

**COMMISSION FOR COMMON-INTEREST COMMUNITIES AND
CONDOMINIUM HOTELS MEETING MINUTES MARCH 5, 2024**

**VIA IN PERSON AND WEBEX VIRTUAL MEETING
MARCH 5, 2024**

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

VIDEO CONFERENCE TO:
Nevada Division of Insurance
1818 East College Parkway
Suite 103
Carson City, Nevada 89706

1) COMMISSION/DIVISION BUSINESS:

A) Chairman Tomasso called the meeting to order at 9:04 A.M. and led in the Pledge of Allegiance.

Introduction of Commissioners in attendance: Phyllis Tomasso, June Heydarian, James Bruner, Kim Lighthart, Patricia Morse Jarman, Robert “Bob” Sweetin, and Sara Gilliam, a quorum was established.

Commission Counsel: Deputy Attorney General Ziwei Zheng

B) Swearing in of new Commissioners

Chairman Tomasso swore in new Commissioner, Robert “Bob” Sweetin.

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.

2) Public Comment

Mike Kosor stated he is one of two elected directors in a large Homeowners Association (HOA). Mr. Kosor stated he has had the pleasure of appearing before this Commission for many years and will continue to do so in the hopes eventually there will be some changes made. Mr. Kosor stated he has provided the Commissioners with copies of his public comment through the Commission Coordinator. Mr. Kosor stated there are two points he would like to bring up, one is for the Commission to recommend that Director Dr. Kristopher Sanchez resume regular meetings of the CIC Task Force and include at least one homeowner representative member on the task force and the second is for the Commission to conduct a review of the numerous

allegations made by homeowners, that NRED is abusing its authority in obstructing the right of homeowners to access the CIC Commission hearing process. Mr. Kosor stated the commission was established by the legislators as an alternative to litigation in an attempt to resolve issues between homeowners and their homeowner's association. Mr. Kosor invited the commissioners to reach out to him directly if they had questions or concerns that he could answer.

Benn Wiebers stated he is a homeowner at Boca Raton Condominium Community Association here in Las Vegas. Mr. Wiebers stated the HOA is located at 2405, 2455 and 2475 W. Serene Ave. Mr. Wiebers stated he is here to speak about the CICCH/HOA Task Force and raise concerns that this mechanism appears to have been quashed since only a few meetings have ever been held. Mr. Wiebers stated it is a mandate of the Real Estate Division "to ensure the legal operation of business in order to protect consumers" and the task force was established to study issues of concern to common-interest communities in Nevada. Mr. Wiebers stated that after \$11 million was stolen from his condominium HOA, the CIC Task Force should have been a priority. Mr. Wiebers stated upon reviewing the CIC disciplinary report, disciplinary actions concerning Boca Raton Condominium Community Association are absent. Mr. Wiebers appealed for the reactivation of the task force as soon as possible and to allow participation from homeowners who deserve to also be protected by the State of Nevada. Mr. Wiebers stated he has provided the Commissioners with copies of his public comment through the Commission Coordinator.

Heather Scherloski stated she has been a homeowner at Boca Raton Condominium Community Association since 2011, which is a 378-unit community. Ms. Scherloski stated she is also here to speak about the CICCH/HOA Task Force. Ms. Scherloski stated NRED, and this Commission did not do anything to protect the interests of minority owners, only the interests of the developer and majority owners/investors were protected. Ms. Scherloski stated that no one has been held accountable for the \$11 million that had been misappropriated from her Association. Ms. Scherloski stated that Boca Raton exemplifies why the CICCH/HOA Task Force must be reactivated. Ms. Scherloski addressed the failure in allowing a non-profit association to combine with a for-profit apartment rental business. Ms. Scherloski stated she hopes that going forward, NRED and this commission will be committed to protecting the interests of innocent and unsuspecting homeowners living in associations across Nevada. Ms. Scherloski stated she has provided the Commissioners with copies of her public comment through the Commission Coordinator.

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

A) NRED v. Keith Dempsey, for possible action.

Case No. 2023-552

Type of Respondent: Board Member

Parties Present

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

Keith Dempsey, Respondent, was present.

Preliminary Matters

Mr. Su stated this petition for rehearing comes after Mr. Dempsey was found in default at the last

Commission meeting because he did not appear at that meeting. Mr. Su stated after the meeting Mr. Dempsey reached out to him stating that he did not receive the mailing that informed him of the complaint against him. Mr. Su stated Mr. Dempsey filed his petition for rehearing in a timely matter and the Division is not inclined to oppose his petition for rehearing and for the Commission to hear the case on its merits. Mr. Su stated he is available for questions.

Commissioner Bruner asked how Mr. Dempsey found out about his case.

Mr. Dempsey stated when he returned to Nevada in October of 2023, a neighbor in the community notified him that a mailing from the management company mentioned that he was found guilty. Mr. Dempsey stated he then contacted NRED who then forwarded his information on to Mr. Su. Mr. Dempsey stated he then learned he should file a petition for a rehearing of his case since he had not been properly notified because the Division was given the wrong mailing address from the management company. Mr. Dempsey stated he brought documents to confirm that the management company had his correct address on file but did not notify NRED of the new address.

Commissioner Bruner asked if the Commission approved the petition, when would the case be heard?

Mr. Su stated the case would be heard at the next Commission meeting in June.

Commissioner Bruner made a motion to approve the petition for rehearing. Seconded by Commissioner Heydarian. Motion carried.

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

A) 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, Board President, was present virtually.

Mr. Su stated this matter is for a status update to check the progress of the road work, clearing the Washoe County violations and the implementation of the special assessments. Mr. Su stated that Mr. Pierce would be able to speak to what progress has been made.

Mr. Pierce stated they were in possession of the permits, so now bids can be sought to fix some of the roads. Mr. Pierce stated RFP's have been scheduled however because of the recent snowfall, that it will most likely be pushed back several weeks. Mr. Pierce stated a special assessment has been implemented, collection has been slowed because of the actions of the previous board but the current board has since taken action to get more homeowners to comply. Mr. Pierce stated no further special assessments should occur to make repairs tied to the county violations.

Chairman Tomasso asked if the Commission had any questions.

Commissioner Lighthart asked Mr. Su if another order would be necessary for them to appear at the June meeting.

Mr. Su stated the Commission could order the association to appear at the next meeting in 3 months or in 6 months.

Chairman Tomasso asked Mr. Pierce what is the current status of the board members in relation to their terms of serving on the Board.

Mr. Pierce stated the next board elections are to be held in November. Mr. Pierce stated he did not expect any work to be done to the Association's roads until late May or June due to the recent snowfall and the amount of time it will take for the roads to dry out, so he may not have much to update the Commission on at the June meeting. Mr. Pierce stated he would email Mr. Su when they have a start date for the road work and who was hired to perform the work. Mr. Pierce stated the September meeting would be a better time for an update on the road work.

Chairman Tomasso asked Mr. Pierce would the Association have the bids back for the road work by the June meeting.

Mr. Pierce stated weather permitting they should have the bids back for the road work by the June meeting, but he could not guarantee the actual work would be done or completed by the June meeting.

Commissioner Bruner stated that there are new Commissioners that may not know that this case has been ongoing and has been brought back multiple times for status updates due to board member changes and issues not being resolved. Commissioner Bruner stated he would suggest keeping this case on the agenda for the next Commission meeting to receive updates on the bid process and a schedule on when the work would be completed.

Commissioner Heydarian asked Mr. Pierce what meeting is scheduled for opening of the bids.

Mr. Pierce stated they have not scheduled a meeting for opening the bids due to not having a definite date when the bids can be submitted to the Association. Mr. Pierce stated the delay is because of the snow covering the roads and how rural the Association is located. Mr. Pierce stated the next regular board meeting is in May, and an emergency executive meeting would have to be held to open the bids and decide at that time.

Chairman Tomasso stated she thought the Commission did want a status update at the June meeting.

Commissioner Bruner made a motion for a status update to be given at the next Commission meeting and for the board to have a special session to open the bids and hire contractors to complete the road work. Commissioner Sweetin seconded the motion. Motion carried.

**E) NRED v Pyrenees at Mountains Edge Homeowners Association, for possible action
Case no. 2023-826**

Type of Respondent: Homeowners Association

Parties Present

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

John Leach Esq., was present representing the Respondent.

Janet Herrera, Community Association Manager (CAM), was present.

Dink Hughes, Board Member, was present.

Preliminary Matters

Ms. Keegan stated that based on the Association's Answer to the Complaint filed on February 29th the Division does not plan to proceed with a full presentation of the case. Ms. Keegan stated that it was her understanding that the Association was not contesting the case, because their response has indicated that they have come into compliance by way of an emergency meeting to fill the 3rd vacant board seat. Ms. Keegan stated the State's position is, because they have just now come into compliance does not negate the fact the Association was not in compliance to begin with. Ms. Keegan stated the State has incurred costs in investigating and preparing this case for the hearing.

Ms. Keegan gave a brief procedural history of the case.

Commissioner Bruner asked how long the Association has not had a 3rd board member.

Mr. Leach stated according to documents, May of 2022 they had 2 board members, March of 2023 they only had 1 board member and in May of 2023 they had 2 board members and have been operating with 2 board members until just recently.

Mr. Hughes stated he was appointed to complete the term of a member that moved away and was elected for a full term.

Mr. Leach stated that board member vacancies are not generally emergencies, however when the Commission Secretary rejected our request for a continuance to allow time for the Association to try on their own to find a 3rd board member, the board held an emergency meeting to appoint a 3rd board member. Mr. Leach stated although they have always been short one board member, they have always had a quorum to conduct Association business.

Chairman Tomasso asked how many units were in the community and how many times a year does the board meet.

Mr. Dinks stated there are 128 units and that the board meets quarterly.

Chairman Tomasso stated she is concerned the Association has fostered the idea that 3 board members is the rule however 2 board members is okay. Chairman Tomasso stated with the number of units in the Association there should be people available to serve on the board. Chairman Tomasso asked what steps were taken to encourage people to join the board given there are 128 units in the Association.

Mr. Dinks stated several units in the Association have been purchased by LLC's and are utilized as rental properties and they usually do not hear from those owners when elections are held.

Chairman Tomasso asked how many units are rental units?

Mr. Dinks stated he did not have an exact number but speculates it may be a significant number of units.

Chairman Tomasso stated that might limit the number of people who can run for the board, and asked why those who can run for the board do not run for the board.

Mr. Dinks stated he thought that 'no news is good news', if the Community is taken care of and there are few issues, people may not see the need to run for the board. Mr. Dinks stated he has asked a few neighbors to run for the board and they have said "I'll consider it".

Mr. Leach stated that he wanted to clarify that as a matter of "corporate law" a quorum of the board members were present to conduct Association business, and he is not suggesting that 2 board members is acceptable because the statute states that 3 board members is required. Mr. Leach stated even though this board did not have the correct number of members they had a requisite quorum of the board. Mr. Leach stated there will be elections held in the Fall and the Association will always try to have the required number of board members and continually be in compliance.

Chairman Tomasso stated if the Association is not getting people to run for the board, she would like to know why because they have boots on the ground. Chairman Tomasso stated that people may feel like they do not know how to be a board member and the Division has resources for those who are new to the process.

Commissioner Sweetin asked who filed the complaint against the Association.

Ms. Keegan stated in the complaint that was filed against the Association, when the Association filed their annual registration form with the Division, they reported only one (1) board member which identified to the Division that the Association was not in compliance with the law.

Commissioner Sweetin asked if there was any harm that the homeowners suffered because the Association lacked the required number of board members.

Ms. Keegan stated no harm may have happened, however by not having a full board it jeopardizes the checks and balances that protect the Association from financial crimes.

Commissioner Sweetin asked if any allegations of fraud or embezzlement were suspected in this case?

Ms. Keegan stated no allegations of fraud or embezzlement were suspected in this case.

Commissioner Heydarian praised Mr. Dinks for serving on the Board and stated that Mr. Leach has provided a road map or plan for the Association to stay in compliance with the law and always have a three (3) member Board. Commissioner Heydarian stated the goal of presenting that plan to the Commission and for the Commission to listen to the plan and allow that plan to move forward.

Commissioner Gilliam asked if there was ever a failure to send out the call for nominations, or to hold the elections.

Mr. Leach and Mr. Dinks both stated “No”.

Commissioner Lighthart asked how long the Association only had one (1) board member, and how were the bills paid?

Ms. Herrera stated that it had only been about a month or two before she got another homeowner to serve on the board, the utilities are on auto pay and there was a backlog of bills that did not get paid until they had two board members.

Commissioner Lighthart asked if the Association has gone through a CPA audit.

Ms. Herrera stated a vendor has been selected to conduct the 2023 audit.

Commissioner Morse Jarman stated it would be helpful to identify how many units are rentals and concentrate on getting board members from the pool of homeowners. Commissioner Morse Jarman stated that apathy within a community is real and understandable, some homeowners do not care and do not want you knocking on their door asking them to serve on the board. Commissioner Morse Jarman stated she has found that when you knock on the door and state that you really need their help because the community is not in compliance with the law, sometimes that plea can get you the help that you need to fulfill the vacant board positions.

Chairman Tomasso stated it is helpful for the Commission to know what procedure worked to get homeowners to serve on the board, because they can pass that information on to other associations that are in the same position.

Commissioner Heydarian stated that Commissioner Sweetin asked about harm done to the homeowners. Commissioner Heydarian stated harm may come in the form of bills not being paid, vendors walking off the worksite or insurance’s can be cancelled because of lack of payment and that can have catastrophic implications.

Ms. Keegan stated she is coming before the Commission asking them to uphold the law and honor the fees and costs of the investigation, per the discipline authorized stated on the complaint.

Commissioner Sweetin asked Mr. Leach what his position was regarding Ms. Keegans request to recoup the fees and costs of the investigation.

Mr. Leach stated under the statute the State is entitled to recoup those fees, however the Association would prefer not to be saddled with those costs.

Ms. Gallo testified to the reasonable, necessary, and actual cost of the investigation is \$1,663.07.

The Commissioners discussed the disciplinary action to take against the Respondent.

Commissioner Heydarian moved that the Respondent repay the State in the amount of \$1,663.07 payable within sixty (60) days. Commissioner Gilliam seconded the motion. Motion carried.

F) NRED v. Santa Rosa Homeowners Association, for possible action

Case No. 2023-791

Type of Respondent: Homeowners Association

Parties Present

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

Ms. Keegan stated the parties have come to a settlement.

Ms. Keegan gave a summary of the case.

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

In an effort to avoid the time and expense of litigating these issues before the Commission, the RESPONDENT does not contest the violations alleged, and the parties desire to compromise and settle the Division's findings of violation of law in Case No. 2023-791 upon the following terms and conditions:

- Presentation of this Stipulation for Settlement Agreement to the Commission is subject to the RESPONDENT demonstrating proof to the Division of compliance with the three board member requirement.
- RESPONDENT shall pay to the Division a total amount of \$896.91. This total amount reflects no administrative fine amounts for committing the above-stated violation of law, but \$896.91 for the Division's costs and attorney's fees, which are actual, reasonable, and necessary, to be paid within 30 days of entry of order.

Commissioner Sweetin made a motion to approve the terms of the settlement in Case No. 2023-791. Commissioner Bruner seconded the motion. Motion carried.

B) 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.

Li Jun Cao, interpreter, was present.

Preliminary Matters

Mr. Su stated there were a couple of clerical errors in the complaint, on page 5 line 12 it does not have a citation to statute or regulation, for the record it is violation of NRS 116.3103

through NAC 116.405 (2). Mr. Su stated the second correction is on line 15 the numbers were transposed the respondent violated NRS 116.3103 through NRS 116.31083 (6). Mr. Su stated it is the Division's position that these are clerical errors that are not prejudicial to the respondent.

Mr. Lin stated he does not object to the correction of the clerical errors located in the complaint.

Opening Statements

Mr. Su gave his opening statement.

Mr. Lin gave his opening statement.

State's Witness

Khalid Tatum, Compliance Audit Investigator, testified.

Mr. Su moved to admit the Division's documents NRED 1-337.

Chairman Tomasso moved to admit documents NRED 1-337.

Mr. Su moved to admit the February 21, 2023, audio file.

Chairman Tomasso moved to admit the audio file from February 21, 2023.

Chairman Tomasso moved to continue this case until the next meeting due to the availability of the interpreter. Seconded by Commissioner Sweetin. Motion carried.

C) NRED v Carmel Cove Homeowners Association Inc., for possible action

Case No. 2023-603

Type of Respondent: Homeowners Association

Parties Present

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

Francesca (Frankie) Stevenson, CAM, was present representing the HOA.

Preliminary Matters

Mr. Su stated that the parties agree to stipulate to the underlying factual allegations and violations of law alleged.

Mr. Su gave a summary of the case.

Mr. Su made a motion to admit the State's exhibits CCIC 1-34, and a second set of documents CCIC 35-45.

Chairman Tomasso moved to admit State's exhibits CCIC 1-34 and CCIC 35-45.

Mr. Su stated an investigation by the Division was warranted in the case and so were the State's costs and fees incurred by the Division.

Ms. Gallo testified that the reasonable, necessary, and actual cost and fees for the case were \$3,104.60.

The Commission discussed the disciplinary action to take against the Respondent.

Commissioner Sweetin moved that the fine be waived, and that the Respondent repay the State \$3,104.60 within sixty (60) days. Seconded by Commissioner Morse Jarman. Motion carried.

D) NRED v Lake Mead & Dolly 20 Homeowners Association, for possible action
Case No. 2023-827
Type of Respondent: Homeowners Association

Parties Present

Christal Keegan, Deputy Attorney General was present representing the Division.
Robert Smith, CAM, was present virtually, representing the HOA.

Preliminary Matters

Ms. Keegan stated that Mr. Smith indicated that there would be attorney representation, however that was pending approval, and at this time Mr. Smith and the Board Members would be representing themselves today.

Ms. Keegan stated on February 28, 2024, Mr. Smith submitted a response to the Division with an attachment. Ms. Keegan stated it is not clear if Mr. Smith was submitting it as the Association's answer to the complaint, or if he was just submitting documentation that he planned to use in support of his testimony today. Ms. Keegan stated the State does not have any objection to Mr. Smith's response and the attachment and Ms. Keegan stated the documents would be helpful to the Commissioners in deciding the case.

Ms. Keegan moved to admit the response and attachment of Mr. Smith be admitted into the record.

Chairman Tomasso moved to admit Mr. Smith's response and attachment into the record.

Opening Statement

Ms. Keegan gave her opening statement.

Commissioner Bruner recused himself from this case, due to having worked with Mr. Smith in the past.

Mr. Smith gave his opening statement.

State's Witness

Mr. Smith testified.

The Commission questioned Mr. Smith.

Closing Statement

Ms. Keegan gave her closing statement.

The Commission discussed the disciplinary action to take against the Respondent.

Ms. Gallo testified that the reasonable, necessary, and actual cost and fees for the case were \$2,409.98.

Chairman Tomasso moved to fine the respondents \$1,000 for each of the two (2) violations, to repay the costs and fees of the Division in the amount of \$2,409.98 and to be paid within sixty (60) days. Seconded by Commissioner Sweetin. Motion carried 6:0, Commissioner Bruner abstained.

G) NRED v Stanford Square, for possible action

Case No. 2023-35

Type of Respondent: Homeowners Association

Parties Present

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

Preliminary Matters

Mr. Su asked to canvas the attendees to see if anyone from Stanford Square was in attendance.

Mr. Su stated since nobody was present here, he would like to proceed with a default hearing.

Ms. Gallo testified regarding service of the documents.

Mr. Su moved to admit NRED documents CCIC 1-58 into the record.

Chairman Tomasso moved to admit NRED documents CCIC 1-58 into the record.

Ms. Gallo testified to the fees and costs of the case were \$3,672.90 and the fees and costs were reasonable, necessary, and actual.

The Commission questioned Mr. Su about the case.

Commissioner Heydarian moved to fine the respondent in default, fine the respondent \$1,000 for each of the two (2) violations, pay the fees and costs of \$3,672.90 within sixty (60) days, the respondent to take affirmative action to correct any conditions resulting from the violations and the Respondent to appear at the next Commission meeting for a status check. Seconded by Commissioner Gilliam. Motion carried.

5) Commission/Division Business

A) Administrator's Report

Sharath Chandra stated there will be several presentations by staff that will discuss areas that the Division focuses on and provide information on the Ombudsman's Office processes. Mr. Chandra stated the Division is open to receiving feedback from the Commission on ways to improve or add processes. Mr. Chandra stated the one big task the Division has been working on is the software upgrade. Mr. Chandra stated the current software is 15 years old. Mr. Chandra stated this time the Division is bringing on a consultant to help navigate this process with the vendor. Mr. Chandra stated the Division's goal is to move away from paper, where the CIC annual registrations and updates can all be completed online. Mr. Chandra stated another big thing is having the Commission look into regulation updates. Mr. Chandra stated that staffing is still an issue within the Division.

Commissioner Morse Jarman asked if there is anything in the regulations to strengthen the ability of this Commission to be able to impose the fines and actually collect the money owed to the Division.

Mr. Chandra stated he does not want the Commission to think that the Division is not being effective in collecting the money imposed by the Commission. Mr. Chandra stated there are some things that a licensee cannot do if they owe money to the State, and that is a deterrent for them which encourages the licensee to pay what they owe. Mr. Chandra stated there is a process that all State agencies must follow on debts that cannot be collected. Mr. Chandra stated the issue comes up every legislative session, but nothing ever comes of it; ultimately, the Division follows the process laid out by the State Controller's Office. Mr. Chandra stated a past Commissioner took up the collection process with the Controller's Office. Mr. Chandra stated the collection process is baked in unless there is a legislative change that happens that gives more authority to the agencies.

Commissioner Morse Jarman asked who would make these changes legislatively, because her frustration is that people on the outside that are committing these crimes against these homeowner associations know that the Division does not have any teeth. Commissioner Morse Jarman stated there is not a deterrent for them to continue doing what they are doing.

Mr. Chandra stated if there are egregious fiscal violations then the Attorney General's Office will get involved and go after them.

Commissioner Morse Jarman asked if there was a specific legislature who the Division works with for this issue. Commissioner Morse Jarman stated in the past, successes came when there was a legislature that was willing to lobby their fellow legislators and have them realize that this is a problem that the State needs to address.

Mr. Chandra stated there are some people in the legislature that would help.

Mr. Chandra stated that public comment time gives the opportunity for the public to speak to the Commission and express their thoughts and ideas. Mr. Chandra stated there were comments made about the Task Force. Mr. Chandra stated in 2019 there was discussion about moving the

Ombudsman Office to the Attorney General's Office, however that was not a practical solution. Mr. Chandra stated that the Director of Business & Industry (B&I), can at their discretion, form a Task Force to address some issues within the Common-Interest Communities. Mr. Chandra stated a Task Force was formed and the members consisted of the Administrator of the Real Estate Division, a representative from the Attorney General's Office, the Ombudsman, the Director of B&I and a representative from the common-interest community industry, appointed by the Director. Mr. Chandra stated the Director was responsible for naming the terms of the committee. Mr. Chandra stated the Task Force met 2-3 times and then COVID happened, and budgets were cut, and a decision was made to put the Task Force on hold and really focus on the role of the Commission. Mr. Chandra stated that there is a perception that this Task Force is the solution to everything, the Task Force was created to add another option, but ultimately this Commission has the same role. Mr. Chandra stated the Commission sees the cases and knows what is going on and adopts regulations. Mr. Chandra stated the Task Force does not have legislative authority, or bill authority, it was more of an advisory group and not a forum for the public to talk about their individual cases.

Commissioner Bruner asked will the CIC education section be up and running soon.

Mr. Chandra stated there are classes digitally available and online resources, however, to have Division staff go out into the community and start teaching Boards, that piece has fallen by the wayside because of the vacancies within the Ombudsman's Office. Mr. Chandra stated it is just a matter of the Division restarting the live instruction and live courses, which are not available currently because of staffing issues.

D) Licensee and Board Member Discipline Report

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

B) Ombudsman's Summary Report

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

Noel Thorton, HOA Auditor, gave a report that was provided to the Commission in the meeting packet.

Chairman Tomasso asked if homeowners reach out to the auditor if they question what their HOA is doing with the money.

Ms. Thorton stated that if homeowners have questions about what their HOA is doing with the money, they will have to file a complaint and have proof of wrongdoing.

Commissioner Lighthart asked about the audit cycle.

Ms. Thorton stated that a report is run that shows those associations that may have low reserves or have not had a CPA audit performed and those associations are most likely to receive an audit.

Commissioner Lighthart asked if the new software will be able to better review and make the audit selection more efficient.

Ms. Thorton stated she hoped the new software would make the audit process selection more efficient.

Mr. Chandra stated a future priority will be to boost the auditing process with more support and tools.

C) CIC Compliance Caseload Report and Summary

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

Commissioner Morse Jarman asked if a letter goes out saying the complaint is “unsubstantiated” there is no explanation of why.

Mr. Wheaton stated an explanation is always given; however, the explanation may not be satisfactory to the complainant. Mr. Wheaton stated they have “beefed up” the content and better explain why the complaint was unsubstantiated.

Commissioner Heydarian asked if any follow up is given when a “letter of instruction” is sent out to the CAM’s.

Mr. Wheaton stated there is follow up, however the letter of instruction is issued for minor infractions (mistakes) stating a violation has occurred and someone has alleged some possible harm.

Mr. Wheaton stated per NRS 116.760 states how a complaint is to be filed, and what the complainant needs to realize is the board is given a reasonable opportunity to resolve the violation alleged in the complaint, and the Division would only be involved if those efforts failed.

E) Discussion regard Commissioner’s speaking engagement request

None

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

Chairman Tomasso stated she has reached out to former Commissioner Niggemeyer for the information for his contact at the Controller’s Office and had not heard back yet. Chairman Tomasso stated she would like to keep this item on the agenda.

G) Discussion and decision to approve minutes of the December 12, 2023, Commission meeting

Commissioner Heydarian moved to approve the December 12, 2023, meeting minutes. Seconded by Commissioner Lighthart. Motion passed 6:0. Commissioner Sweetin abstained.

6) FOR POSSIBLE ACTION: FOR DISCUSSION AND DECISION ON DATE, TIME, PLACE, AND AGENDA ITEMS FOR UPCOMING MEETING(S)

June 11-13, 2024

7) Public Comment

Loren Pierce stated some complaints have been filed with Compliance and came back as “unsubstantiated”. Mr. Pierce stated at his HOA they have had numerous issues with previous boards, two of which have been removed by the Commission based on their actions. Mr. Pierce stated now when a complaint is filed about a past board member or those who have violated NRS 116 in any manner they have all been coming back as “unsubstantiated”. Mr. Pierce stated the most recent letter received concerning a complaint about someone who interfered with vendor contracts, but because the vendor was not physically intimidated by the person nor did he interfere, therefore the complaint was deemed as “unsubstantiated”. Mr. Pierce stated another case about a board who did not spend any money for 2 years to repair any roads within the association. Mr. Pierce stated the response from the Division was because the roads had been part of another case the board in question was not to blame because the issue existed before that board existed. Mr. Pierce stated that was absurd because there was a stipulated order from a previous Commission meeting. Mr. Pierce stated a board that does not live up to their fiduciary responsibility over any period until the issue is resolved is not responsible for their lack of fiduciary responsibility to the members of the association, is the kind of ludicrous response the Division gives. Mr. Pierce stated maybe the investigator did not understand the concept or intent of the past order. Mr. Pierce stated board members must have a fiduciary responsibility over any period of time. Mr. Pierce stated the basis of the complaint was that their community roads had deteriorated so badly that homeowners got together and collected \$5,000 of their own money, after paying their special assessments, to repair their roads to lay rock so they could receive trash service. Mr. Pierce stated waste management was refusing to come for almost a month and the board would not spend any money to fix the roads, and they had the money to fix the roads. Mr. Pierce stated that was the basis of the complaint even the board’s attorney thought they had a valid case, yet it came back as “unsubstantiated”. Mr. Pierce stated there needs to be a way to appeal these decisions. Mr. Pierce stated there should be a change to 116 that states if a past board member takes actions against the current board to disrupt or interfere, they can still be treated as a board member and should not be off the hook, and sabotaging based on what they know about the board.

Mike Kosor stated he had two quick comments. Mr. Kosor stated this morning he provided a 3-page document of what he believes are things the CIC Task Force or this Commission should investigate. Mr. Kosor stated he would like to take exception to what the Administrator said about the 2019 legislation and what the legislature really intended when they put together the Task Force. Mr. Kosor stated that it was not a stop gap measure or a one-time only thing. Mr. Kosor stated it was the legislature begging someone from the Real Estate Division to get their hands around a few legislative changes that need to be made and provide some sort of comprehensive vehicle that the legislature can advance into some changes. Mr. Kosor stated when the Task Force did meet at the end of their session it did provide several bills in the name of the Task Force that the legislature did eventually pass. Mr. Kosor stated the Task Force is valuable and he would hate for it to get lost. Mr. Kosor stated the last thing he would like to mention is that the comment by Mr. Wheaton stating they do not send out letters that just say “unsubstantiated”. Mr. Kosor stated he has multiple letters from the Division that say exactly that and no other explanation, and there are a bunch of homeowners that have been alienated by this practice and hopefully there has been a change. Mr. Kosor stated he would like to draw attention to page 11 of the Ombudsman’s report, of the 64 complaints that were filed 17 are rated

as “unsubstantiated” and yet there are only 4 listed as “no violation”. Mr. Kosor stated he wanted to know what each of the categories listed really mean, because they do not make sense to him.

8) Adjournment

Meeting adjourned at 4:12 PM

Minutes prepared by: M. Gallo
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Commission Coordinator