

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
5 OF BUSINESS & INDUSTRY, STATE OF
6 NEVADA,

Petitioner,

6 vs.

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

9 Respondent.

Case No. 2023-180

FILED

MAY 04 2023

NEVADA COMMISSION FOR
COMMON INTEREST COMMUNITIES
AND CONDOMINIUM HOTELS

mgallo

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 Christal P. Keegan, Deputy Attorney General, hereby notifies
15 DIANA D. STEGEMAN ("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.0009065) 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. As relevant to this Complaint, RESPONDENT'S community manager
3 certificate from the Division (CAM.0009065) was inactive between September 30, 2022 to
4 January 27, 2023, and in active status thereafter. *CICC 089.*

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

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

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

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

15 6. The Association's President identified Lighting Services of Nevada, Inc.
16 ("Vendor") as the contractor who would be performing the work on the light poles. *CICC*
17 *073 – CICC 074.*

18 7. The Association's President did not represent the Vendor was a "handyman."
19 *CICC 073 – CICC 074.*

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

22 9. The Vendor does not have a contractor's license. *CICC 003, CICC 091.*

23 10. On December 11, 2022, Complainant submitted a request to RESPONDENT
24 and the Association's Board Members, President Culver, Vice President Robert Quon,
25 Treasurer Brian Meteyer, and Director Sakagawa ("Heathers Board") for the itemized bill
26 for the Vendor and details regarding installation of the two light poles. *CICC 009.*

27 11. On December 12, 2022, RESPONDENT replied to Complainant that an
28 invoice had not been received and she was not aware of installation procedures. *CICC*

1 010.

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

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

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

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

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

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

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

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

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

23 21. On or about March 22, 2023, the Division sent a Request for Information to
24 the RESPONDENT and the Association with a deadline of April 6, 2023. *CICC 026-CICC*
25 *028.*

26 22. On March 24, 2023, RESPONDENT emailed correspondences to the Division
27 regarding its Request for Information. *CICC 063 – CICC 068.*

28 ///

1 23. The Association, in their timely responses to the Division's Request for
2 Information, demonstrated differences in opinion as to whether all documents were
3 actually presented to the Complainants at the meeting. *CICC 029 – CICC 061.*

4 24. The Association's Treasurer alleged he never received an invoice from the
5 Vendor. *CICC 059 – CICC 061.*

6 25. The Association's Treasurer alleged he never received the check registers nor
7 have those ever been shared with the treasurer. *CICC 059 – CICC 061.*

8 26. As of about April 7, 2023, RESPONDENT failed to produce the following
9 outstanding documents requested by the Division and the Complainants:

- 10 a. The Heathers Board bid estimate for services with Vendor;
- 11 b. The proof of insurance, license number/s, and proof of bond for Vendor for
12 the work it performed in December of 2022;
- 13 c. Invoice or other billing for work done by Vendor; and
- 14 d. The Heathers Board check register and bank statements for the following
15 months:
 - 16 i. November of 2022 (to include front and back copies of all checks);
 - 17 ii. December of 2022 (to include front and back copies of all checks);
 - 18 iii. January of 2023 (to include front and back copies of all checks);
 - 19 iv. February of 2023 (to include front and back copies of all checks)

20 *CICC 062.*

21 27. On April 17, 2023, the Association's attorney, Steve Loizzi, demanded
22 Complainant's resignation from the Board. *CICC 086 – CICC 088.*

23 **VIOLATIONS OF LAW**

24 28. RESPONDENT violated NRS 116.31175 for not making the documents
25 available upon written request to the unit owners, Complainants.

26 29. RESPONDENT violated NRS 116A.620(6)(a) for failing to ensure financial
27 transactions were properly documented.

28 30. RESPONDENT violated NRS 116A.630(9) by failing to make the financial
records of the Heathers Board available for inspection by the Division.

 31. RESPONDENT violated NRS 116A.630(11) when, upon Complainants'
written request, she failed to make the financial records available and/or provide copies of
such records.

1 Vegas, Nevada 89102 with videoconferencing to Department of Business & Industry,
2 Division of Insurance, 1818 E. College Parkway, Suite 103, Carson City, Nevada 89706.

3 **STACKED CALENDAR:** Your hearing is one of several hearings that may
4 be scheduled at the same time as part of a regular meeting of the Commission
5 that is expected to take place on June 13 – June 15, 2023. Thus, your hearing may
6 be continued until later in the day or from day to day. It is your responsibility
7 to be present when your case is called. If you are not present when your hearing
8 is called, a default may be entered against you and the Commission may decide
9 the case as if all allegations in the complaint were true. If you need to negotiate
10 a more specific time for your hearing in advance because of coordination with
11 an out of state witness of the like, please call Maria Gallo, Commission
12 Coordinator, at (702) 486-4074.

13 **YOUR RIGHTS AT THE HEARING:** Except as mentioned below, the hearing is
14 an open meeting under Nevada’s open meeting law and may be attended by the public.
15 After the evidence and arguments, the commission may conduct a closed meeting to
16 discuss your alleged misconduct or professional competence. You are entitled to a copy of
17 the transcript of the open and closed portions of the meeting, although you must pay for
18 the transcription. As a RESPONDENT, you are specifically informed that you have the
19 right to appear and be heard in your defense, either personally or through your counsel of
20 choice. At the hearing, the Division has the burden of proving the allegations in the
21 complaint and will call witnesses and present evidence against you. You have the right to
22 respond and to present relevant evidence and argument on all issues involved. You have
23 the right to call and examine witnesses, introduce exhibits, and cross-examine opposing
24 witnesses on any matter relevant to the issues involved.

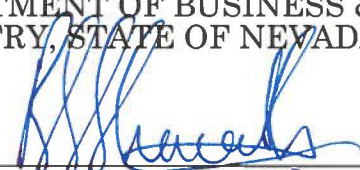
25 You have the right to request that the Commission issue subpoenas to compel
26 witnesses to testify and/or evidence to be offered on your behalf. In making this request,
27 you may be required to demonstrate the relevance of the witness’s testimony and/or
28 evidence. Other important rights and obligations, including your obligation to answer the

1 complaint, you have are listed in NAC 116A.560 through NAC 116A.655, NRS Chapter
2 233B, and NRS Chapters 116 and 116A and NAC 116 and 116A.

3 Note that under NAC 116A.585, not less than five (5) working days before a hearing,
4 RESPONDENT must provide to the Division a copy of all reasonably available documents
5 that are reasonably anticipated to be used to support his or her position, and a list of
6 witnesses RESPONDENT intends to call at the time of the hearing. Failure to provide any
7 document or to list a witness may result in the document or witness being excluded from
8 RESPONDENT'S defense. The purpose of the hearing is to determine if the
9 RESPONDENT has violated any of the provisions of NRS and NAC Chapters 116 and
10 116A, and to determine what administrative penalty is to be assessed against
11 RESPONDENT, if any, pursuant to NAC 116A.360.

12
13 DATED this 2 day of May, 2023.

REAL ESTATE DIVISION,
DEPARTMENT OF BUSINESS &
INDUSTRY, STATE OF NEVADA

14
15
16 By: 
SHARATH CHANDRA, Administrator
3300 W. Sahara Ave. Ste 350
Las Vegas, Nevada 89102
(702) 486-4033

17
18
19 DATED this 2nd day of May, 2023.

AARON D. FORD
Attorney General

20
21
22 By: 
CHRISTAL P. KEEGAN
Deputy Attorney General
State Bar No. 12725
5420 Kietzke Lane, Suite 202
Reno, Nevada 89511
(775) 687-2141
ckeegan@ag.nv.gov

23
24
25
26
27
28 *Attorney for Real Estate Division*