BEFORE THE COMMISSION FOR COMMON-INTEREST COMMUNITIES AND CONDOMINIUM HOTELS

STATE OF NEVADA

SHARATH CHANDRA, Administrator, REAL ESTATE DIVISION, DEPARTMENT OF BUSINESS & INDUSTRY, STATE OF NEVADA.

Petitioner,

VS.

SOMERSET PARK HOMEOWNERS ASSOCIATION (Entity No. C620-1985);

Respondent.

Case No. 2022-530



AUG 0 7 2025

NEVADA COMMISSION FOR COMMON INTEREST COMMUNITIES AND CONDOMINIUM HOTELS

COMPLAINT FOR DISCIPLINARY ACTION AND NOTICE OF HEARING

The Real Estate Division of the Department of Business and Industry, State of Nevada (the "Division"), by and through its counsel, Aaron D. Ford, Attorney General of the State of Nevada, and Phil W. Su, Senior Deputy Attorney General, hereby notifies SOMERSET PARK HOMEOWNERS ASSOCIATION ("RESPONDENT ASSOCIATION" or "RESPONDENT") of an administrative hearing before the Commission for Common-Interest Communities and Condominium Hotels, State of Nevada, which is to be held pursuant to Chapters 233B and Chapters 116 of the Nevada Revised Statutes ("NRS") and Chapter 116 of the Nevada Administrative Code ("NAC"). The purpose of the hearing is to consider the allegations stated below and to determine if an administrative penalty will be imposed on the RESPONDENT pursuant to the provisions of NRS and NAC including, but not limited to NRS 116.785 and NRS 116.790.

JURISDICTION AND NOTICE

At all times relevant to this Complaint, RESPONDENT SOMERSET PARK HOMEOWNERS ASSOCIATION, Entity Number C620-1985, has been a commoninterest community located in Henderson, Nevada, and is, therefore, subject to the provisions of Chapter 116 of each the Nevada Revised Statutes ("NRS") and the Nevada

Administrative Code ("NAC") (hereinafter collectively referred to as "NRS 116") and are subject to the jurisdiction of the Division, and the Commission for Common-Interest Communities and Condominium Hotels pursuant to the provisions of NRS 116.750.

FACTUAL ALLEGATIONS

- 1. RESPONDENT ASSOCIATION, Entity Number C620-1985, consists of 85 currently annexed units, in a common interest community located in Henderson, Nevada. CICCH0001-0002, Exh. A.
- 2. Upon review of 2025 financial report and 2026 draft reserve studies provided by the RESPONDENT ASSOCIATION, the Division assigned Investigator Christina Pitch to investigate an allegation of critical underfunding of reserves by the executive board. CICCH0003-0136, Exhs. B and C.
- 3. On June 13, 2025, Investigator Pitch contacted Supervisor Community Association Manager Renee Smith of CAMCO via email to request the last three months of financial records and bank account statements for all accounts. CICCH0137, Exh. D.
- 4. Investigator Pitch did not receive a response to that email request and would later come to find out Smith had departed from CAMCO in April.
- 5. On July 2, 2025, Investigator Pitch sent a Request for Information letter to the RESPONDENT ASSOCIATION'S Board, through CAMCO and Supervisor CAM Terri L. Acedilla, requesting a response to allegations that the executive board violated NRS 116.3115 by allowing the Association's reserve funds to become critically underfunded, at only 2% of the recommended funding level. CICCH0138-0139, Exh. E.
- 6. On July 10, 2025, Supervising CAM Acedilla provided an emailed response noting that "when we got this community from Heritage Management [n.b.: the prior CAM] there was \$563.43 in the reserve account." **CICCH0140, Exh. F.**

^{1.} In August 2024, the City of Henderson contacted unit owners of Somerset Park HOA to inform them of the failed private water distribution system that had created a danger to life, health and safety of residents and the public. See https://www.cityofhenderson.com/government/departments/community-development-and-services/community-resources/somerset-park-community-resources

- 7. The response included copies of February 2023 bank statement from Heritage showing a balance of \$11,637.58, a March 2023 statement showing balance of \$563.02, and an August 2023 statement showing that same amount. CICCH0140-0150, Exh. F.
- 8. The response further stated that CAMCO took over management of the community on August 1, 2023, and concluded by noting the reserve balance, as of the July 10, 2025, email, was \$30,306.31. **CICCH0015, Exh. F.**
- 9. The draft reserve studies recommend a Special Reserve Assessment in the amount of either \$1,292,000.00 or \$1,589,500.00. Therefore, as of July 10, 2025, the reserve fund was just over 2% funded. CICCH0014; 0055, Exh. B.
- 10. In a July 16, 2025, email exchange, Supervising CAM Acedilla confirmed that the draft reserve study would be considered for adoption at the end of that month, and further noted that the current draft study might need to be revised because their irrigation system was continuing to have problems with leaks. CICCH0153, Exh. G.
- 11. On July 22, 2025, the Division sent, via Certified Mail, an NRS 233B letter notifying the RESPONDENT that it would pursue disciplinary action in a hearing before the Commission for potential violation of NRS 116.3115, failure to maintain adequate reserve funding levels. CICCH0157-0158, Exh. H.

VIOLATIONS OF LAW

1. RESPONDENT ASSOCIATION, through its executive board, violated NRS 116.3115 by allowing its reserve funds to become critically underfunded, at just over 2% of the Special Reserve Assessment in the Association's draft reserve studies.

DISCIPLINE AUTHORIZED

Pursuant to the provisions of NRS 116.615; NRS 116.755; NRS 116.785; and NRS 116.790 the Commission has discretion to take any or all of the following actions:

- 1. Issue an order directing Respondent to take affirmative action to correct any conditions resulting from the violation.
 - 2. Impose an administrative fine of up to \$1,000 for each violation by

Respondent.

- 3. Order the Respondent to pay the costs of the proceedings incurred by the Division, including, without limitation, the cost of the investigation and reasonable attorney's fees.
- 4. Approve application to a court of competent jurisdiction for the appointment of a receiver for the Respondent.

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

NOTICE OF HEARING

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

THE HEARING WILL TAKE PLACE at the Commission meeting(s) scheduled for September 9-11, 2025, beginning at approximately 9:00 a.m. each day, or until such time as the Commission concludes its business. The Commission meeting will be held at the Nevada State Business Center, 3300 W. Sahara Avenue, 4th Floor, Nevada Room, Las Vegas, Nevada 89102 on September 9-10, 2025, with videoconferencing to Department of Business & Industry, Division of Insurance, 1818 E. College Parkway, Suite 103, Carson City, Nevada 89706. The Commission meeting will be held at the Nevada State Business Center, 3300 W. Sahara Avenue, 4th Floor, Tahoe Room, Las Vegas, Nevada 89102 on September 11, 2025, with videoconferencing to Department of Business and Industry, Division of Insurance, 1818 E. College Parkway, Suite 103, Carson City, Nevada 89706.

STACKED CALENDAR: Your hearing is one of several hearings that may be scheduled at the same time as part of a regular meeting of the Commission that is expected to take place on September 9-11, 2025. Thus, your hearing may be continued until later in the day or from day to day. It is your responsibility to be present when your case is called. If you are not present when your hearing

is called, a default may be entered against you and the Commission may decide the case as if all allegations in the complaint were true. If you need to negotiate a more specific time for your hearing in advance because of coordination with an out-of-state witness or the like, please call Maria Gallo, Commission Coordinator, at (702) 486-4074.

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

You have the right to request that the Commission issue subpoenas to compel witnesses to testify and/or evidence to be offered on your behalf. In making this request, you may be required to demonstrate the relevance of the witness' testimony and/or evidence. Other important rights and obligations, including your obligation to answer the complaint, you have are listed in NRS Chapter 116 and NAC Chapter 116, including without limitation, NRS 116.770 through 116.780, and NAC 116.500 through NAC 116.635 and NRS Chapter 233B.

Note that under NAC 116.575, not less than five (5) working days before a hearing, RESPONDENT must provide to the Division a copy of all reasonably available documents that are reasonably anticipated to be used to support his position, and a list of witnesses RESPONDENT intend to call at the time of the hearing. Failure to provide any document

or to list a witness may result in the document or witness being excluded from 1 RESPONDENT'S defense. The purpose of the hearing is to determine if the 2 RESPONDENT has violated the provisions of NRS 116, and to determine what 3 administrative penalty is to be assessed against RESPONDENT. 4 5 DATED this 6th day of August, 2025. 6 7 REAL ESTATE DIVISION, DEPARTMENT OF BUSINESS & INDUSTRY. 8 STATE OF NEVADA 9 10 By: SHARATH CHANDRA, Administrator 11 3300 W. Sahara Ave. Ste 350 12 Las Vegas, Nevada 89102 (702) 486-4033 13 14 AARON D. FORD Attorney General 15 16 By: Is/ Phil W. Su 17 PHIL W. SU (Bar No. 10450) 18 Senior Deputy Attorney General 1 State of Nevada Way, Ste. 100 19 Las Vegas, Nevada 89119 20 (702) 486-3655 Attorneys for Real Estate Division 21 22 23 24 25 26 27 28