

**COMMISSION FOR COMMON-INTEREST COMMUNITIES AND
CONDOMINIUM HOTELS MEETING MINUTES DECEMBER 12, 2023**

**VIA IN PERSON AND WEBEX VIRTUAL MEETING
DECEMBER 12, 2023**

Nevada State Business Center
3300 W. Sahara Avenue
4th Floor, Nevada Room
Las Vegas, Nevada 89102

Chairman Tomasso called the meeting to order at 9:08 A.M. and led in the Pledge of Allegiance.

1-A) Introduction of Commissioners in attendance

Phyllis Tomasso, June Heydarian, James Bruner, Kim Lighthart, Patricia Morse Jarman, and Sara Gilliam

1-B) Swearing in of new Commissioners

Chairman Tomasso swore in new Commissioners, Patricia Morse Jarman, and Sara Gilliam.

1-C) Introduction of Division staff in attendance

Sharath Chandra, Administrator; Charvez Foger, Deputy Administrator; Sonya Meriweather, Ombudsman; Shareece Bates, Administration Section Manager; Terry Wheaton, Chief Compliance Audit Investigator; Shalayna Thayer, Compliance Audit Investigator; Kelly Valadez, Commission Coordinator; Maria Gallo, Commission Coordinator; Phil Su, Senior Deputy Attorney General; and Christal Keegan, Deputy Attorney General.

Commission Counsel: Deputy Attorney General Ziwei Zheng

2) Public Comment

Samuel Covelli stated he spoke before the Commission earlier this year, asking the Commission several questions and making statements to the Commission, however they had no questions. Mr. Covelli stated there is dysfunction in the compliance section of the Ombudsman's office. Mr. Covelli stated homeowners are submitting valid 530 affidavits to the office and are routinely having the complaints returned as "unsubstantiated" with no reason given. Mr. Covelli stated he has submitted 7 complaints and very seldom has he been contacted about them. Mr. Covelli stated he has been lied to more than once by investigators. Mr. Covelli stated he had the cases closed in January of last year and did not know that they had been closed until he sent an email in April of this year requesting the status of the cases. Mr. Covelli stated he received a letter stating the cases were closed the day after the initial email was sent. Mr. Covelli stated he was not contacted during the investigation of the cases. Mr. Covelli stated the playing field for homeowners going against rogue boards, attorneys representing HOAs, and management companies is undue and overbearing. Mr. Covelli stated all his complaints have been about requesting documents that the association will not provide through normal channels. Mr. Covelli

stated he was then forced to file a 530 only to be labeled by the association attorney as a vexatious affiant. Mr. Covelli stated homeowners are being denied due process because of the undue, overbearing influence of three attorneys that have direct contact with the Division. Mr. Covelli stated something is very wrong with the compliance section at NRED and asked for an inspector general to do an audit on some of these cases. Mr. Covelli stated the gate is being closed by the gatekeeper, the process has become one sided in favor of the HOAs, management companies and HOA attorneys. Mr. Covelli stated he was told by Mr. Foger that one of his cases should be in front of the Commission, it did not get there. Mr. Covelli stated it did not get there for no obvious reasons. Mr. Covelli stated he asked for help from the Attorney General's office with no results. Mr. Covelli stated the press is starting to pick up on this issue and an article has already been published on this matter.

4) FOR POSSIBLE ACTION: DISCUSSION AND DECISION REGARDING RESPONDENT'S PETITION FOR A REHEARING OF DISCIPLINARY ACTION

A) NRED v. Casa Rosa Homeowners Association, Sheila Matherly, for possible action.

Case No. 2023-204

Type of Respondent: Board Member

Parties Present

Phil Su, Senior Attorney General was present representing the Division.

Vincent Aiello Esq., was present virtually representing Sheila Matherly.

Sheila Matherly, Respondent, was present virtually.

Mr. Aiello stated he filed a motion for reconsideration so the Commission could give some thought to the fines and penalties assessed against Ms. Matherly. Mr. Aiello stated Ms. Matherly thought the Community Association Manager (Diana Stegeman), was complying with the Divisions request for documents, unfortunately that was not the case. Mr. Aiello stated Ms. Matherly thought she had properly resigned from the board. Mr. Aiello stated as of December 1st the new incoming management company had not removed Ms. Matherly from the Nevada Secretary of State's website as a board member. Mr. Aiello stated that Ms. Matherly was present to speak and answer any questions. Mr. Aiello stated the fine should be assessed to all the board members or reduced. Mr. Aiello stated that Ms. Matherly should not be held responsible for the negligence of a known management company and a person (Diana Stegeman) who has had their license suspended.

Commissioner Gilliam stated she is recusing herself from this matter because her employer recently started managing one of the communities Ms. Stegeman previously managed.

Mr. Su stated the request for reconsideration was filed the day before the meeting and by regulations a request should have been submitted within 15 days when the final decision was served. Mr. Su stated he has not had time to review the motion for reconsideration due to its late filing. Mr. Su stated per NAC 116.617 he should have had the opportunity to file an opposition to the reconsideration. Mr. Su stated that although Ms. Matherly claims she was not a board member as of April of 2023, per NAC 116.750 the Commission can regulate board members up to a year after they discover violations of statutes. Mr. Su stated he would defer to the Commission if they wanted to entertain the Respondent's request for a rehearing.

Chairman Tomasso asked the Commission for feedback as to whether they should approve or deny the request for a rehearing.

Mr. Su stated the discipline ordered for Ms. Matherly was imposed at a default hearing, a \$5,000.00 fine plus attorney's fees and costs of \$7,719.32.

Commissioner Bruner stated he did not hear any good reasons to approve this petition for rehearing.

Chairman Tomasso stated she agreed with Commissioner Bruner and finds it difficult to review a document that is several pages long moments before the meeting started. Chairman Tomasso stated the respondent had plenty of time to request the petition and that would have given the Commission more time to study it. Chairman Tomasso stated the Commission gave careful thought to the fines that were assessed and ordered.

Chairman Tomasso moved to deny the petition for rehearing of disciplinary action. Seconded by Commissioner Bruner. Motion carried 5-0, Commissioner Gilliam abstained.

3-A) Administrator's Report

Sharath Chandra stated there are two items on the Division's agenda. Mr. Chandra stated the Division is still working on an IT project. Mr. Chandra stated because of the complexity of the Division and with the real estate and ombudsman umbrella, the Division had to go to the legislature to request funding. Mr. Chandra stated the Division received a one-shot appropriation along with an increase in the licensing fee for the technology enhancement.

Mr. Chandra stated that the Division is working on a proposal and has already identified a vendor and will begin the negotiation process. Mr. Chandra stated the goal is to move a lot of transactions online, such as CAM license renewals, information, and complaint filing. Mr. Chandra stated staffing is still a challenge. Mr. Chandra stated the Division had a very robust education section however we have had some turnover, so the Ombudsman is trying to rebuild her team. Mr. Chandra stated the goal of the Division is resuming online and in-person courses, producing digital materials and community engagement once the education section is fully staffed and trained.

Mr. Foger stated the Division is in the process of filling 2 positions in Carson City and several positions were recently filled in Las Vegas. Mr. Foger stated the Division is interviewing for the Education positions. Mr. Foger stated because there has not been an Education section the public has not been receiving the correct knowledge that they need. Mr. Foger stated they are getting good applicants for the open positions and look forward to having everyone hired by the end of February.

Chairman Tomasso asked how long it would take to get the Education section up to speed.

Mr. Foger stated it would take at least 4 months to get the education section versed in NRS 116, 116A and 116B. Mr. Foger stated once they are versed in the law they will go out into the public and teach.

Mr. Chandra stated there is a lot of content on the Division's website that the public can utilize in the meantime.

3-B) Ombudsman's Summary Report

Sonya Meriweather presented this report that was provided to the Commission in the meeting packet.

Commissioner Morse Jarman asked how many staff positions are in the Ombudsman's Office.

Ms. Merriweather stated there are 21 full-time positions that include Las Vegas and Carson City.

Commissioner Morse Jarman asked if more staff positions are needed.

Ms. Merriweather stated more staff is always good, however the staff she has is getting the work done. Ms. Merriweather stated because they are short-staffed for such a long time when the new positions were filled, they had a backlog of work to be completed, so they are always playing catch up.

3-C) CIC Compliance Caseload Report and Summary

Terry Wheaton presented this report that was provided to the Commission in the meeting packet.

Mr. Foger stated his staff have been at the Division for a long time and know what they are doing. Mr. Foger stated if people do not get what they want from the Division, the Division is the bad guy. Mr. Foger stated the staff works diligently to investigate the complaints and give the best outcome they can. Mr. Foger stated that over the past 2-3 months, staff have been providing more explanation in the closure letters. Mr. Foger stated the investigation section is doing a very good job and not everything you hear about the investigation section is always true.

Commissioner Bruner asked if the comments about reaching out to the Division about their case multiple times and not receiving a response are true.

Mr. Foger stated he is adamant to Division staff about responding to people about their cases within 48 hours, so that statement is untrue.

3-D) Licensee and Board Member Discipline Report

Shareece Bates presented this report that was provided to the Commission in the meeting packet.

3-E) Discussion regarding Commissioner's speaking engagement request

Commissioner Heydarian stated she has been approached by one provider in the industry that would like the Commission to speak about the process of serving on the Commission. Commissioner Heydarian stated she is waiting for them to get back to her with the list of topics so she can present it to the Commission so they can discuss. Commissioner Heydarian stated the general topics may entail - what is it like to be on the Commission, what are the duties, responsibilities, etc. Commissioner Heydarian stated maybe the Division and Commission Counsel could prepare something so they could stay on topic.

3-F) Discussion regarding the State of Nevada Controller's Office debt collection process for fines issued by the Commission

Ms. Bates offered to provide a way to contact the Controller's Office for any member of the Commission that requests to take on this agenda item.

Chairman Tomasso asked Ms. Bates to elaborate on what would be required of a commissioner who would take over this report.

Ms. Bates stated once a respondent has gone to collections and the Controller's Office attempts to collect the money owed to the Division. What is unknown is the secondary collection process for the Controller's Office to try and collect the money owed if the respondent never responded to notices from the Division. Ms. Bates stated she could make some of the old reports available so commissioners can get an idea and reach out and start the communications and continue this process with the Controller's Office.

Commissioner Morse Jarman asked if anything or if very little is being collected on a fine once it has been turned over to collections.

Ms. Bates stated very little is being collected and it may also depend what information we have on file to locate the respondent.

Commissioner Morse Jarman asked if the State has a way to assess liens of any kind, why is very little being done to step up the collection process of the monies owed to the State, and why is there not a report on whether collections on a respondent is possible.

Mr. Su noted that statute NRS 353C.195 requires agency boards and commissions to assign debts to the State Controller. Mr. Su noted that there are some mechanisms listed in the law for further collection activities.

Mr. Chandra stated there was language in our statute that allowed a state agency to collect monies owed through a court order, however that language has been removed and now all State agencies are required to go through the Controller's Office for collections. Mr. Chandra stated that there have been some egregious fines recently against some licensees, and the discussion began "can that collection process be given back to the agencies" so they can pursue collections through a court order. Mr. Chandra stated he thought that was a legislative fix that would need to happen. Mr. Chandra stated the money owed always stays with that person, so if that person wants to apply for a license or for a service in Nevada they cannot move forward unless that debt is addressed.

Commissioner Morse Jarman stated that if the respondent moves to California that state does not know they have a debt owed to Nevada, so they are free and clear.

Mr. Chandra stated that is not the case in real estate, CIC is a different animal because not all states require a license to be a Community Association Manager. Mr. Chandra stated that the state may have a process of verifying information.

Commissioner Morse Jarman asked whether there is a way for states to talk to each other with regards to discipline and monies owed to a state.

Mr. Su stated there is not a clearing house of disciplinary action for states to share information about Community Association Managers, like there is about other occupational licenses.

Commissioner Morse Jarman asked if there is an annual report given to the Division by the Controller's Office about what has been collected.

Mr. Chandra stated there is a report the Controller's Office files and gives to the different agencies; however, we track our debt better than they do. Mr. Chandra stated there may be some settlement talks with the collection company and they will come back to us, and we may not settle if there were a lot of violations. Mr. Chandra stated if they reapply for a license, they would be denied a license and they would have to come before the commission before a license would be issued.

Commissioner Heydarian asked if the reports indicate if contact was successful with the individual or if there were challenges in contacting the individual. Commissioner Heydarian stated that some licensees pop up at other management companies. Commissioner Heydarian asked if there was a problem locating these people, because the community association managers are still interacting with these people in the industry. Commissioner Heydarian stated there may be information that others can help provide the Division or the Controller's Office to collect on the debt owed.

Mr. Chandra stated the Controller's Office and collection agencies each have their separate processes, and the collection agencies do not contact the Controller's Office until they have someone that is willing to pay, or the debt turns up when they are trying to secure a loan. Mr. Chandra stated collection of debt owed to the state is not a perfect process. Mr. Chandra also mentioned that the Secretary of State's Office runs a report that will flag any individuals applying for a business license with outstanding state debt as well.

Chairman Tomasso stated she would contact former Commissioner Niggemeyer about the debt collection process and ask who his contacts were in relation to the Controller's report.

3-G) Discussion and decision to approve minutes of the September 26, 2023, Commission meeting

Commissioner Heydarian moved to approve the revised September 26, 2023, meeting minutes. Seconded by Commissioner Morse Jarman. Motion passed 5:0. Commission Gilliam abstained.

5) DISCIPLINARY ACTION: HEARING AND POSSIBLE ACTION BY THE COMMISSION:

A) NRED v. Monterey Grand Manor Owners Association, Dale Milligan, Susan Moore, Richard Jagodzinski, and Saturday Aisuan, for possible action.

Case No. 2021-1049

Type of Respondent: Board Members

Parties Present

Phil Su, Senior Deputy Attorney General was present representing the Division.

Leah Wickline, Community Association Manager, was present virtually representing Monterey Grand Manor OA.

Zorn Djordjevic, President and Board Member, was present representing Monterey Grand Manor OA.

Preliminary Matters

Mr. Su stated this was a status check because a settlement was agreed to, however the board members still had not signed the settlement. Mr. Su stated they did provide the Division with a signed copy of the settlement and this matter is now put to rest.

Chairman Tomasso asked if the board members had changed.

Mr. Su stated the board members had changed and the current board members signed the settlement.

Mr. Djordjevic stated they recently had a meeting where new members were established, and they now have a full board.

Mr. Su stated no action is needed from the Commission, and the fact that a board member and their community association manager was present bodes well for the Association.

B) NRED v. Rancho San Juan Homeowners Association, Christopher Seckler, Sebastian Mayo, and Cesar Valdez

Case No. 2021-161

Type of Respondent: Board Members

Parties Present

Phil Su, Senior Deputy Attorney General was present representing the Division.

Patrick Orme Esq., was present representing Rancho San Juan HOA.

Preliminary Matters

Mr. Su gave a summary of the case to date.

Mr. Orme stated he is there for a status check. Mr. Orme stated 21% of the 61 mobile homes in the Association are a month or more behind, however that is down from 30% in June. Mr. Orme stated most of the homes are paying their assessments as well as the special reserve assessment. Mr. Orme stated the special reserve assessment will stay in effect through 2024. Mr. Orme stated there are 4 homes in collections that will be up for sale in January if the owners do not pay before then. Mr. Orme suggested a 6-month status check.

Commissioner Bruner asked about the swimming pool.

Mr. Orme stated the swimming pool is still closed and there is hope in the future to repair and salvage the pool and clubhouse.

Chairman Tomasso stated a 6-month update is warranted.

Mr. Su asked if there is anything the Association should supply before the June meeting.

Commissioner Heydarian asked if the Association was going to conduct an audit. Commissioner Heydarian stated she would like an up-to-date report about delinquencies.

Mr. Orme stated that conducting an audit is expensive, however if they were ordered to do one, they would.

Commissioner Lighthart stated a full set of financials for 2023 would be helpful in seeing the whole picture as well as year to date financials for 2024.

Chairman Tomasso made a motion that the Respondents return to the June meeting and provide full financials for 2023, year to date financial for 2024, and any bids for repairing the pool and clubhouse two weeks before the meeting. Seconded by Commissioner Lighthart. Motion carried.

C) NRED v. Sierra Ranchos Property Owners Association, for possible action

Case No. 2018-1663

Type of Respondents: Board Members

Parties Present

Phil Su, Senior Deputy Attorney General was present representing the Division.

Loren Pierce, President and Board Member, was present virtually representing Sierra Ranchos POA.

Betty (BJ) Brown, Supervising Community Association Manager, representing Sierra Ranchos POA was present virtually.

Preliminary Matters

Mr. Su stated an engineering report has been completed, special assessments have been made to fund the road repairs and bids have been obtained.

Mr. Pierce stated they are waiting for Washoe County to issue the permits, the request for proposals have gone out to the various companies to complete the work. Mr. Pierce stated they do have one company prepared to start working in the winter. Mr. Pierce stated the special assessment was done as directed, however they continue to have issues with finances. Mr. Pierce stated that William Roth, a former board member sent out mailings and filed a personal lawsuit against the management company and the Association. This has forced the Association to hire an attorney and use more operating funds to address the lawsuit. Mr. Pierce stated they do not know how much it will cost to rectify the county violations and every time they take one step forward something takes them two steps back. Mr. Pierce stated the Association hopes to have the violations taken care of and the roadwork completed by early May.

Commissioner Bruner asked if the Association is going to do the road projects in phases.

Mr. Pierce stated they planned on doing the project in phases, the first being the county violations that concern Wrangler and Panhandle Road, then long term plans to address the areas

that flood one by one. Mr. Pierce stated that due to the high dollar amount required, estimated at over one million dollars, to fix all the drainage issues within the community, it will take several years to complete. Mr. Pierce stated sometimes you must fix the problems upstream before you can fix the problems downstream.

Chairman Tomasso asked for clarification purposes if Mr. Roth is no longer a board member.

Mr. Pierce stated that Mr. Roth has a home in a different association, but he signed on to Don Lingle's deed so he could serve on our Board. Mr. Pierce stated the reason for that is Mr. Roth's home is on Frontier Road, which is the lowest point in the valley where the natural flow of drainage runs basically to his front door. Mr. Pierce stated that the issue was brought up at a board meeting with Mr. Roth present and that Mr. Roth wants to use Sierra Ranchos funds to divert water away from his property that is not located within the Association.

Commissioner Lighthart asked if the Association investigated applying for grants to fund their road improvements.

Mr. Pierce stated in 2017 it was suggested they apply for FEMA funds after a flood, however that was rejected by the Board at that time. Mr. Pierce stated the current flooding issues are manmade from 20 years of illegal grading by an unlicensed contractor.

Commissioner Morse Jarman asked if it is legal for Mr. Roth to sign onto someone else's deed to sit on that Association's board.

Mr. Pierce stated it is legal to do so. Mr. Pierce stated the old Board that was appointed after the previous Board Members resigned, was overwhelmingly elected to another term. Mr. Pierce stated constant interruptions are taking time and money away from the Association's funds that they need to pay for the work that needs to be completed.

Commissioner Bruner moved that this case be continued to the next hearing and another update should be ordered to see how the Association is progressing with the county permits, and road repairs. Seconded by Commissioner Morse Jarman. Motion carried.

D) NRED v Sapphire Springs Homeowners Association, for possible action

Case No. 2023-404

Type of Respondent: Homeowners Association

Parties Present:

Christal Keegan, Deputy Attorney General was present representing the Division.

Preliminary Matters

Ms. Keegan stated this is a status report to see if the Association has come into compliance with having a 3-person board pursuant to NRS 116.31034. Ms. Keegan stated she talked with the Community Association Manager, Traci Wozniak, before the meeting, and she should be present to give a report about the progress of the community.

Chairman Tomasso tabled this case until the Community Association Manager could be located to give testimony about the progress of the community.

E) NRED v. Diana D. Stegeman, for possible action

Case No. 2023-559

Type of Respondent: Community Association Manager

License No: CAM.0009065 (Revoked)

Parties Present

Christal Keegan, Deputy Attorney General representing the Division.

Diana D. Stegeman was not present.

Preliminary Matters

Commissioner Gilliam stated she is recusing herself from this matter because her employer recently started managing one of the communities Ms. Stegeman previously managed.

Ms. Stegeman was not present.

Chairman Tommaso stated the case would proceed as a default case.

Ms. Keegan stated there is a clerical error on the Division filed documents, the case number is 2023-559 instead of 2023-599.

Ms. Keegan read a summary of the case into the record.

State's Witness

Maria Gallo, Commission Coordinator, testified regarding service of complaint.

Ms. Keegan moved to admit certificate of mailing and proof of mailing into the record.

Chairman Tommaso admitted certificate of mailing, proof of mailing and to find the Respondent in default.

Ms. Keegan moved that the State has provided sufficient service of notice to the Respondent.

Chairman Tommaso moved that the State provided sufficient service of notice to the Respondent.

Ms. Keegan stated per NAC 116A.590 the Commission can accept the factual allegations and legal violations as true and adopt the recommendation for discipline which the State will present on behalf of the Division.

Motion carried 5-0, Commissioner Gilliam abstained.

Ms. Keegan stated because this is a default case the Division recommends the maximum fine of \$5,000 per violation, there are 10 violations alleged in the complaint including the Division fees and costs of \$2,713.30.

Commissioner Bruner asked if the recommended discipline includes a suspension and/or revocation of the Respondent's license.

Ms. Keegan stated that at the last Commission hearing Ms. Stegeman's license was permanently revoked and is currently in "revoked" status.

Chairman Tomasso moved that the Respondent pay \$50,000 in fines, \$2,713.30 in fees and costs and be payable to the Division within 3 months. Seconded by Commissioner Bruner. Motion carried 5:0, Commissioner Gilliam abstained.

F) NRED v. Christina Marie Dehlinger, for possible action

Case No. 2023-322

Type of Respondent: Community Association Manager

License No: CAM 0009099 (Inactive)

Parties Present

Christal Keegan, Deputy Attorney General was present representing the Division.

Christina Dehlinger, Respondent, was present virtually.

Kirk Kennedy Esq., was present virtually representing the Respondent.

Preliminary Matters

Ms. Keegan read a summary of the case into the record.

Ms. Keegan stated a settlement has been reached between the parties.

Ms. Keegan read the settlement into the record as follows:

- Since the Division's filing of its Complaint, the RESPONDENT has taken steps to repay her liability towards the \$92,052.50 Proof of Loss filed by the victim/insured Association and has tendered a down payment of \$25,000. RESPONDENT has made additional monthly payments of \$300.00 and shall continue to make such monthly payments until her obligation is completely repaid.
- RESPONDENT shall pay the Division a total amount of \$1,392.24 ("Amount Due"), consisting of the Division's incurred costs in the amount of \$450.00 and the Attorney's pre-hearing fees in the amount of \$942.24, within sixty (60) days of the date of the Order approving this Stipulation and Order.
- RESPONDENT further agrees to voluntarily surrender her community manager certificate and shall not reapply until the restitution to the Association's insurer and the Amount Due to the Division is paid in full and final satisfaction, with such reapplication subject to appearance before the Commission for approval of any licensure prior to obtaining licensure.

Mr. Kennedy stated he hoped the Commission would accept the settlement. Mr. Kennedy stated his client has created this situation through her own intentional misconduct and is trying to remedy it with a substantial good faith payment and his client is trying to get her work situation squared away so she can pay more money to her liability.

Chairman Tomasso asked if the Commission has any questions for the Respondent.

Commissioner Heydarian moved to approve the settlement. Seconded by Commissioner Bruner. Motion carried.

G) NRED v Yun (Jack) Lin, for possible action

Case No. 2023-227

Type of Respondent: Board Member

Parties Present

Phil Su, Senior Deputy Attorney General, was present representing the Division.

Yun Lin, Respondent, was present.

Preliminary Matters

Mr. Su stated Mr. Lin requested a translator in an answer that he submitted a week ago. Mr. Su stated due to the short amount of time of the request to the meeting date, the Division was not able to fulfill his request before the meeting date. Mr. Su stated if both parties agree they could proceed without a translator. Mr. Su stated that the Division does have a concern about due process because of the language barrier.

Ms. Zheng counseled the Commission that it may be best to err on the side of caution and continue this case until the next meeting so Mr. Lin can have a translator.

Mr. Su asked Mr. Lin if he understood what was being suggested, that the case would be continued until the next meeting.

Mr. Lin stated he did understand that the case would be continued until the next commission meeting. Mr. Lin stated he wanted some documents from the HOA, and they are not providing him with the documents.

Ms. Zheng and Mr. Su briefly spoke to Mr. Lin in Mandarin to help him understand the process.

Mr. Su stated that Mr. Lin can only talk about his case and the Division cannot do anything about the HOA not providing him with the documents.

Mr. Lin asked if he could hire a lawyer, and asked if the Association would pay for it.

Mr. Su stated he cannot give him legal advice and it would be between him and the Association if they would hire a lawyer for him.

Chairman Tomasso moved that this case will be continued until the next scheduled Commission meeting. Seconded by Commissioner Heydarian. Motion carried.

D) NRED v Sapphire Springs Homeowners Association, for possible action

Case No. 2023-404

Type of Respondent: Homeowners Association

Parties Present:

Christal Keegan, Deputy Attorney General was present representing the Division.

Richard Aparis, Community Association Manager (CAM), was present.

Preliminary Matters

Ms. Keegan stated the CAM Traci Wozniak was properly notified that her presence was required

to give a status update about the case to the Commission, and with her not appearing she is in breach of the Order.

Mr. Wheaton stated the Division has made several unsuccessful attempts to contact the CAM.

Ms. Meriweather stated the Ombudsman office was in contact with Ms. Wozniak via email and on October 31st an email was sent that the Association did have 3 board members.

Ms. Keegan stated she wanted to proceed with the case as a default.

Ms. Meriweather stated that at the time of the October 31st email, Ms. Wozniak informed her that she was no longer going to be the CAM for the Association and a different CAM, Ms. Wolfe would be present at the meeting to provide an update to the Commission.

Chairman Tomasso asked if someone has attempted to contact Ms. Wolfe.

Mr. Wheaton stated the Division was unable to contact anyone at the management company and he is currently on hold waiting to talk to someone.

Chairman Tomasso opened the discussion to the Commissioners on how they would like to proceed with the case.

The Commission discussed whether to continue this case until the next meeting or continue this case as a default and levy discipline on the Association.

Ms. Bates stated that Ms. Wolfe was not noticed for this meeting.

Mr. Aparis stated he was just notified that he was supposed to appear at this hearing. Mr. Aparis stated he is a CAM and just became the CAM for Sapphire Springs a week ago and is here to speak about the board member issue.

Ms. Keegan asked if the new CAM was able to give a status update to determine if the Association has come into compliance with the 3-board member requirement since the last meeting.

Chairman Tomasso asked Mr. Aparis if Sapphire Springs now has 3 board members serving on their board.

Mr. Aparis stated the Sapphire Springs does have 3 board members and may have a 4th person to volunteer to be on a committee.

Ms. Keegan stated that the Division is ready to close this file if the Association can demonstrate that it has fulfilled its statutory requirement to have 3 board members.

Chairman Tomasso moved to close the case against Sapphire Springs HOA. Seconded by Commissioner Bruner. Motion carried.

6) FOR POSSIBLE ACTION: DISCUSSION AND DECISION REGARDING LICENSE DENIAL APPEAL PURSUANT TO NAC 116A.130

Susan Miranda, for possible action

File No. S-LDA-24-003

Parties Present

Susan Clark, Licensing Manager, was present representing the Division.

Susan Miranda, Respondent, was present.

Ms. Miranda requested that the Commission go into closed session.

Commissioner Heydarian moved that the Commission go into closed session. Seconded by Commissioner Morse Jarman. Motion carried.

The Commission went into closed session.

Commissioner Heydarian moved that the Commission go back into open session. Seconded by Commissioner Gilliam. Motion carried.

The Commissioner went back into open session.

The Commissioners discussed whether to approve or deny the license denial appeal.

Commissioner Bruner moved to approve the license denial appeal. Seconded by Commissioner Lighthart. Commissioner Heydarian asked for an amendment to the motion for an additional year of supervision. Commissioner Bruner moved to accept the amendment. Seconded by Commissioner Lighthart. Motion carried.

7) FOR POSSIBLE ACTION: FOR DISCUSSION AND DECISION ON DATE, TIME, PLACE, AND AGENDA ITEMS FOR UPCOMING MEETING(S) INCLUDING SETTING THE MEETING CALENDAR FOR 2024.

- March 5-7, 2024
- June 11-13, 2024
- September 10-12, 2024
- December 3-5, 2024

8) Public Comment

Samuel Covelli stated Mr. Foger was correct in saying he did not get what he wanted, which was a fair and impartial investigation into his complaint. Mr. Covelli stated he did not get a complete investigation into his complaint because of the overbearing influence of an HOA attorney on the Division. Mr. Covelli stated he has sworn statements from individuals and homeowners that are willing to testify to this fact if needed.

Jan Porter stated she is a homeowner and board member that has a long-standing interest in common-interest communities, the education of homeowners and HOA professionals. Ms.

Porter stated that Fannie Mae and Freddie Mac have updated the lending requirements that filter down to the secondary lending markets, on December 6th those new guidelines were updated. Ms. Porter stated there have been some improvements to the process, specifically the federal Condo Project Advisor's entity is proactively reaching out to HOAs to inform them of their status. Ms. Porter stated for HOAs this relates to the mortgage lending questionnaires. Ms. Porter asked if NRED, in the future, identify if it is legal to include a question or section in the annual registration form about whether the Association has been given notice of compliance or insufficiency with any governmental agency. Mr. Porter stated this might be a red flag for the Division to follow up with Associations, especially with condominium co-ops and condo hotels.

Mike Kosor stated he has been before this Commission for many years. Mr. Kosor stated his issue has been unchanged, he has concerns with the Division investigators and how the statutes are constructed. Mr. Kosor stated he knows the Commission does not change the statute or write the law, but they do write some regulations. Mr. Kosor stated there needs to be a forum for homeowners to get involved in the process. Mr. Kosor suggested the commissioners read an article in the *Nevada Current* by Dana Gentry "HOA regulators captive to deep pockets of developers, property management industry, say critics". Mr. Kosor stated he brings this up because there was a CIC taskforce that was designed to help homeowners get involved, and that the taskforce has not met in over 3 years. Mr. Kosor stated that it is almost impossible for homeowners to get regulations and or statutes changed, given the lobbies they would have to overcome. Mr. Kosor stated it is important that the taskforce get involved so that the homeowners have a voice. Mr. Kosor asked how no bid contracting in large HOAs is not unlawful. Mr. Kosor asked how CC&Rs are allowed to be amended without owner agreement or understanding, and not considered a violation of NRS. Mr. Kosor stated it has been known for years that declarants (developers) will stretch the number of units to be permitted and hold on to control indefinitely. Mr. Kosor stated he lives in an HOA that has been controlled by the developer for 23 years and he needs to know why that is still being permitted. Mr. Kosor stated he was elected to serve on the Board and was denied access to the records of the Association. Mr. Kosor stated he was ousted from his elected position by the declarant-controlled Board. Mr. Kosor stated they had no authority to do so, and the Division has taken no action whatsoever. Mr. Kosor stated the stakeholders need to be brought together and decide what action is needed to move forward. Mr. Kosor stated it is up to the Commission to argue that we must have more transparency or at least a discussion. Mr. Kosor stated he has been coming to these meetings for over 7 years asking for anyone on the Commission to reach out to him to better understand the issues he has raised and not once has anyone on this Commission reached out to him to ask what his issues are because "there might be something there".

Commissioner Morse Jarman requested to form a subcommittee with those Commissioners interested in meeting with the Controller's Office and try to work on the debt collection process.

Chairman Tomasso stated that would be a great idea and open to discussing that at the next meeting.

Commissioner Morse Jarman requested to work on regulations regarding debt collection, because some respondents owe lots of money that may never be collected if we do not actively try to collect that money.

Mr. Chandra stated the Division will work on getting information about the Controller's report. Mr. Chandra stated that millions and millions of dollars are written off every year from all different agencies and the State does understand there is an issue. Mr. Chandra stated state agencies are limited in submitting Bill Draft Request's (BDR's) to the legislature, and that we do matters that are more functional and everything else is through the lawmakers.

8) Adjournment

Meeting adjourned at 12:49 PM

Minutes prepared by:

A handwritten signature in cursive script that reads "M Gallo". The signature is written in black ink and is positioned above a horizontal line.

Maria Gallo
Commission Coordinator