

**COMMISSION FOR COMMON-INTEREST COMMUNITIES AND
CONDOMINIUM HOTELS MEETING MINUTES DECEMBER 3, 2024**

**VIA IN PERSON AND WEBEX VIRTUAL MEETING
DECEMBER 3, 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) Call to order; introduction of Commissioners in attendance; and establish quorum

Chairman Tomasso called the meeting to order at 9:10 A.M.

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

Commission Counsel: Joseph Ostunio, Deputy Attorney General.

B) Swearing in of reappointed Commissioner

Commissioner Heydarian swore in Commissioner Tomasso.

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; Robert Towle, 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 his reason for speaking this morning is unchanged. Mr. Kosor stated the Division continues to turn a blind eye to its regulatory mandate and the Commission should not ignore or dismiss his claim as they have for years. Mr. Kosor stated that he requested the Ombudsman respond either in person or in writing to a few direct questions all related to NRS 116. Mr. Kosor stated the Ombudsman refused to speak to him and refused to answer his questions and the representative for the Ombudsman stated, “... the questions were legal questions and exceeded the scope of the NRED and the Ombudsman’s ability to assist”. Mr. Kosor stated the Ombudsman is engaging in concealment and is refusing to act on its core

mission “to assist owners in common-interest communities to understand their rights and responsibilities”. Mr. Kosor stated the Division is turning a blind eye despite knowing an elected HOA director had been removed by an appointed board majority, and that an association initiated litigation against a unit owner for simply applying to run for a board position. Mr. Kosor asked what unit owner is going to seek a board position, knowing it may lead to litigation by an association. Mr. Kosor asked the Commissioners to act and put his issues on the agenda.

Leah Wickline stated she is a Community Manager and is currently managing a portfolio of aging common-interest communities, communities that are 40 to 50 years old. Ms. Wickline stated that a major insurance company is pulling out of the market of these aging common-interest communities. Ms. Wickline stated that she is now being tasked with finding new insurance for these aging communities and she is finding that these communities are being denied coverage because of their age and for plumbing issues. Ms. Wickline stated the way the law is written the association is the primary insurance carrier and every homeowner’s insurance claim is being filed with the association’s insurance carrier. Ms. Wickline stated she wants the Division and Commission to investigate this law and realize the devastation it may cause an aging community. Ms. Wickline stated that there needs to be a mandate for when sewer and the plumbing lines should be incorporated into the reserve study. Ms. Wickline stated that when/if a line needs to be repaired and the association has not budgeted for it, it will cause a budgetary problem that will then need to be passed on to the homeowners as a special assessment of which the unit owners cannot afford. Ms. Wickline urged the Commission to investigate the issues of aging common-interest communities.

Michael Novak stated that his company has uncovered issues of financial mismanagement and corruption with the common-interest industry in Illinois. Mr. Novak stated there have been unethical practices by two property management companies, one reserve study firm and three certified public accountants. Mr. Novak stated the names of the companies are Sudler Property Management a Division of Associa and FirstService Residential. Mr. Novak stated the company’s influence in the property management sector makes their business practices of importance not just locally but on a national scale. Mr. Novak stated he has filed an ethics complaint with the American Institute of Certified Public Accountants (AICPA) and the AICPA is proceeding with disciplinary action against Sudler’s auditor. Mr. Novak stated there is pending litigation against a condominium association that has refused to provide financial documents, the refusal to provide these documents is part of an ongoing pattern of financial mismanagement at Sudler. Mr. Novack stated there is a need for vigilance and oversight in the industry to protect community associations. Mr. Novack stated FirstService Residential has some serious concerns regarding their financial oversight. Mr. Novack stated his company reviewed an audit prepared by a CPA hired by the community association manager not the board of directors.

Chairman Tomasso led in the Pledge of Allegiance.

4) RENOTICED CASE: DISCUSSION AND POSSIBLE ACTION BY THE COMMISSION:

F) NRED v. Regency Village Owner’s Association Inc., Ralph Glover, Kari Cramer and Yolanda McAnnaly, for possible action.

Case No. 2023-713

Type of Respondent: Board Members

Parties Present

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

Steve Loizzi Esq. was present representing the Respondent.

Yolanda McAnnaly, Respondent, was present.

Ralph Glover, Respondent, was present

Preliminary Matters

Mr. Su stated there was some unresolved issues from the last meeting and those issues have been resolved and the parties wish to settle. Mr. Su stated that one of the listed board member respondents is unwilling to sign off on the settlement.

Mr. Su read the factual allegations and violations of law into the record.

Mr. Su stated the Respondent does not admit nor do they contest the allegations and violations in the complaint.

Mr. Su read the terms of the settlement agreement into the record.

Mr. Loizzi stated they are stipulating to the facts and violations without admitting to them for the purpose of reaching a resolution.

Commissioner Sweetin moved to accept the State's recommendation based on the representation that has been made on the record. Seconded by Commissioner Lighthart. Motion carried.

G) NRED v. Rio Vista Homeowners Association, for possible action

Case No. 2024-638

Type of Respondent: Homeowners Association

Parties Present

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

Sean Gallegos, Provisional Community Manager, was present virtually representing the Respondent.

Preliminary Matters

Mr. Su stated the parties have reached a settlement agreement.

Mr. Su read the factual allegations and violations of law into the record.

Mr. Su read the terms of the settlement agreement into the record.

Commissioner Sweetin moved to accept the terms of the settlement agreement. Seconded by Chairman Tomasso. Motion carried.

G) NRED v Quadro Homeowners' Association, Jonathan Hamrick, Elena Lungu, Richard Greisenauer, Linda Newport, and Geneva Marcus, for possible action

Case No. 2023-580

Type of Respondent: Board Members

Parties Present

Phil Su, Senior Deputy Attorney General, was present representing the Division. Matthew McAlonis Esq., was present virtually representing the Respondents excluding Richard Greisenauer.

Preliminary Matters

Mr. Su stated the parties excluding Richard Greisenauer have reached a settlement agreement that has yet to be signed by all the Respondents.

Mr. Su stated there will be a separate case against Respondent Richard Greisenauer.

Mr. Su read the factual allegations and violations of law into the record.

Mr. Su read the terms of the settlement agreement into the record.

Mr. McAlonis stated on behalf of his clients he agrees with the terms of the settlement.

Commissioner Sweetin moved to accept the terms of the settlement agreement. Seconded by Commissioner Gilliam. Motion carried.

**L) NRED v. Walnut Glen Landscape Maintenance Association, Inc., for possible action
Case No. 2024-663**

Type of Respondent: Homeowners Association

Parties Present

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

Preliminary Matters

Mr. Su stated that the Community Manager Cathy Blazeovich should be present online.

The Commission agreed to table this case until the end of the meeting stack so Ms. Blazeovich can be present.

J) NRED v. Turnberry Towers East Unit-Owners' Association, Tony Rector, James Orr, Lawrence (Larry) Karp, Manu Sethi and Tamra Trainer, for possible action

Case No. 2023-309

Type of Respondent: Board Members

Parties Present

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

Sean Anderson Esq., was present virtually representing Turnberry Towers East, James Orr, Lawrence (Larry) Karp and Manu Sethi.

Todd Prall Esq., was present virtually representing Tamra Trainer.

David Malley Esq., was present virtually representing Tamra Trainer.

Tamra Trainer, Respondent, was present virtually.

Francesca "Frankie" Stevenson, Community Manager, was present virtually.

Preliminary Matters

Mr. Su gave a summary of the case. Mr. Su stated the Association, Orr, Karp and Sethi have reached a settlement agreement with the Division.

Mr. Su stated there will be a contested case against Tony Rector.

Mr. Su read the factual allegations and violations of law into the record.

Mr. Su read the terms of the settlement agreement for the Association, Orr, Karp and Sethi into the record.

Chairman Tomasso asked Mr. Anderson if he agreed with the terms of the settlement.

Mr. Anderson stated he agrees with the terms of the settlement and what was read into the record is correct.

Commissioner Sweetin moved to accept the terms of the settlement agreement for the Association, Orr, Karp and Sethi. Seconded by Commissioner Lighthart. Motion carried.

Mr. Su read the terms of the settlement agreement for Tamra Trainer into the record.

Mr. Prall stated there were some variations to the standard language of the settlement agreement.

Commissioner Sweetin moved to accept the terms of the settlement agreement for Tamra Trainer. Seconded by Commissioner Lighthart. Motion carried.

**L) NRED v. Walnut Glen Landscape Maintenance Association, Inc., for possible action
Case No. 2024-663**

Type of Respondent: Homeowners Association

Parties Present

Phil Su, Senior Deputy Attorney General, was present representing the Division.
Cathy Blazeovich, Community Manager, was present virtually.

Preliminary Matters

Mr. Su read a summary of the case into the record.

Mr. Su read the factual allegations and violations of law into the record.

Mr. Su read the terms of the settlement agreement into the record.

Chairman Tomasso asked if Ms. Blazeovich agrees with the terms of the settlement agreement.

Ms. Blazeovich stated she agrees with the settlement terms that were read into the record.

Commissioner Sweetin moved to accept the terms of the settlement. Seconded by Chairman Tomasso. Motion carried.

**B) NRED v Daybreak at Sunrise Highlands Homeowners Association, for possible action
Case No. 2024-592**

Type of Respondent: Homeowners Association

Parties Present

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

Preliminary Matters

The Commission agreed to table this case until the end of the meeting stack due to technical

difficulties.

3) CASE UPDATE: DISCUSSION AND POSSIBLE ACTION BY THE COMMISSION:

A) NRED v Rancho San Juan Homeowners Association, Christopher Seckler, Sebastian Mayo, and Cesar Valdez, for possible action

Case No. 2021-161

Type of Respondent: Board Members

Parties Present

Phil Su, Senior Deputy Attorney General, was present representing the Division.
Leah Wickline, Community Manager, was present.

Preliminary Matters

Mr. Su gave a summary of, and an update on the case.

Mr. Su moved to admit the Respondents documents into the record.

Chairman Tomasso accepted the motion to admit the Respondent's documents into the record.

The Commissioners questioned Ms. Wickline about the budget and the proposed common area improvements.

The Commissioners deliberated what action to take against the Respondent.

Commissioner Heydarian moved for the Association to come back with a status report in 9 months. Seconded by Commissioner Sweetin.

Mr. Su recommended a deadline for submitting any documents.

Commissioner Heydarian amended the motion to include that any documents be submitted 10 days prior to the September meeting. Seconded by Commissioner Sweetin. Motion and amended motion carried.

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

Case No. 2018-1663

Type of Respondent: Homeowners Association

Parties Present

Phil Su, Senior Deputy Attorney General, was present representing the Division.
Loren Pierce, Board Member, was present virtually.

Preliminary Matters

Mr. Su gave a summary of the case.

Commissioner Gilliam asked if there is a completion date in mind, seeing that the work to be completed is being done through wintertime in the Reno area.

Mr. Pierce stated the proposed completion date is sometime in February depending on the

weather. Mr. Pierce stated one of the issues is water and that is being worked on, however the vendor has been given the down payment, and the proper permits have been issued for the work to commence.

Mr. Su stated Mr. Pierce has been keeping the Division updated on the Associations progress and would like the Association to come back for a status update.

The Commissioners deliberated on what action to take against the Respondent.

Commissioner Lighthart moved that the Association should come back for a status update in March 2025 and any documents be submitted 10-days before the meeting date. Seconded by Commissioner Sweetin. Motion carried.

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

**E) NRED v. Madison Colony at Providence Homeowners Association, for possible action
Case No. 2024-858**

Type of Respondent: Homeowners Association

Parties Present

Christal Keegan, Deputy Attorney General, was present representing the Division.
Anna Heshmati Esq., was present virtually representing the Respondent.
Mitchell Fu, Community Manager, was present virtually.
Michael Pearl, Board Member, was present virtually.

Preliminary Matters

Ms. Keegan gave a summary of the case.
Ms. Keegan moved to admit the State's and Respondent's documents into the record.

Chairman Tomasso accepted the motion to admit the State's and Respondent's documents into the record.

Ms. Keegan stated the community has two board members that are related and that is prohibited under NRS 116. 31034 (10)(a)(1). Ms. Keegan stated the community has 168 units, and it appears they have many other candidates that would qualify. Ms. Keegan stated the Division's position is that this is a temporary solution, and they should continue their efforts to find a third board member that is not so closely conflicted. Ms. Keegan stated the community manager keeps doing the same thing to secure a third board member and it has not been very effective. Ms. Keegan stated she is open to suggestions by the Commission or the association's attorney to help the community manager secure a third board member. Ms. Keegan stated the recommended discipline is to find the factual allegations and violations of law have been proven, and to order the Association to continue its efforts to find a third board member, to report back in March with a status update and for the Association to pay the Division's fees and cost of the investigation and hearing.

Commissioner Lighthart asked what Mr. Fu's experience is with finding board members.

Mr. Fu stated he has sent out nomination forms with 4 of the 5 mailers this year. Mr. Fu stated the related board member is a temporary fix and is advised by industry lawyers that it can be done however it is not optimal until they find a distinct third board member. Mr. Fu stated he will continue to solicit for new board members with every mailing of the association. Mr. Fu stated other communities have received the same complaint for the same issue and they have been allowed to have a third board member who was also related, and their complaint was closed. Mr. Fu stated he respectfully request clarification to the applicable rules and exceptions for this issue. Mr. Fu stated he does have very little participation by the unit owners at the board meetings, let alone finding volunteers to be on the board.

Chairman Tomasso asked if the community understands that there will be monetary ramifications to not having three board members. Chairman Tomasso asked if the community would prefer to pay ongoing fines and investigative costs for their lack of compliance to the three-board member requirement.

Mr. Fu stated that he has not made the community aware of the monetary ramifications of failing to comply with the three-board member requirement.

Chairman Tomasso stated that it should be explained to the unit owners what happens if they do not have three-board members, they may prefer to pay the fine, however it can go further than that and the association could end up with a receiver and not be in charge of their destiny. Chairman Tomasso stated the community manager should explain to the unit owners how spending one hour 4 times a year at a meeting is not a lot, because the alternatives are expensive. Chairman Tomasso stated the commission has no choice but to uphold the law and by law the HOA must have 3 board members.

Commissioner Gilliam stated the current board members could reach out to their neighbors to find an additional board member. Commissioner Gilliam stated there may be a lot of unknowns and if the current board members reach out to their neighbors and detail exactly what is involved timewise and what the financial consequences are if they cannot fill the open board seat.

Commissioner Heydarian stated a community event may elicit better results than a mailer, because the unit owners most likely do not read their mail from the Association. Commissioner Heydarian asked how long this temporary solution is going to last.

Chairman Tomasso stated it should not be a long-term solution.

Ms. Keegan stated it is the State's recommendation that the Commission find the factual allegations and violations of law are proven, the association is to come back to the March meeting with an update on the securing of a third board member and for the association to pay the Division's costs and fees of the investigation and hearing.

Maria Gallo, Commission Coordinator, testified that the Division's reasonable, necessary and actual fees and costs are in the amount of \$2,662.58

The Commissioners deliberated on what action to take against the Respondent.

Commissioner Heydarian moved that factual allegations 1-6 have been proven. Seconded by Commissioner Sweetin. Motion carried.

Commissioner Heydarian moved that the Association pay the Division's fees and costs of \$2,662.58 within 60 days and return in 3 months with a status update on their third board member. Seconded by Commissioner Gilliam. Motion carried.

C) NRED v. John Bielun, for possible action
Case No. 2023-662 & 2023-670
Type of Respondent: Board Member

D) NRED v. John Bielun, for possible action
Case No. 2023-979
Type of Respondent: Board Member

Chairman Tomasso stated the above cases were previously granted a continuance.

4) RENOTICED CASE: DISCUSSION AND POSSIBLE ACTION BY THE COMMISSION:

C) NRED v. Del Rey Estates Homeowners Association, for possible action
Case No. 2023-929
Type of Respondent: Homeowners Association

Parties Present

Christal Keegan, Deputy Attorney General, was present representing the Division.
Robert Schumacher Esq., was present representing the Respondent.
Dean Allen, Board Member, was present.
Anthony Marks, Board Member, was present.

Preliminary Matters

Ms. Keegan stated the Respondent has not submitted their status report 10 days before the meeting per the Commission's Order. Ms. Keegan stated that she had been communicating with attorney Henry Kim. Ms. Keegan stated per NRS 116.560 the State is making a motion for the Respondent to "show cause" for why it has breached the Commission's Order Term 3. Ms. Keegan stated the Respondent has repeatedly failed to submit their documents on time and the Commission has the authority to administer an administrative fine. Ms. Keegan stated she is not sure what the Respondent is going to do at this point because she has not had any communication prior to this meeting, and her ability to provide any points is hampered and she may have to defer to the Commission.

Commissioner Sweetin stated there were not any documents filed regarding the Respondent's lack of compliance. Mr. Sweetin asked if Ms. Keegan is making an oral motion to show cause at this time.

Ms. Keegan stated she is allowed to make a motion at the hearing. Ms. Keegan stated that since they have failed to comply with the Commission's Order, she is asking them to explain to the

Commission why they have not supplied their report in a timely matter.

Mr. Schumacher stated Mr. Kim no longer works at his firm. Mr. Schumacher stated he is prepared to respond orally to the motion. Mr. Schumacher stated he is here to provide the Commission with an explanation, offer solutions and to proceed forward. Mr. Schumacher stated the Commission's September Order has 4 things they were required to do. Mr. Schumacher stated the board members provided all the items listed in the Order to the former attorney in a timely matter, that information was not passed on to Ms. Keegan. Mr. Schumacher stated to the extent he has all the documents he will provide them after the meeting. Mr. Schumacher stated they are just waiting for the approved reserve study; the final version has not yet been delivered to the Association; they only have the draft version. Mr. Schumacher stated the community has considered whether to obtain a community manager and the unit owners voted that they do not want to hire a community manager. Mr. Schumacher stated that his office is incredibly busy and if the Commission administers a fine that it be assessed against his office not the association, because the board members submitted the documents to his office in a timely matter.

Ms. Keegan stated for the record the citation for her motion to show cause is NRS.116.560. Ms. Keegan stated the last time the State spoke to Mr. Schumacher was in May of 2024 and after that time communication was with Mr. Kim. Ms. Keegan stated that some of the documents Mr. Schumacher will provide after the meeting are what the Commission expected to see at this meeting.

The Commissioners questioned Mr. Schumacher.

The Commissioners deliberated on what action to take against the Respondent.

Commissioner Sweetin moved that the Respondents be rescheduled to the March meeting, within 10 days the Respondent provide any documents from the September Order to commission staff, the finalized reserve study is to be submitted no later than February 10, 2025, if not finalized by that date a status report must be submitted reporting the status of the reserve study, if all matters are complied with from the September Order the March hearing could be vacated. Seconded by Chairman Tomasso. Motion carried.

H) NRED v. Wine Ridge Estates Homeowners' Association, Fernando Herrera, Rebecca Coins, for possible action

Case No. 2021-942

Type of Respondent: Board Members

Parties Present

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

Ryan Hastings Esq., was present representing the Respondent.

Rebecca Coins, Respondent, was present.

Fernando Herrera, Respondent, was present.

Connie Colwell, Community Manager, was present.

Preliminary Matters

Ms. Keegan gave a summary of the case.

Ms. Keegan moved to admit the State's documents into the record.

Chairman Tomasso accepted the motion to admit the State's documents into the record.

Opening Statements

Ms. Keegan gave an opening statement.

Mr. Hastings gave an opening statement.

Mr. Hastings moved to admit the Respondent's documents into the record.

Chairman Tomasso accepted the motion to admit the Respondent's documents into the record.

Ms. Keegan gave a rebuttal to Mr. Hastings opening statement.

Commissioner Sweetin questioned Ms. Keegan about which of the classes that the Respondent board members submitted were not in "the relevant subject matter".

Ms. Keegan went through the State's documents showing what classes were not deemed in "the relevant subject matter".

The Commissioners questioned Mr. Hastings, Ms. Coins, and Mr. Herrera about the classes that were taken to try and fulfill the terms of the settlement agreement.

Commissioner Heydarian stated that board members may have a hard time finding classes to take because they do not know about the resources available to them, because they are not involved in the industry on a day-to-day basis.

Commissioner Sweetin stated that if board members are ordered to take classes the Division should provide a list of approved courses board members can take to comply with the order.

Ms. Coins explained to the Commission why the Respondents had trouble finding classes in "the relevant subject matter" to fulfill the terms of the settlement.

The Commissioners questioned Ms. Coins, Mr. Herrera, Mr. Hastings and Ms. Keegan about the Respondents' difficulties finding the appropriate classes to fulfill the terms of the settlement.

Commissioner Heydarian stated the Respondents should not consider this time in front of the Commission as wasted, because the Respondents have brought to light an issue that may help future board members find relevant board member education.

Commissioner Sweetin moved to deny the motion to show cause and to close the case as the Respondents have complied with the terms of the settlement. Seconded by Commissioner Heydarian. Motion carried.

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

**J) NRED v. Turnberry Towers East Unit-Owners' Association, Tony Rector, James Orr, Lawrence (Larry) Karp, Manu Sethi and Tamra Trainer, for possible action
Case No. 2023-309**

Type of Respondent: Board Members

Parties Present

Phil Su, Senior Deputy Attorney General, was present representing the Division.
Jacqueline "Jackie" Nichols, was present representing the Respondent Tony Rector.

Preliminary Matters

Mr. Su stated the parties have stipulated to each other's documents and the documents should be admitted into the record so the Commission could review the documents and reconvene the case later in the meeting stack.

Chairman Tomasso accepted the motion to admit the State's and Respondent's documents into the record.

I) NRED v Todd Joslin, for possible action

Case No. 2024-372

Type of Respondent: Board Member

Parties Present

Phil Su Esq., Senior Deputy Attorney General, was present representing the Division.
Bret Whipple Esq., was present virtually representing the Respondent.

Preliminary Matters

Mr. Su stated the Respondent's attorney requested a continuance and the Commission Secretary denied the Respondents request due to its untimeliness. Mr. Su stated the Respondent's attorney will now be asking the Commission as a whole for a continuance.

Mr. Whipple stated that what Mr. Su represented is correct.

Mr. Su stated the State does not have an objection to the request for a continuance.

Commissioner Sweetin moved to continue the case until the next Commission meeting.
Seconded by Commissioner Gilliam. Motion carried.

4) RENOTICED CASE: DISCUSSION AND POSSIBLE ACTION BY THE COMMISSION:

D) NRED v. Mantova Community Association, Charles Wright, Pamela Lowry and Tricia Yost, for possible action

Case No. 2023-384

Type of Respondent: Board Members

Parties Present

Phil Su, Senior Deputy Attorney General, was present representing the Division.
Ryan Hastings Esq., was present representing the Respondents.

Preliminary Matters

Mr. Su stated this case is from the September meeting and the two items that needed to be resolved have been resolved. Mr. Su stated the parties do not have a formal settlement and are ready to resolve this case today.

Mr. Su read the factual allegations and violations of law into the record.

Mr. Su stated the recommended discipline is for the Respondent to pay the Division's costs and fees in the amount of \$6,441.09.

Mr. Hastings stated his office has helped this association come into compliance and would appreciate the Division for not seeking more than the Division's fees and costs.

Commissioner Gilliam asked Mr. Hastings about a funding plan for the low reserve balance. Commissioner Gilliam asked if there should be follow-up to ensure the plan is being implemented.

Mr. Hastings stated in his documents there is a funding plan that has been approved and outlines the actions that have been taken by the association.

Commissioner Lighthart moved that the Respondent's documents be admitted into the record.

Chairman Tomasso accepted the motion to admit the Respondent's documents into the record.

Mr. Su moved that the State's documents be admitted into the record.

Chairman Tomasso accepted the motion to admit the State's documents into the record

The Commissioners deliberated on what disciplinary action to take against the Respondent.

Commissioner Sweetin moved that the association pay the Division's fees and costs in the amount of \$6,441.09 within 60 days. Seconded by Commissioner Lighthart. Motion carried.

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

**B) NRED v. Daybreak at Sunrise Highlands Homeowners Association, for possible action
Case No. 2024-592**

Type of Respondent: Homeowners Association

Parties Present

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

Alicia Mason, Community Manager, was present virtually representing the Respondent.

Preliminary Matters

Ms. Keegan stated the Respondent is not contesting the factual allegations or violations of law; however, the State is not able to submit a settlement because the Association is not in compliance with having 3 board members.

Ms. Keegan moved to admit the State's and Respondent's documents into the record.

Chairman Tomasso accepted the motion to admit the State's and Respondent's documents into the record.

Ms. Keegan stated the association is on track to have the third board seat filled by the next Commission meeting in March. Ms. Keegan stated the Commission may want to continue this case until the March meeting. Ms. Keegan stated if at the March meeting the Association was in full compliance the State then would look to close the case against the Association. Ms. Keegan stated the State would like the Commission to find the factual allegations and violations of law have been proven and honor the Division's fees and cost of the case.

Ms. Gallo testified that the Division's reasonable, necessary, actual fees and costs are in the amount of \$2,154.42.

The Commissioners deliberated on what action to take against the Respondent.

Commissioner Gilliam moved that the case should be continued until the next Commission meeting in March. Seconded by Commissioner Sweetin. Motion carried.

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

A) NRED v. Centertowne Subdivision Association, for possible action

Case No. 2024-183

Type of Respondent: Homeowners Association

Parties Present

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

Eva Segerblom Esq., was present virtually representing the Respondent.

Julie Thompson, Community Manager, was present virtually representing the Respondent.

Terri Billman, Board Member, was present virtually.

Andrea Celoni-Pera, Board Member, was present virtually.

Preliminary Matters

Ms. Keegan gave a summary of the case.

Ms. Keegan moved to admit the State's and Respondent's documents into the record.

Chairman Tomasso accepted the motion to admit the State's and Respondent's documents into the record.

Ms. Keegan stated the association has laid out a proposed plan for the Commission to review, however the State does have questions regarding the reserve study. Ms. Keegan stated the Commission should also honor the Division's costs and fees of the case.

Ms. Segerblom stated there may have been some clerical errors in the document that was submitted and that is why Ms. Keegan had questions about the reserve study. Ms. Segerblom

stated the association is working with industry experts to make sure they are following the law. Ms. Segerblom asked for some consideration because the association is small with 44 units. Ms. Segerblom stated there will be an assessment increase and the Division's fees and costs are 10% of the associations budget.

Ms. Gallo testified that the Division's reasonable, necessary, actual fees and costs are in the amount of \$6,071.16.

The Commissioners deliberated on what disciplinary action to take against the Respondent.

Commissioner Sweetin moved the Respondent to pay the Division's fees and costs of \$6,071.16 within 12 months. Commissioner Sweetin amended his motion to include that the Respondents are not contesting the findings of the Division. The motion and amended motion were seconded by Chairman Tomasso. Motion carried.

4) RENOTICED CASE: DISCUSSION AND POSSIBLE ACTION BY THE COMMISSION:

B) NRED v. Clearacre Condominium Homeowners Association for possible action

Case No. 2024-137

Type of Respondent: Homeowners Association

Parties Present

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

Sophie Karadanis Esq., was present virtually representing the Respondent.

Joe Lopez, Association Director, was present virtually.

Yau Lau, Board Member, was present virtually.

Maria "Judy" Pinto, Community Manager, was present virtually.

Alma De Arcos, Provisional Community Manager, was present virtually.

Preliminary Matters

Ms. Keegan gave a brief summary of the case.

Ms. Karadanis stated most of the violations have been addressed and cured. Ms. Karadanis stated she would like the Commission to review the funding plan to bring their reserve account to a fully funded status.

Ms. Karadanis went over the funding plan.

Ms. Karadanis stated the other violations in the complaint have been addressed and it has been stressed to the board and management what steps are needed to stay in compliance with the law.

Ms. Keegan stated the funding plan presented by Ms. Karadanis is a viable option to get the association back on track and the Commission may want the association back for an update. Ms. Keegan stated that seeing a funding plan through 2028 would be helpful. Ms. Keegan stated there was some feedback from the Division's auditor regarding the statement that no further assessment increases would be needed providing any unforeseen changes. Ms. Keegan stated the Division did incur some costs on this case and would be looking for the association to pay the

costs and fees.

Ms. Karadanis stated the entire funding plan was included in their documents and the funding plan runs through 2053. Ms. Karadanis stated the board will be meeting at regular intervals to determine if the budget needs to be revised, however, going forward with a dramatic increase in assessments and a special reserve assessment, that was the basis for the board to state that there would not be an increase in assessments. Ms. Karadanis stated she would respectfully request that the association not be called back for an update and would prefer to submit information in advance of a meeting to determine if the association needs to come back before the Commission. Ms. Karadanis stated that if the Commission assesses the fees and costs of the hearing that the association be given a 1-year payment plan because of the association's financial situation.

Commissioner Lighthart asked if the association would provide updates to make sure they are on track with the funding plan.

Ms. Karadanis stated the association will provide any budget updates the Commission orders.

Ms. Gallo testified that the Division's reasonable, necessary, actual fees and costs are in the amount of \$7,601.94.

Ms. Karadanis asked for clarification on what documents the association would be required to submit.

Commissioner Lighthart stated she would like to see copies of the ratified budgets and the CPA final audits. starting with submitting the 2025 CPA final audit and this should last until the "due to reserve" is paid which is roughly until 2028.

Commissioner Lighthart moved that the facts in the complaint are not contested by the association, the association shall file annually with the Division its ratified budget for years 2026 - 2028 within 30 days of ratification and file its audited financial statements with the Division for calendar years 2025 – 2028 within 30 days of issuance of the audit report, the association is to pay the Division's fees and costs in the amount of \$7,601.94 within 12-months. Seconded by Commissioner Sweetin. Motion carried.

8) Public Comment

None

9) FOR POSSIBLE ACTION: ADJOURNMENT

Meeting adjourned at 4:11 PM until Wednesday December 4, 2024, at 9:00 AM.

Minutes prepared by: _____
Maria Gallo
Commission Coordinator

**COMMISSION FOR COMMON-INTEREST COMMUNITIES AND
CONDOMINIUM HOTELS MEETING MINUTES DECEMBER 4, 2024**

**VIA IN PERSON AND WEBEX VIRTUAL MEETING
DECEMBER 4, 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) Call to Order; introduction of Commissioners in attendance; and establish quorum

Chairman Tomasso called the meeting to order at 9:04 A.M.

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

Commission Counsel: Joseph Ostunio, Deputy Attorney General.

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; Robert Towle, 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

None

4) RENOTICED CASE: DISCUSSION AND POSSIBLE ACTION BY THE COMMISSION:

E) NRED v. Mesa Verde Community Association, for possible action.

Case No. 2024-112

Type of Respondent: Homeowners Association

Parties Present

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

Preliminary Matters

Ms. Keegan stated the Community Manager Kellea Smith should be attending on behalf of the Respondent.

The Commission agreed to table this case until the end of the meeting stack so Ms. Smith can be present.

A) NRED v. Bordeaux Homeowners Association, Inc., for possible action

Case No. 2023-771

Type of Respondent: Homeowners Association

Parties Present

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

Michael McKelleb Esq., was present virtually representing the Respondent.

Preliminary Matters

Ms. Keegan stated the Respondent has submitted their status report; however, the report was submitted late. Ms. Keegan stated at the Commission meeting in September the Respondent submitted 56 pages of documents the day before the meeting and the Commission determined it was untimely and could not be reasonably considered. Ms. Keegan stated she wanted to make a motion for the Respondent to “show cause” why it has breached the Commission's Order. Ms. Keegan stated the Respondent has repeatedly submitted documents late and that may set a precedence that the deadlines in the Commissions Orders are meaningless, and the Commission has the authority to consider sanctions for breach of its Order.

Mr. McKelleb stated he does not deny that the documents were provided late, it was a miscalculation of the dates. Mr. McKelleb stated the breach is on the timeliness of the response, not the substance of the response. Mr. McKelleb stated his office, and the board members have spent a lot of hours making sure the records are accurate. Mr. McKelleb stated it is not going to set a bad precedence, there was a scheduling error with his staff not knowing the differences between business and calendar days. Mr. McKelleb stated he would like to ask the Commission not to impose any sanctions against the association because it is not the association's fault that his office submitted the documents late. Mr. McKelleb stated he would like the Commission to view the status report as completion of their Order and close the case.

Commissioner Sweetin stated the Commission does not have access to the documents in question so whether they are late is not relevant at this time.

Ms. Keegan stated the Commission Counsel could advise the Commission on the access of exhibits before they are admitted into the record. Ms. Keegan stated that setting the deadline is to ensure a smooth Commission, and the association could have provided a detailed written report that would not have been excluded. Ms. Keegan stated the Division has reviewed the funding plan and it looks like a good plan. Ms. Keegan asked if Mr. McKelleb could confirm that certain items in the budget have occurred and if the Commission is satisfied the State is prepared to close the case without prejudice.

Mr. McKelleb stated the association is following the funding plan.

Chairman Tomasso asked Ms. Keegan and Mr. McKelleb if they wanted the Respondent's documents to be admitted into the record.

Mr. McKelleb answered "yes".

Ms. Keegan answered "no objections"

The Commissioners reviewed the Respondent's documents.

Chairman Tomasso accepted the motion to admit the Respondent's documents into the record.

Ms. Keegan stated she had no further questions and if the Commission had any questions, she would call the Divisions auditor as a witness otherwise the Division is ready to close the case.

Ms. Keegan questioned if the Commission had ruled on her motion.

The Commissioners deliberated on what action to take against the Respondent.

Ms. Keegan restated her motion for the Respondent to "show cause" why they breached the Commission's Order term 3, and if the Commission finds that the Respondent breached the Order the Commission can impose an administrative fine.

The Commissioners continued to deliberate on what action to take against the Respondent.

Commissioner Sweetin moved not to impose any additional sanctions on the association and for the case to be closed. Seconded by Chairman Tomasso. Motion carried.

E) NRED v. Mesa Verde Community Association, for possible action.

Case No. 2024-112

Type of Respondent: Homeowners Association

Parties Present

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

Kellea Smith, Community Manager, was present representing the Respondent.

Preliminary Matters

Ms. Keegan stated this case is here for a status check and the State had to file an amended complaint because the association was not in good standing with the Division.

Ms. Keegan gave a summary of the case

Ms. Keegan stated she wants the Commission to find the additional facts and violations in the first amended complaint have been proven and for the association to pay the Divisions fees and costs. Ms. Keegan stated the second part is the association's breach of the Commission's order term 2. Ms. Keegan stated the association was to pay the Division's fees and costs by October 21st. Ms. Keegan stated the association did not pay until November 14th. Ms. Keegan stated the association was in breach of the Commission's Order and the Commission should sanction the association. Ms. Keegan stated the Community Manager should be able to inform the

Commission if the reserve study was adopted at the October board meeting. Ms. Keegan stated if the Commission is satisfied the State is prepared to close the case.

Ms. Smith stated the reserve study was adopted by the board at the October meeting. Ms. Smith stated she is in the process of being removed from the association after everything is cleared up.

Ms. Keegan stated Ms. Smith's removal is new information and reminded the Community Manager that the proper forms must be submitted to the Division to reflect such changes.

Ms. Smith stated she does not know if the new Community Manager has filed the forms with the Division.

Ms. Keegan stated per the Divisions records she is the Manager of record for the Respondent Association.

Ms. Keegan stated the Commission should find the factual allegations and violations of law have been proven in the first amended complaint, the association should pay the Division's fees and costs, and the association should be sanctioned for breaching the terms of the September Order.

Maria Gallo, Commission Coordinator, testified that the Division's reasonable, necessary and actual fees and costs are in the amount of \$1,006.26

Commissioner Gilliam moved that the State has proven the allegations in the first amended complaint; the Respondent is in breach of the original order, the association should pay the costs and fees of \$1,006.26 and the Respondent be sanctioned in the amount of \$1,000 to be paid within 60 days. Seconded by Commissioner Sweetin. Motion carried.

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

F) NRED v. Piedmont Homeowners Association, for possible action

Case No. 2024-675

Type of Respondent: Homeowners Association

Parties Present

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

Richard Rehm, Board Member, was present virtually.

Patrick Murch, Homeowner, was present virtually.

Preliminary Matters

Ms. Keegan stated the association is not contesting the factual allegations and violations of law.

Ms. Keegan gave a summary of the case.

Ms. Keegan moved to admit the State's and Respondent's documents into the record.

Chairman Tomasso accepted the motion to admit the State's and Respondent's documents into the record.

Ms. Keegan stated since the declarant turned over control of the association to the unit owners nothing has been done. Ms. Keegan stated the Division is recommending that the association hire a community manager. Ms. Keegan stated the association should come back in March for a status update on their progress with the Secretary of State, hiring a community manager and generally following the law and perform as a board. Ms. Keegan stated she is asking the Commission to find the factual allegations and violations of law as true, to not levy a fine and for the costs and fees of the case to be honored because of the association's noncompliance.

Ms. Gallo testified that the Division's reasonable, necessary and actual fees and costs are in the amount of \$2,134.42

The Commissioners deliberated on what action to take against the Respondent.

Commissioner Heydarian moved that the factual allegations and violations of law have been proven, the association must pay the Division's fees and costs in the amount of \$2,134.42 within 30 days and for the association to return to the March Commission meeting for a status update. Seconded by Commissioner Sweetin. Motion carried.

Mr. Murch stated he would prefer 6 months instead of 30 days to pay the fee assessed by the Commission.

Commissioner Heydarian made a motion to modify the order that the fees and costs are due within 6 months of the order.

Commissioner Sweetin moved that all of Commissioner Heydarian's motions be withdrawn at this time. Seconded by Chairman Tomasso. Motion carried.

Commissioner Heydarian moved that the factual allegations and violations of law have been proven, the association must pay the Division's fees and costs in the amount of \$2,134.42 within 6 months and for the Association to return to the March Commission meeting for a status update. Seconded by Commissioner Sweetin. Motion carried.

H) NRED v. Stanley Monsef, for possible action

Case No. 2024-604

Type of Respondent: Board Member

Parties Present

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

Preliminary Matters

Ms. Keegan confirmed the State's witnesses were present.

Opening Statement

Ms. Keegan gave her opening statement.
Mr. Monsef gave his opening statement.

Ms. Keegan moved that the State's documents be admitted into the record.

Chairman Tomasso accepted the motion to admit the State's documents into the record.

State's Witness

Vanessa Ward, testified.

Mr. Monsef cross- examined Ms. Ward.

The Commissioners questioned Ms. Ward.

Ms. Keegan moved to admit the Intervention Affidavit into the record.

Chairman Tomasso accepted the motion to admit the Intervention Affidavit into the record.

Jann Smit, testified.

Bill Brown, testified.

Mr. Monsef cross-examined Mr. Brown.

Dr. Jennifer Hanson, testified.

Mr. Monsef cross-examined Dr. Jennifer Hanson.

Wayne Weierbach, testified.

Mr. Monsef cross-examined Mr. Weierbach.

The Commissioners questioned Mr. Weierbach.

Closing Statements

Ms. Keegan gave her closing statement.

Mr. Monsef gave his closing statement.

The Commissioners discussed what action to take against the Respondent.

Ms. Gallo testified that the Division's reasonable, necessary and actual fees and costs are in the amount of \$8,048.81.

Commissioner Heydarian moved that the State has proven its violation of law and no administrative penalties or fines be assessed, the Respondent pay the Division's fees and costs of \$8,048.81, payable within 12 months, the Respondent be removed from the board of directors and not be allowed to serve on the board again. Seconded by Commissioner Gilliam. Motion failed 2:2. with Chairman Tomasso and Commissioner Sweetin opposed.

K) NRED v Vista Del Sur Townhouse Association., for possible action

Case No. 2023-394

Type of Respondent: Homeowners Association

Parties Present

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

Donna Zanetti Esq., was present virtually representing the Respondent.

James Lamb, Board Member, was present virtually.

Lisa Newberg, Board Member, was present virtually.

Gloria “Jeannie” Redinger, Community Manager, was present virtually.

Preliminary Matters

Ms. Keegan stated the parties could not settle this case because the Respondent is not in compliance and the Commission will be tasked with looking at the Respondents’ plan and assessing if it is satisfactory. Ms. Keegan stated the association has admitted to the factual allegations and violations of law and the focus should be on the association’s path to compliance.

Ms. Keegan stated the parties have stipulated to each other’s documents and would like to get those documents admitted into the record.

Ms. Zanetti stated she would like the Commission to look at the compliance plan that they are proposing. Ms. Zanetti stated in the complaint there are three violations, and the compliance plan looks to address these violations and summarizes the steps the association has already taken to come into compliance.

Ms. Zanetti went over the proposed plan.

Chairman Tomasso accepted the motion to admit the State’s and Respondent’s documents into the record.

Ms. Keegan stated it is important for the board to continue to review the CPA audit and make budgetary adjustments. Ms. Keegan stated if the association follows their funding plan that should get the association in compliance. Ms. Keegan stated that in the Respondents Answer they requested the Commission not impose fines or costs against the association. Ms. Keegan stated she is not recommending a fine because the association is trying to come into compliance. Ms. Keegan stated she is recommending that the association pay the Division’s fees and costs of the investigation and hearing.

Ms. Zanetti stated the board is trying its best to come into and stay in compliance. Ms. Zanetti stated that the association consists of 40 units and the average age of the unit owners is 72. Ms. Zanetti stated that the association is experiencing increases in its operating expenses and must implement special assessments on the unit owners. Ms. Zanetti stated if the Commission ordered the association to pay the Division’s fees and costs that would create more of a hardship for the unit owners. Ms. Zanetti asked if they are Ordered to pay any money that the Commission would extend a 12-month payment plan. Ms. Zanetti stated when the case was in the investigative stage the board was not given the opportunity to come into compliance or reach a

settlement before the formal complaint was filed.

Ms. Keegan stated the association did have the opportunity to work with the Division before the formal complaint was filed. Ms. Keegan stated the violations were substantiated and the case needed to be adjudicated before the Commission.

Commissioner Sweetin stated that cases have been settled before, why was this case different.

Chairman Tomasso stated that question could be asked later, and the Commission would now discuss what action to take against the Respondent.

The Commissioners discussed what action to take against the Respondent.

Ms. Gallo testified that the Division's reasonable, necessary and actual fees and costs are in the amount of \$4,592.98.

Commissioner Sweetin asked Ms. Zanetti why a request for settlement could not be met.

Ms. Zanetti stated she was told by Terry Wheaton that the association could not work out a settlement once the case had been transmitted from the Division to the Attorney General's Office, and they were now locked into a process.

Commissioner Sweetin asked Commission Counsel if there was a law that stated once a complaint is filed a settlement cannot be reached and the case must go to a hearing.

Joseph Ostunio, Commission Counsel, stated there is not a law that once a complaint is filed a settlement cannot be reached and the case must go to a hearing. Mr. Ostunio stated he would always encourage a Respondent to file an answer even if the parties are going to settle the case.

Commissioner Sweetin stated it seems that some parties are offered a settlement without an answer on file and some parties are told to file an answer and not afforded the opportunity to settle.

Ms. Keegan stated Ms. Zanetti reached out to the State before the complaint was filed and under NRS 116.757 she could not discuss the case with Ms. Zanetti at that time. Ms. Keegan stated on October 17, 2024, the notice of complaint, notice of hearing and obligation to respond was filed, and it states that an answer must be filed within 30 days. Ms. Keegan stated as far as the parties working together and to ensure that these hearings run smoothly, it was suggested to Ms. Zanetti there is an obligation to respond and as part of that response she could offer a proposed plan. Ms. Keegan stated the State could not settle this case because the association was not in compliance before the complaint was filed, when the complaint was filed, and as of today, the association is still not in compliance. Ms. Keegan stated the association has provided a plan and is looking to the Commission to adjudicate this case and decide if the funding plan is satisfactory.

Commissioner Sweetin again expressed concern that the process was not practical, and the

matter was not before the Commission.

Ms. Keegan objected to the mischaracterization of her statement by Commissioner Sweetin.

The Commissioners questioned Ms. Zanetti about the proposed plan.

Commissioner Heydarian moved that the violations of law have been proven, the Respondent pay the Division's fees and cost in the amount of \$4,592.98 within twelve (12) months and the Respondent provide copies of the outstanding audits within six (6) months of entry of this Order. Seconded by Commissioner Gilliam. Motion carried.

**G) NRED v Quadro Homeowners' Association Jonathan Hamrick, Elena Lungu, Richard Greisenauer, Linda Newport and Geneva Marcus, for possible action
Case No. 2023-580**

Type of Respondent: Board Members

Parties Present

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

Preliminary Matters

Mr. Su stated he wanted to check for appearances of Respondent Richard Greisenauer.

Kelly Valadez stated Mr. Greisenauer was not present virtually.

Mr. Su gave a summary of the case.

Mr. Su stated he would like to proceed with a default case against the Respondent Greisenauer.

Ms. Gallo testified regarding service of the complaint and proof of mailing.

Mr. Su moved to have the State's documents admitted into the record.

Chairman Tomasso accepted the motion to admit the State's documents into the record

Mr. Su moved to admit the proof of mailing into the record.

Chairman Tomasso accepted the motion to admit the proof of mailing into the record.

Mr. Su moved that the State has proven sufficient service to Respondent Greisenauer.

Chairman Tomasso accepted the motion that the State has proven sufficient service to Respondent Greisenauer. Seconded by Commissioner Heydarian. Motion carried.

Mr. Su stated the recommended discipline is an administrative fine of \$3,000, pay the Division's fees and costs for a total amount of \$4,682.99, removal from any board the Respondent is currently serving on, cannot serve on a board for 10 years and must petition the Commission after that time.

Ms. Gallo testified that the Division's reasonable, necessary and actual fees and costs are in the amount of \$1,682.99.

Chairman Tomasso moved to accept the discipline laid out by Mr. Su. Seconded by Commissioner Heydarian with a timeframe of 30 days for the Respondent to pay the ordered fine and fees and costs.

Chairman Tomasso moved to accept the discipline laid out by Mr. Su adding the Respondent pay the administrative fine and fees and costs in the amount of \$4,682.99 within 30 days. Seconded by Commissioner Heydarian. Motion carried.

8) Public Comment

None

9) FOR POSSIBLE ACTION: ADJOURNMENT

Meeting adjourned at 4:50 PM until Thursday December 5, 2024, at 9:00 AM.

Minutes prepared by: _____
Maria Gallo
Commission Coordinator

To Be Approved By Commission

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

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

Nevada State Business Center
3300 W. Sahara Avenue
4th Floor, Tahoe 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 9:12 A.M.

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

Commission Counsel: Joseph Ostunio, Deputy Attorney General.

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; Robert Towle, 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

None

6) Commission/Division Business:

A) Administrator’s Report

Sharath Chandra stated the Division is in the budget process for the next fiscal year. Mr. Chandra stated the IT project is progressing and hopefully we will get the new software going in the next year. Mr. Chandra stated staffing is still an issue and has its challenges. Mr. Chandra stated the Ombudsman has built up a great team and the Division is slowly getting to the point of being fully staffed. Mr. Chandra stated prior to the legislative session there may be a commission meeting where the Division can give a report on any potential bills so the commission can track them. Mr. Chandra stated the Division does not have any bills in the works for this legislative session. Mr. Chandra stated there are at least four BDRs (bill draft requests) regarding CICs that the Division is currently aware of, but there is no specific language yet.

B) Licensee and Board Member Discipline Report
Shareece Bates presented this report that was provided to the Commission in the meeting packet.

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

J) NRED v. Turnberry Towers East Unit-Owners', Tony Rector, James Orr, Lawrence (Larry) Karp, Manu Sethi and Tamra Trainer, for possible action.

Case No. 2023-309

Type of Respondent: Board Members

Parties Present

Phil Su, Senior Deputy Attorney General, was present representing the Division.
Jacqueline "Jackie" Nichols, was present representing the Respondent Tony Rector.
Tony Rector, Respondent, was present.

Preliminary Matter

Mr. Su stated the State's and Respondent's documents have been stipulated to at the Wednesday Commission meeting.

Opening Statements

Mr. Su gave his opening statement.
Ms. Nichols gave her opening statement.

Ms. Nichols stated for the purpose of testimony she was going to invoke the exclusionary rule.

Mr. Su stated the State does not object to that request.

State's Witness

Christina Pitch testified.

Ms. Nichols cross-examined Ms. Pitch.

Mr. Su redirected Ms. Pitch.

Ms. Nichols re-cross examined Ms. Pitch

The Commissioners questioned Ms. Pitch

Preliminary Matter

Mr. Su stated that a matter has been brought to his attention that occurred during the lunch break.
Mr. Su stated that Commissioner Tomasso and Ms. Nichols were in the room alone together and they shared a conversation that was completely social in nature. Mr. Su stated the video feed remained on during the duration and no ex parte communications occurred.

Ms. Nichols stated she would agree with the representation of the conversation being completely social in nature.

Chairman Tomasso stated no ex parte communications occurred and that the conversation was social in nature.

State's Witness

Noel Thornton testified.

Ms. Nichols cross-examined Ms. Thornton.

Mr. Su redirected Ms. Thornton.

Ms. Nichols re-crossed Ms. Thornton.

The Commission questioned Ms. Thornton.

The State's rests its case.

Respondent's Witness

None

Ms. Nichols stated Mr. Rector is no longer on the board of the HOA.

Closing Statements

Mr. Su gave a closing statement.

Ms. Nichols gave a closing statement.

The Commission deliberated what action to take against the Respondent.

Factual Allegations

Commissioner Heydarian moved that factual allegations 1-23 have been proven. Seconded by Chairman Tomasso. Motion carried

Commissioner Heydarian moved that factual allegations 24-33 have been proven. Seconded by Chairman Tomasso. Motion carried.

Violations of Law

Chairman Tomasso moved that violations of law 1-8 have been proven. Seconded by Commissioner Heydarian. Motion failed 2:3 with Commissioners Gilliam, Sweetin and Lighthart opposed.

Chairman Tomasso moved that violation of law #1 has been proven. Seconded by Commissioner Heydarian. Motion failed 0:5.

Chairman Tomasso moved that violation of law #2 has been proven. Seconded by Commissioner Heydarian. Motion carried.

Chairman Tomasso moved that violation of law #3 has been proven. No second. Motion failed.

Chairman Tomasso moved that violation of law #4 has been proven. Seconded by Commissioner Gilliam. Motion carried.

Chairman Tomasso moved that violation of law #5 has been proven. Seconded by Commissioner Heydarian. Chairman Tomasso withdraws the motion. Commissioner Heydarian withdraws her second.

Commissioner Gilliam moved that violation of law #5 has been proven specifically “Respondent Board Members violated NRS 116.3103 pursuant to NAC 116.405(3) by committing acts or omissions constituting incompetence, negligence or gross negligence when they allowed for the use of petty cash without established controls or retention of receipts”. Seconded by Chairman Tomasso. Motion carried.

Chairman Tomasso moved that violation of law #6 has been proven. Seconded by Commissioner Lighthart. Motion carried 4:1 with Commissioner Sweetin opposed.

Chairman Tomasso moved that violation of law #7 has been proven. Seconded by Commissioner Heydarian. Motion failed 1:4 with Commissioners Lighthart, Sweetin, Gilliam and Chairman Tomasso opposed.

Chairman Tomasso moved that violation of law #8 has been proven. Seconded by Commissioner Gilliam. Motion carried.

Chairman Tomasso moved that violation of law #3 has not been proven. Seconded by Commissioner Gilliam. Motion carried.

Mr. Su stated the recommended discipline is a \$5,000 fine, pay the Division’s fees and costs of the hearing, removal off any board the Respondent is serving on, that the Respondent be prohibited from serving on a Nevada board for 10 years, the Respondent must petition the Commission if they ever want to serve on a board in Nevada, pay restitution to the Association in the amount of \$249,235.72 within the time specified by the Commission.

Maria Gallo, Commission Coordinator, testified that the Division’s reasonable, necessary and actual fees and costs are in the amount of \$2,798.96

The Commissioners discussed the proposed discipline to impose against the Respondent.

Mr. Su restated the recommended discipline is a \$5,000 fine, pay the Division’s fees and costs of the hearing, removal off any board the Respondent is serving on, that the Respondent be prohibited from serving on a Nevada board for 10 years, the Respondent must petition the Commission if they ever want to serve on a board in Nevada, pay restitution to the Association in the amount of \$249,235.72 within the time specified by the Commission.

The Commissioners continued to discuss the proposed discipline to impose against the Respondent.

Chairman Tomasso moved that the Respondent pay a \$1,000 fine, pay the Division’s fees in

costs in the amount of \$2,798.96, removal off any board the Respondent is serving on , that the Respondent be prohibited from serving on a Nevada board for 10 years, the Respondent must petition the Commission if they ever want to serve on a board in Nevada, pay restitution to the Association in the amount of \$6,5000, and all monies owed to be paid within 90 days of the Order. Seconded by Commissioner Heydarian. Motion carried 4:1 with Commissioner Sweetin opposed.

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 2025.

Chairman Tomasso approved the meeting calendar for 2025.

- ❖ March 11-13, 2025
- ❖ June 10-12, 2025
- ❖ September 9-11, 2025
- ❖ December 9-11, 2025

6) Commission/Division Business:

G) For possible action: Discussion and decision to approve minutes of the September 10-11, 2024, Commission meeting.

Commissioner Gilliam moved to approve the minutes of the September 10-11, 2024, Commission meeting. Seconded by Commissioner Heydarian. Motion carried.

8) Public Comment:

None

9) For Possible Action: Adjournment

Meeting adjourned at 4:40 PM.

Minutes prepared by: _____

Maria Gallo
Commission Coordinator

NOV 14 2024

NEVADA COMMISSION FOR
COMMON INTEREST COMMUNITIES
AND CONDOMINIUM HOTELS*mgallo*

My name is Ray Pulliam. My wife Jayme and I owned a condo located at *****, Las Vegas, Nevada. The property management company is P**** C***** Management. The Community Manager for the Property is K***** L**. Ms. L**'s assistant is E***** G**. The Supervisory Community Manager for Ms. L** is S***** D*****. The President of P**** Community Management is A**** P*****.

My wife Jayme and I decided to sell the condo and listed it for sale. Since we still owned the condo on February *,2024, \$***.00 was taken from our account through auto pay for the February HOA dues. Proof was provided to the Ombudsman's office when I filed my formal complaint as exhibit #1.

A buyer was found, and the escrow company used was S***** T****. S*** F***** and K**** H**** are the S***** T**** employees that handled the sale and transfer of title / deed. Escrow closed on February **, 2024.

On February **, 2024, one week prior to the close of escrow, Jayme called P**** C***** Management and spoke to Community Manager K**** L**. Jayme had her phone speaker on, and I was listening to her conversation with Ms. L**. Jayme told Ms. L** that the condo was sold and as of February **, 2024, we would no longer own the condo. Jayme told Ms. L** we were revoking auto payment beginning in March, since we would no longer own the condo or be a part of the HOA. Ms. L** instructed us to send her an email with that information. After Jayme hung up with Ms. L**, I sent her an email requesting autopay be stopped. Proof was provided to the Ombudsman's office when I filed my formal complaint as exhibit #2.

Final escrow documents from S***** T**** show that escrow closed on February **, 2024, and Jayme and I were issued a \$**.00 credit from the buyer for February **** HOA dues that we had already paid. Proof was provided to the Ombudsman's office when I filed my formal complaint as exhibit #3.

We received a final inspection opt -out from P**** C***** Management, which shows the assessment was paid through February **,2024. It states the next assessment is due on March 1,2024. This document also shows there is a zero balance for other fees we owed to the HOA. . Proof was provided to the Ombudsman's office when I filed my formal complaint as exhibit #4.

Additional proof that we no longer owned the condo after February **,2024 is a copy of the Clark County Assessor real property form showing a recording date of February **, 2024, and the property now owned by R***** D*** V*****. . Proof was provided to the Ombudsman's office when I filed my formal complaint as exhibit #5

Since Ms. L** had not acknowledged or responded to my email dated February ** to stop autopay on February **, 2024 I sent an email to P**** C***** Management President

A**** P***** and Supervisory Community Manager S***** D***** complaining that Ms. L** had not responded to the email and asked Ms. D***** as Ms. L**'s supervisor to look into stopping the autopay. . Proof was provided to the Ombudsman's office when I filed my formal complaint as exhibit #6.

On March **, 2024, I checked my bank account on-line and discovered that P**** M***** Company had withdrawn \$***.00 from my account via autopay for March HOA dues, even though we had revoked autopay both verbally and in writing. Proof was provided to the Ombudsman's office when I filed my formal complaint as exhibit # 7.

On March **, 2024, I sent an email to Supervisory Community Manager S***** D***** and carbon copied it to P**** C***** Management President A**** P*****, Community Manager K**** L** and E***** G**, advising of the withdrawal of funds from my account even though autopay had been revoked and a request them to rectify the matter. Out of the four recipients, no one responded or acknowledged the email. Proof was provided to the Ombudsman's office when I filed my formal complaint as exhibit #8.

On March **, 2024, I emailed the Ombudsman Office and asked a question regarding this situation. Chief Compliance Investigator T**** W***** responded to the email. In Mr. W*****'s response he stated he contacted Ms. D***** and Ms. D***** wanted me to contact her via email. Mr. W***** also stated that Ms. D***** was confident the matter could be easily resolved. Proof was provided to the Ombudsman's office when I filed my formal complaint as exhibit # 9.

On March **, 2024, I emailed Supervisory Community Manager S***** D***** and carbon copied P**** C***** Management President A**** P*****, Community Manager K**** L** and E***** G** as requested by Mr. W***** to try and resolve this matter. Proof was provided to the Ombudsman's office when I filed my formal complaint as exhibit #10

I use a program called email tracker to track emails sent to see when they have been opened. According to the tracking program the email sent on March ** was opened on March ** at 9:15:26 PM. Out of the four recipients, no one responded or acknowledged the email. Proof was provided to the Ombudsman's office when I filed my formal complaint as exhibit #11.

Since I had made numerous attempts to resolve this matter and both Community Manger L** and her Supervisor Supervisory Community Manager D***** have not responded, on March **, 2024, I sent an email to Ms. L** advising her that if she does not respond to this email I would be filing a formal complaint with the Ombudsman Office for violations of NRS 116A.630 – Standards of practice for Community Managers and NRS 116-31183 – Retaliatory action. . Proof was provided to the Ombudsman's office when I filed my formal complaint as exhibit # 12.

According to email tracker Ms. L** opened this email on March ** at 9:32:17 PM. As of April *, 2024, Ms. L** has not responded or acknowledged this email. Proof was provided to the Ombudsman's office when I filed my formal complaint as exhibit #13

On March **, 2024, at 5:34 PM, Jayme and I contacted our bank to dispute the \$***.00 removed from our account by P**** C***** Management after autopay had been revoked. During this conversation we asked our bank to prevent P**** C***** Management from removing additional funds from our account. The bank usually charges \$**.00 for this service but waived the fee for us. The bank conducted an investigation and credited our account for \$***.00 for the money removed by P**** C***** Management after autopay had been revoked. Proof was provided to the Ombudsman's office when I filed my formal complaint as exhibits 14, 15 and 16.

On March **,2024, I emailed S***** T**** Escrow Officer S*** F***** asking for her help with this matter. Ms. F***** was unavailable, so Escrow Officer K**** H**** responded to the email. On March **,2024, I received a demand letter from P**** C***** Management in the amount of \$***.00 since autopay had been revoked for March HOA dues. I emailed Ms. H**** to ask for her assistance with this matter. On March **,2024, at 4:15 PM, Ms. H**** emailed P**** C***** Management employee D**** M***** asking for her assistance to get this matter resolved. In the email Ms. H**** included a copy of the grant deed showing that I no longer owned the property as of February ** and a copy of a voided check. According to Ms. H**** the March HOA dues were paid through escrow and P**** C***** Management deposited the check on March ** 2024. As of April *, 2024, Ms. M***** has not acknowledged or responded to the email. Proof was provided to the Ombudsman's office when I filed my formal complaint as exhibits 17,18,19 and 20.

On page ** of the Declaration of Covenants, Conditions and Restrictions for T*** * and * Condominiums it states under section 18.7 "Monthly Payment of Common Expenses: All Common Expenses assessed under Sections 18.1 and 18.2 of this Declaration shall be due and payable monthly, at 1/12th of the annual total (in cases where an annual total is applicable)." This shows that HOA dues are paid monthly. Since we no longer owned the condo in March, \$***.00 should not have been taken from our bank account. Proof was provided to the Ombudsman's office when I filed my formal complaint as exhibit 21.

On April *, 2024, at about 1205, I called F**** C***** Bank and spoke to J***** Z***** regarding the demand letter from the bank. Ms. Z***** checked the bank records and stated the property still shows as being owned by Jayme and me. Ms. Z***** said that it is P**** C***** Management's responsibility to notify F**** C***** Bank and to update the property records. Ms. Z***** said I should contact P**** C***** Management and ask them to update their records. Ms. Z***** went on to say that if P**** C***** Management does not update their records soon, most likely I will get a demand letter from F**** C***** Bank for not paying the April HOA dues. I asked Ms. Z***** if I could get something in writing regarding our conversation today. Ms. Z***** said she would send me an email as written

proof. Proof was provided to the Ombudsman's office when I filed my formal complaint as exhibit 22.

Below are additional things I have done that were not included in the Ombudsman complaint.

On April **, 2024, I contacted the Neighborhood Justice Center and requested assistance / mediation to get proof from P**** C***** Management that I had a zero balance. The Neighborhood Justice Center sent letters to P**** C***** Management President A**** P***** and Supervisory Community Manager S***** D*****. Neither Ms. P***** nor Ms. D***** contacted the Neighborhood Justice Center. The Neighborhood Justice Center left voicemail messages for Ms. P***** and Ms. D*****. Neither contacted the Neighborhood Justice Center. The Neighborhood Justice Center closed my request since no one from P**** C***** Management contacted them to try and resolve the matter. Proof can be provided, if requested.

May *, 2024, I attended free event National Law Day Ask-A-Lawyer at P***** Recreation & Senior Center. Met with an Attorney that has specialized in Debt Collection and creditors rights. He said he has dealt with HOA boards in the past. He said that legally P**** C***** Management should not have withdrawn funds from my account for March since 1) Auto pay authorization had been revoked and 2) I no longer owned the property. He said unfortunately, some property management companies are poorly run or mismanaged and sometimes things like this occur. He said since my bank reimbursed me; I have no more legal standing for a financial loss. However, my bank could take action to recover the money reimbursed to me. He said I should be concerned about P**** C***** Management refusing to provide written proof of a zero balance. He recommends that I check my credit reports for a while to ensure that P**** C***** Management has not reported the supposed fees owed to a debit collection company or filed a negative comment regarding my credit. He concluded by saying if P**** C***** Management were to try and collect the debit that is not owed or file anything negative regarding my credit, I should consider filing a lawsuit against P**** C***** Management.

On May *, 2024, I filed a Better Business Bureau complaint against P**** C***** Management. Although the P**** C***** Management employee did not provide their name it appears that Ms. D***** was the person responding to the complaint. Ms. D***** started out by falsely stating no money was removed from my account after the condo had been sold. My bank records prove that to be untrue. Ms. D***** also stated that the Ombudsman office never contacted her because P**** C***** Management did not do anything wrong. (Ombudsman Chief Compliance Investigator T**** W***** and his supervisor Deputy Administrator C***** F****, both disagree with this statement and stated that my complaint was "substantial".) At some point, Ms. D***** finally wrote that I have a zero balance with P**** C***** Management.

Based on the statement by Ms. D*****, I did a freedom of information request for prior complaints against Ms. D***** and Ms. L**. The freedom of information request returned with no prior complaints against Ms. D***** and Ms. L**.

Emails to Mr. W***** and Mr. F*****, confirmed that my Ombudsman complaint was sustained, but under NRS 116A.270, the information is considered confidential and not subject to review under a freedom of information request.

Other important information: I when I discovered my complaint was not discoverable during a freedom of information request, I contacted Chief Compliance Investigator T**** W***** and requested his supervisor's information. Chief Compliance Investigator T**** W***** refused to provide me with Deputy Administrator C***** F****'s information. I had to take it upon myself to locate Deputy Administrator C***** F****'s information and email him myself.

After talking to Deputy Administrator C***** F****, I was still extremely unsatisfied with the lack of results from the Ombudsman office. I contacted Nevada State Senator C***** B***. I explained to Senator B*** what had occurred. I also explained to Senator B*** that I feel it is important that NRS 116A.270 be amended or repealed, so no other Nevada resident would be victimized by a Property Management Company and the Ombudsman office. The way NRS 116A.270 is currently written, it appears that P**** C***** Management was more concerned about the Better Business Bureau complaint than the Ombudsman complaint, since it was not until the Better Business Bureau complaint was filed that this matter finally got resolved.

Senator B*** put me in touch with her legislative staff. In speaking with the legislative staff, I was told to contact Deputy Administrator C***** F****, to let him know that Senator B***'s staff would be contacting him. Deputy Administrator C***** F****'s, response to me was:

“Mr. Pulliam. Thank you for reaching out on this matter. The Division is always open to working with law makers to provide any information or background on a particular issue or proposed changes to Statute under its jurisdiction. Please have the Senator's staff reach out to us at their convenience and we can discuss. Please have them email my assistant S***** B**** (email address was also provided).

From talking to Senator B***'s legislative staff member I learned that the only person he spoke regarding potentially amending or repealing a current law was Deputy Administrator C***** F****'s, assistant.

Personally, I found Deputy Administrator C***** F****'s response regarding this matter to be unacceptable. I then researched and reached out to Administrator C*****. On October *, 2024, Administrator C***** and I spoke on the phone regarding this matter.

Since speaking to Administrator C*****, Senator B***'s staff has contacted me and requested that I testify before the state Legislators during the 2025 legislative session regarding how I was

treated by a property management company and the Nevada Real Estate Division. I told them it would be my honor to testify and inform the State Legislators how my complaint was handled.

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NEVADA COMMISSION FOR
COMMON INTEREST COMMUNITIES
AND CONDOMINIUM HOTELS

regallo

CICCH Commission meeting public comment, by Mike Kosor

December 3, 2024

Subject: NRED and Ombudsman dereliction of mission

My reason for speaking this morning is unchanged from the many times I have come before you over the years. The Nevada Real Estates Division (NRED) continues to turn a "blind eye" to its regulatory mandate. My allegation is serious and comes with evidence the Commission should not ignore or dismiss - as you have for years. The Division under Administrator Chandra is "captured" by the industry it is tasked to regulate. **I ask for an investigation.**

I requested the Ombudsman respond, in person or in writing, to a few clear and direct questions- all related to NRS 116. I have provided the email exchange and ask it be included in the minutes. The Ombudsman rejected my request. She not only refused to speak but also refused to answer my questions. Her representative writes "most of your questions either implicate, or directly pose legal questions that exceed the scope of the Ombudsman/NRED's ability to assist..."

"No ability to assist" in responding to *What action should an elected director take if the majority of directors refuse to comply with NRS (Question #3) or what provision of NRS grants the board authority to act to remove and/or declare void the position of an elected director (Question #5)?* It exceeds the scope of the Ombudsman or NRED's ability?

No Commissioners, the Ombudsman is **knowingly engaging in concealment.** The exchange evidence the Ombudsman's knowing refusal to act ironically on what it acknowledges is a core mission- "assist owners in common-interest communities to understand their rights and responsibilities".

End your persistent deaf ear. The most casual of observer will recognize as wrong and likely illegal what the Division ignores and your inaction conceals. The Division is turning a blind eye despite knowing:

- An elected HOA director is unilateral removed by the unelected appointed board majority, then denied access to re-election for nothing more than seeking a court interpretation of an HOA statute, exercising a fiduciary duty, upon believing the board is violating Nevada law.
- An association brings litigation against an owner, seeking punitive damages, for simply applying for election to his/her governing board.
- The Ombudsman refuses owner requests for assistance, asserting a strawman the questions posed exceed its scope of assistance.
- A developer retains control of a large HOA for over a quarter century despite the Division possessing evidence, reported by the HOA annually, declarant control terminated long ago and rejecting formal requests by owners to investigate and/or provide an explanation?

There is a huge chilling effect in permitting the above. What owner is going to seek a position on his/her board if seeking election can result in litigation (even if clearly frivolous) by the association alleging damages? Inaction on this issue and others is having a significant adverse material effect on not only my community but all Nevadans who reside in HOAs.

I have appeared before you for years. My long history of pleading for your cooperation, an investigation, or a simply agenda topic based on my many allegations have proven futile. Nonetheless, I will continue my efforts to bring light to the obstructionist actions of the Division and this Commission until a review of my allegations by this Commission, the courts, and/or the press are concluded.

Atch: Sep 2024 email exchange w/Ombudsman seeking assistance

RE: Speak to the Ombudsman

From: Shareece N. Bates (sbates@red.nv.gov)

To: [REDACTED]

Date: Wednesday, September 18, 2024 at 05:26 PM PDT

Good afternoon Mr. Kosor,

Based on your previous interactions with the office and your multiple presentations during the public comment period of the CIC commission, it is evident that you have a good understanding of the statutory authorities underpinning the questions you are posing. The Ombudsman Office's mission to "assist owners in common-interest communities to understand their rights and responsibilities" does not extend to offering legal advice, and, unfortunately, most of your questions either implicate, or directly pose, legal questions that exceed the scope of the Ombudsman/NRED's ability to assist, and/or concern issues raised either in prior litigation or current, pending litigation. Instead, you should seek legal counsel for specific answers to these questions.

Thank you for your time.

Shareece

Shareece Bates

Administration Section Manager
3300 W. Sahara Avenue, suite 350
Las Vegas, NV 89102
702.486.4036 (phone)
702.486.4275 (fax)
sbates@red.nv.gov



Nevada Real Estate Division

Nevada Department of Business and Industry
"Growing business in Nevada"

From: Michael Kosor [REDACTED]
Sent: Friday, September 13, 2024 9:28 AM
To: Shareece N. Bates <sbates@red.nv.gov>
Subject: Re: Speak to the Ombudsman

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Shareece

Please confirm you have received the email below.

Any idea when I might hear from the Ombudsman?

Thanks

Mike Kosor

On Thursday, September 12, 2024 at 10:39:05 AM PDT, Michael Kosor [REDACTED] wrote:

Shareece

OK- lets see if I get timely assistance.

I ask the Ombudsman and/or other applicable section(s) of the Division as may be necessary, to assist me in understanding my rights and responsibilities as an owner and assist me as an elected board member in carrying out my duties by responding to the following six related questions and providing other assistance has deemed necessary/available:

My association governing documents (adopted prior to 2015) provide the following: "The power reserved to declarant in this Section 4.2 to appoint or remove a majority of the Board ("Declarant Control Period") shall terminate on the earliest of: (i) sixty (60) days after conveyance by Declarant of seventy-five percent (75%) of the Units That May Be Created; (ii) five years after Declarant has ceased to offer any Units for sale in the ordinary course of business; or (iii) five years after any right to annex any portion of the Annexable Area was last exercised by Declarant."#

The Maximum Units per the association's CC&Rs (as amended by the Declarant), is 10,400. The association has years reported annually to the Division over 8,000 units annexed. A declarant has no interest in any of the annexed units. The association has more than a 1,000 units.

Question #1- Has the period of declarant's control terminated?

Question #2- Should the association's board have conducted an election of the appointed directors IAW NRS 16.31034?

Question #3- What action should an elected director take if the majority appointed directors refuse to comply with NRS 116.31034 or any other provision of NRS?

Question #4- What action should an elected director take if the majority directors refuse to comply with a provision of the governing documents?

My association governing documents provide the following: "Any Director may be removed from the Board, with or without cause, as set forth hereunder. Upon receipt of a written petition requesting removal of any Director, signed by such Members as are required for the calling of a special meeting of the Members [...] the Board shall present said petition to the Members for vote. By a two-thirds vote of all Members present and entitled to vote at any duly noticed meeting of the Members at which a quorum is present, the Members may remove, with or without cause, any Director, other than a Director appointed by Declarant."

Question #5- Assuming the association failed to comply with the above provision of its governing documents, what provision(s) of NRS, if any, grants the board authority to act to remove and/or declare void the position of an elected director?

Question #6- What provision(s) of NRS, if any, grants the board authority to unilaterally exclude an elected director from any deliberation(s) of the board?

I can provide additional information and/or clarification if necessary upon request. I hope to receive a prompt response.

Thank you

Mike Kosor

Las Vegas HOA owner

~~XXXXXXXXXX~~

#The association's governing documents defines Declarant Control Period as follows:

"Declarant Control Period": *The period of time during which Declarant is entitled to appoint and remove the entire Board of Directors (or a majority thereof). The Declarant Control Period shall terminate upon the first to occur of the following:*

- (a) 60 days after Declarant has conveyed 75% of the Maximum Units;
- (b) five years after the Declarant has ceased to offer Units for sale in the ordinary course of business; or,
- (c) five years after Recording of the most recent Annexation· Notice or Supplemental

Declaration to add any additional property to the Declaration as provided in Section 1 0.1. Nothing in this Section shall preclude Declarant, in its sole discretion, from voluntarily

relinquishing control of the Board earlier than required by this Section, and in such event, Declarant reserves the right to veto actions of the Association as provided in the bylaws until such time as

the Declarant Control Period would have otherwise expired under this Section. Within 30 days after Owners other than Declarant are entitled to elect a majority of the Directors pursuant to this

Section, the Declarant shall deliver to the Association all personal property of the Owners and the Association which Declarant holds or controls including such items as are specifically required to

be delivered under NRS § 116.31038.

On Wednesday, September 11, 2024 at 05:56:56 PM PDT, Shareece N. Bates <sbates@red.nv.gov> wrote:

Good afternoon Mr. Kosor,

To assist you regarding your request pertaining to the statutes listed below, as you have done in the past, please provide the Division, in writing, any questions or clarifications you are seeking. This will remove the need to drive to our office to obtain such information.

Upon receipt, the Division will respond accordingly.

Thank you

Shareece

Shareece Bates

Administration Section Manager

3300 W. Sahara Avenue, suite 350

Las Vegas, NV 89102

702.486.4036 (phone)

702.486.4275 (fax)

sbates@red.nv.gov



Nevada Real Estate Division

Nevada Department of Business and Industry
"Growing business in Nevada"

From: Michael Kosor <[REDACTED]>
Sent: Wednesday, September 11, 2024 11:22 AM
To: Shareece N. Bates <sbates@red.nv.gov>; CICOMBUDSMAN <CICOMBudsman@red.nv.gov>
Cc: Charvez Foger <cfoger@red.nv.gov>; Terry Wheaton <TWheaton@red.nv.gov>
Subject: Speak to the Ombudsman

WARNING - This email originated from outside the State of Nevada. Exercise caution when opening attachments or clicking links, especially from unknown senders.

Help Requested Please

I just called the Ombudsman's office requesting to talk to the Ombudsman. I was told it was not possible to schedule a meeting or call. My only option, according to the lady who answered the phone was to walk in anytime and someone will speak to me.

Really? Is this how the office " Assist[s] owners in common-interest communities to understand their rights and responsibilities..."?

I will walk in tomorrow if nothing else can be arranged. Hopefully someone can assist me so as my trip will not be for nothing. I have listed subjects I wish to office help me understand below:

NRS 116.4117

NRS 116.31032

NRS 116.31034(10)(a)(2) and (13)

Regards

Mike Kosor



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DEC 03 2024

NEVADA COMMISSION FOR
COMMON INTEREST COMMUNITIES
AND CONDOMINIUM HOTELS

mgallo



COMMON INTEREST ADVISORS, LLC

Public Comment to CICCH/HOA Commissioners Regarding FirstService Residential's Financial Failures

December 3, 2024

Good morning, Commissioners,

Thank you for the opportunity to speak today. Over the past year, **Common Interest Advisors, LLC** has uncovered significant issues of **financial mismanagement** and **corruption** within the **Common Interest Realty Association** industry. Specifically, in Illinois, we have exposed unethical practices by two property management companies, one reserve study firm, and three certified public accountants.

In previous meetings, I've discussed some of these companies, and today, I can share their names: **Sudler Property Management**, a division of **Associa**, and **FirstService Residential (FSR)**. Both **FirstService Residential** and **Associa** are major players not only in Illinois but across the country, including **Nevada**, where they hold significant market shares. Their influence in the property management sector makes their business practices of critical importance, not just locally but on a national scale.

Sudler Property Management's Legal Issues

Let me first address **Sudler Property Management**. Last month, I received an update from the **American Institute of Certified Public Accountants (AICPA)** regarding an ethics complaint I filed against **Sudler's auditor**. This complaint is related to the auditor's **substandard work for an HOA within an iconic high-rise** (702 condominiums, \$10MM in annual revenues). The auditor's response to a non-cooperation letter, which was due by October 31, 2024, has not been provided. As a result, the AICPA is proceeding with **disciplinary action**, including a review by the **Joint Trial Board**, expected to occur in early 2025. Both the AICPA and the **Illinois CPA Society** are likely to recommend the auditor's **expulsion** from their organizations. This is a significant step toward holding the professional accountable for his actions, which have contributed to the ongoing financial mismanagement at Sudler.

In addition, there is **pending litigation** against a condominium association that has refused to turn over critical **audit deliverables**, which are typically provided along with the draft audit report. These documents, including the **adjusted trial balance** and **adjusting journal entries**, are essential for ensuring **full financial transparency and accountability**. The refusal to provide these documents is part of an ongoing pattern of financial mismanagement at Sudler. It further underscores the need for vigilance and oversight in our industry to protect community associations from such practices.

Financial Mismanagement at FirstService Residential

Turning now to **FirstService Residential**, we have identified **serious concerns regarding their financial oversight**. Last month, we reviewed audit deliverables prepared by a **CPA hired by FirstService Residential**. Notably, this auditor was selected by the **community association manager**, not the board of directors, after the previous auditor resigned. We had filed an ethics complaint against the prior auditor for failing to write off several hundred thousand dollars in credit losses, as required by multiple settlement agreements.

Upon review, we discovered significant **errors in the adjusting journal entries**. Specifically, the year-end operating fund balance was reported as **\$13,130**, when, in reality, the balance was **several hundred thousand dollars in the red**. This kind of **financial misreporting** is not only misleading but potentially harmful to the long-term financial health of the community. Given the severity of these issues, we have referred this CPA to the **Illinois Department of Professional and Financial Regulation** for further investigation.

The Bigger Picture

At a recent board meeting, a property supervisor from FirstService Residential revealed a troubling statistic: the three auditors involved in the cases I've outlined today — including the one working with FirstService Residential — serve approximately 95% of the Chicago Lakefront community association market. This statistic underscores the widespread nature of the problem and highlights the urgent need for greater scrutiny and regulation of industry practices. The dominance of these firms in markets like Chicago, Nevada, and beyond suggests that these issues are not isolated incidents but rather a systemic problem.

Conclusion

Thank you for your attention to these important matters. These issues are not isolated, and they reflect systemic problems that require our collective focus and action. The influence of firms like Sudler and FirstService Residential, coupled with the unethical behavior of certain auditors, continues to undermine the trust and financial integrity of community associations across the country. I am happy to answer any questions you may have or provide additional details on any of these cases.