

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 & INDUSTRY, STATE OF  
6 NEVADA,

7                                   Petitioner,

8 vs.

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

11                                   Respondent.

Case No. 2023-450

**FILED**

AUG 09 2023

NEVADA COMMISSION FOR  
COMMON INTEREST COMMUNITIES  
AND CONDOMINIUM HOTELS

*mgatto*

12                                   **COMPLAINT FOR DISCIPLINARY**  
13                                   **ACTION AND NOTICE OF HEARING**

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

25                                   **JURISDICTION AND NOTICE**

26           During all relevant times mentioned in this complaint, RESPONDENT held a  
27 community manager certificate from the Division (CAM.0009065) and is, therefore, subject  
28 to the jurisdiction of the Division and the provisions of NRS Chapters 116 and 116A and  
NAC Chapters 116 and 116A. RESPONDENT'S certificate is currently in "active" status.

1 **FACTUAL ALLEGATIONS**

2 1. On or about June 7, 2023, the Division received a complaint against the  
3 RESPONDENT from Griswold Real Estate Management. *CICC001-CICC028*.

4 2. Effective May 1, 2023, Griswold Real Estate Management (“Succeeding  
5 Management Company”) had been retained by Bradford Place Community Association  
6 (“Association”) to take over management services from the RESPONDENT’S company,  
7 Heritage Management Group LLC. *CICC001-CICC028*.

8 3. Prior to the transfer, on or about April 13, 2023, the Succeeding Management  
9 Company requested RESPONDENT provide the Association’s records by no later than  
10 May 15, 2023. *CICC005-CICC006*.

11 4. As of May 18, 2023, the Succeeding Management Company only received a  
12 few documents from the RESPONDENT’S Office Manager. *CICC015, and CICC027*.

13 5. Therefore, on or about June 20, 2023, the Division sent its First Request for  
14 Information to the RESPONDENT with a deadline of July 5, 2023. *CICC031-CICC033*.

15 6. Hearing none, on or about July 6, 2023, the Division sent its Second Request  
16 for Information to the RESPONDENT with a deadline of July 20, 2023. *CICC034-  
17 CICC036*.

18 7. On or about July 28, 2023, the Succeeding Manager provided the Division  
19 with an inventory log demonstrating the outstanding documents from the Respondent to-  
20 date:

- 21 a. Association Federal Tax ID number and 2022 tax return;
- 22 b. Adopted and ratified 2023 budget;
- 23 c. March / April 2023 financials;
- 24 d. Current year financials (2023);
- 25 e. Last completed audit or review;
- 26 f. Homeowner balances / ledger;
- 27 g. Year to date general ledger report;

28 ///

- 1 h. Schedule of all prepaid expenses, accrued expenses, and automated
- 2 clearing house (ACH) files;
- 3 i. Last board and executive minutes;
- 4 j. List of all homeowners with liens and collections;
- 5 k. All homeowner files;
- 6 l. All association files including community association manager files;
- 7 m. All meeting minutes; and the
- 8 n. Full list of utility bills and account numbers.

9 *CICC029-CICC030.*

10 8. As a result of RESPONDENT'S inadequate responsiveness to the Division  
11 and the Succeeding Management Company, now comes herewith.

#### 12 **VIOLATIONS OF LAW**

13 9. RESPONDENT violated NRS 116A.620(6) for failing to transfer all books,  
14 records, and other papers of the Association to the Succeeding Management Company  
15 within 30 days after termination.

16 10. RESPONDENT violated NRS 116A.630(1)(b) for failing to exercise ordinary  
17 and reasonable care in the performance of her duties by not transferring the Association  
18 record's timely or completely to the Succeeding Management Company.

19 11. RESPONDENT violated NRS 116A.630(2)(a) by failing to comply with state  
20 laws and regulations when she failed to provide the Division and/or the Succeeding  
21 Management Company with the requested documents.

22 12. RESPONDENT violated NRS 116A.630(9) by failing to make the financial  
23 records of the Association available for inspection by the Division.

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

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

28 ///

1 15. RESPONDENT violated NAC 116A.345(1)(a) for failing to comply with the  
2 Division's requests to provide documents.

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

5 17. RESPONDENT violated NAC 116A.355(1)(a)(1)-(3), by committing  
6 unprofessional conduct and acts of professional incompetence and negligence, as required  
7 therein under sections (2)(f), (3) and (4)(g).

8 **DISCIPLINE AUTHORIZED**

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

- 12 (a) Revoke or suspend the certificate;
- 13 (b) Refuse to renew or reinstate the certificate;
- 14 (c) Place the community manager on probation;
- 15 (d) Issue a reprimand or censure to the community manager;
- 16 (e) Impose a fine of not more than \$5,000 for each violation of a statute or  
17 regulation;
- 18 (f) Require the community manager to pay restitution;
- 19 (g) Require the community manager to pay the costs of the investigation  
20 and hearing;
- 21 (h) Require the community manager to obtain additional education  
22 relating to the management of common-interest communities; and,
- 23 (i) Take such other disciplinary action as the Commission deems  
24 appropriate.

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

27 ///

28 ///

1 **NOTICE OF HEARING**

2 **PLEASE TAKE NOTICE** that a disciplinary hearing has been set to consider this  
3 Administrative Complaint against the above-named **RESPONDENT** in accordance with  
4 Chapters 233B and 116 and 116A of the Nevada Revised Statutes and Chapter 116 and  
5 116A of the Nevada Administrative Code.

6 **THE HEARING WILL TAKE PLACE** at the Commission meeting(s) scheduled  
7 for September 26-28, 2023, beginning at approximately 9:00 a.m. each day, or until such  
8 time as the Commission concludes its business. The Commission meeting will be held at  
9 the Nevada State Business Center, 3300 W. Sahara Avenue, 4th Floor, Nevada Room, Las  
10 Vegas, Nevada 89102 with videoconferencing to Department of Business & Industry,  
11 Division of Insurance, 1818 E. College Parkway, Suite 103, Carson City, Nevada 89706.

12 **STACKED CALENDAR: Your hearing is one of several hearings that may**  
13 **be scheduled at the same time as part of a regular meeting of the Commission**  
14 **that is expected to take place on September 26-28, 2023. Thus, your hearing may**  
15 **be continued until later in the day or from day to day. It is your responsibility**  
16 **to be present when your case is called. If you are not present when your hearing**  
17 **is called, a default may be entered against you and the Commission may decide**  
18 **the case as if all allegations in the complaint were true. If you need to negotiate**  
19 **a more specific time for your hearing in advance because of coordination with**  
20 **an out of state witness or the like, please call Maria Gallo, Commission**  
21 **Coordinator, at (702) 486-4074.**

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

1 choice. At the hearing, the Division has the burden of proving the allegations in the  
2 complaint and will call witnesses and present evidence against you. You have the right to  
3 respond and to present relevant evidence and argument on all issues involved. You have  
4 the right to call and examine witnesses, introduce exhibits, and cross-examine opposing  
5 witnesses on any matter relevant to the issues involved.

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

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

19 ///

20 ///

21 ///

22

23

24

25

26

27

28

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

3  
4 DATED this 8<sup>th</sup> day of August, 2023.

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

6  
7 By: 

CHARVEZ FOGER

Deputy Administrator

3300 W. Sahara Ave., Ste. 350

Las Vegas, Nevada 89102

(702) 486-4033

8  
9  
10  
11 DATED this 8th day of August, 2023.

AARON D. FORD

Attorney General

12  
13  
14 By: 

CHRISTAL P. KEEGAN

Deputy Attorney General

Nevada State Bar No. 12725

5420 Kietzke Lane, Suite 202

Reno, Nevada 89511

(775) 687-2141

[ckeegan@ag.nv.gov](mailto:ckeegan@ag.nv.gov)

*Attorney for Real Estate Division*