting Re-Notices no later than 30 days 23prior to the September 26-28, 2023 hearings. The RESPONDENT never filed an Answer 24as part of the record in the proceedings and did not ask for a second continuance.

25Therefore, the Commission, having considered the evidence introduced by the Division and being fully advised, enters the following Findings of Fact, Conclusions of Law, 2627 and Order. Under Nevada Revised Statutes (NRS) and Nevada Administrative Code 28111

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

## **FINDINGS OF FACT**

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

1. As relevant to this Complaint, RESPONDENT'S community manager certificate from the Division (CAM.0009065) was inactive between September 30, 2022 to January 27, 2023, and in active status thereafter. *CICC 089*.

2. RESPONDENT'S Management Company, Heritage Management Group L.L.C., manages The Heathers HOA ("Association"). CICC 086 – CICC 088.

3. On or about December 8, 2022, the Association's Board Director, Kelvin Sakagawa, and Board Secretary ("Complainant"), identified a safety issue with particular light poles on two private properties within the Association. *CICC 074, and CICC 003*.

4. The Association's Director reported the safety issues regarding the light poles to the Association's President, Jack Culver. *CICC 074*.

5. The Association's Director specified the safety issues presented by the light
poles to include an exposed valve with copper tubing sticking out and "someone could get
poked", and an open pit that was not marked off. CICC 074.

6. The Association's President identified Lighting Services of Nevada, Inc. ("Vendor") as the contractor who would be performing the work on the light poles. CICC 073 - CICC 074.

23 7. The Association's President did not represent the Vendor was a "handyman."
24 CICC 073 - CICC 074.

8. The Association's President disclosed the owner of the Vendor as Jim
Stegeman, RESPONDENT'S "EX Father In Law." CICC 074, CICC 069 - CICC 071.

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9. The Vendor does not have a contractor's license. CICC 003, CICC 091.
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1 10. On December 11, 2022, Complainant submitted a request to RESPONDENT
 and the Association's Board Members, President Culver, Vice President Robert Quon,
 Treasurer Brian Meteyer, and Director Sakagawa ("Heathers Board") for the itemized bill
 for the Vendor and details regarding installation of the two light poles. CICC 009.

5 11. On December 12, 2022, RESPONDENT replied to Complainant that an
6 invoice had not been received and she was not aware of installation procedures.
7 CICC 010.

12. On January 4, 2023, Complainants sent a follow-up request to RESPONDENT asking if the itemized invoice for the Vendor was available yet. *CICC 010*.

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13. On January 5, 2023, the Association's Board President represented to Complainant that Requests for Proposals were sent out to elicit bids for the work on the light poles. *CICC 082*.

13 14. The Association's Board President represented that the first set of bids came
14 in at \$4,800 and \$3,200. CICC 082.

15. Thereafter, allegedly the Vendor submitted a response without a price in the
second set of bids. CICC 082.

16. It is alleged that the Vendor was asked if the work could be done at \$1,600 each. CICC 082.

19 17. The Association's President represented that the Board does "not have to get
20 bids under \$3500 ...". CICC 082.

18. On February 21, 2023, Complainants sent a third request to RESPONDENT
 and the Association for production of documents pertaining to the Vendor and work
 performed on December 10, 2022. CICC 005 - CICC 007.

19. On March 13, 2023, a meeting was conducted at RESPONDENT'S alleged
 remote office between the Complainants and RESPONDENT with some of the
 Association's board members in attendance virtually. CICC 011 - CICC 023.

27 20. At the meeting, RESPONDENT showed documents to Complainants but
28 refused to allow copies or photos of the documents. CICC 002, and CICC 049.

1	21. On or about March 22, 2023, the Division sent a Request for Information to		
2	the RESPONDENT and the Association with a deadline of April 6, 2023.		
3	CICC 026 – CICC 028.		
4	22. On March 24, 2023, RESPONDENT emailed correspondences to the Division		
5	regarding its Request for Information. CICC 063 – CICC 068.		
6	23. The Association, in their timely responses to the Division's Request for		
7	Information, demonstrated differences in opinion as to whether all documents were		
8	actually presented to the Complainants at the meeting. CICC 029 – CICC 061.		
9	24. The Association's Treasurer alleged he never received an invoice from the		
10	Vendor. CICC 059 - CICC 061.		
11	25. The Association's Treasurer alleged he never received the check registers nor		
12	have those ever been shared with the treasurer. $CICC 059 - CICC 061$ .		
13	26. As of about April 7, 2023, RESPONDENT failed to produce the following		
14	outstanding documents requested by the Division and the Complainants:		
15	<ul><li>a. The Heathers Board bid estimate for services with Vendor;</li><li>b. The proof of insurance, license number/s, and proof of bond for Vendor for</li></ul>		
16	the work it performed in December of 2022; c. Invoice or other billing for work done by Vendor; and		
17	d. The Heathers Board check register and bank statements for the following months:		
18	<ul> <li>i. November of 2022 (to include front and back copies of all checks);</li> <li>ii. December of 2022 (to include front and back copies of all checks);</li> </ul>		
19	<ul> <li>iii. January of 2023 (to include front and back copies of all checks);</li> <li>iv. February of 2023 (to include front and back copies of all checks)</li> </ul>		
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21	CICC 062.		
22	27. On April 17, 2023, the Association's attorney, Steve Loizzi, demanded		
23	Complainant's resignation from the Board. CICC 086 – CICC 088.		
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 law occurred:		
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1	28.	RESPONDENT violated NRS 116.31175 for not making the documents
2	available upon written request to the unit owners, Complainants.	
3	29.	RESPONDENT violated NRS 116A.620(6)(a) for failing to ensure financial
4	transactions were properly documented.	
5	30.	RESPONDENT violated NRS 116A.630(9) by failing to make the financial
6	records of the Heathers Board available for inspection by the Division.	
7	31.	RESPONDENT violated NRS 116A.630(11) when, upon Complainants'
8	written request, she failed to make the financial records available and/or provide copies of	
9	such records.	
10	32.	RESPONDENT violated NRS 116A.640(2)(a) for impeding the Division's
11	investigation by failing to comply with requests to provide documents.	
12	ORDER	
13	The Commission, being fully apprised in the premises and good cause appearing,	
14	ORDERS as follows:	
15	1.	RESPONDENT'S certificate (CAM.0009065) is immediately revoked;
16	2.	RESPONDENT shall pay a fine of \$2,500 per violation (5 violations) for a
17	total admini	istrative fine amount of \$12,500;
18	3.	RESPONDENT shall pay the costs of the investigation and the hearing in
19	the amount of \$6,775.32 which is actual, reasonable, and necessary;	
20	4.	The total amount due is \$19,275.32 and shall be paid in full within 90 days
21	of this Order;	
22	5.	If payment is not actually received by the Division on or before its due date,
23	it shall be a	default by RESPONDENT. In the event of default, the unpaid balance of the
24	administrative fine and costs, together with any attorney's fees and costs that may have	
25	been assessed, shall be due in full to the Division within ten (10) calendar days of the date	
26	of default, and the Division may obtain a judgment for the amount owed, including	
27	collection fees and costs;	
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1	6. The Commission retains jurisdiction for correcting any errors that may have		
2	occurred in the drafting and issuance of this document.		
3	DATED this day of October, 2023.		
4	COMMISSION FOR COMMON-INTEREST		
5	COMMUNITIES AND CONDOMINIUM HOTELS DEPARTMENT OF BUSINESS AND INDUSTRY		
6	STATE OF NEVADA		
7	Charles Charles		
8	By: CHARLES NIGGEMEYER		
9	VICE CHAIRMAN		
10	Submitted by:		
11	AARON D. FORD		
12	Attorney General		
13	epkeegan		
14	Dy. CHRISTAL P. KEEGAN (Bar No. 12725)		
15	Deputy Attorney General 5420 Kietzke Lane, Suite 202		
16	Reno, Nevada 89511 (775) 687-2141		
17	ckeegan@ag.nv.gov		
18	Attorney for Real Estate Division		
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