

1 **BEFORE THE COMMISSION FOR COMMON-INTEREST**
2 **COMMUNITIES AND CONDOMINIUM HOTELS**
3 **STATE OF NEVADA**

4 SHARATH CHANDRA, Administrator,
5 REAL ESTATE DIVISION, DEPARTMENT
6 OF BUSINESS AND INDUSTRY, STATE
7 OF NEVADA,

8 Petitioner,

9 vs.

10 RAINBOW BEND HOMEOWNERS
11 ASSOCIATION (Entity Number C14711-
12 1992),

13 Respondents.

Case No. 2025-630

FILED

MAY 11 2026

NEVADA COMMISSION FOR
COMMON INTEREST COMMUNITIES
AND CONDOMINIUM HOTELS

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14 **RESPONSE TO COMPLAINT FOR DISCIPLINARY ACTION**

15 Respondent, Rainbow Bend Homeowners Association, (“Respondent” or “Association”),
16 by and through its attorney, Donna A. Zanetti, Esq., of Leach Kern Gruchow Song, hereby
17 responds to the Commission's Complaint for Disciplinary Action (“Complaint”).

18 **JURISDICTION AND NOTICE**

19 Respondent admits the allegations contained in the preliminary paragraph.

20 **FACTUAL ALLEGATIONS**

21 1. Answering Paragraph 1 of the Complaint, Respondent admits that that it is a
22 common interest community of 402 units located in Storey County, Nevada.

23 2. Answering Paragraph 2 of the Complaint, Respondent admits that it registered as a
24 common interest community in January 1993.

25 3. Answering Paragraph 3 of the Complaint, Respondent admits that the Division
26 issued a Letter of Non-Compliance to Respondent on March 17, 2025 regarding its failure to
27 submit a reserve study.

28 4. Answering Paragraph 4 of the Complaint, Respondent admits that on August 12,
2025, the Division initiated an investigation as to the failure of the Association to submit Form

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1 562 for years 2024 and now 2025.

2 5. Answering Paragraph 5 of the Complaint, Respondent admits that on August 12,
3 2025, the Division initiated an investigation on the Association’s failure to cause a current reserve
4 study to be performed as the last such reserve study had been completed in 2019. The Association
5 had in fact adopted new full reserve studies on July 22, 2025. See **Exhibit 1**, Minutes of July 22,
6 2025 Board meeting and **Exhibit 2**, 2026 Reserve Studies.

7 6. Answering Paragraph 6 of the Complaint, Respondent admits that on September
8 11, 2025, the Division’s Investigator sent a letter to the Association in care of its community
9 association manager, Terri Kenyon (“Kenyon”), referencing alleged violations of NRS 116.31158
10 and 116.31152 and seeking a written response within 10 business days and that the five Board
11 members, according to the last filed 2023 Annual Registration form, were sent courtesy copies of
12 the same.

13 7. Answering Paragraph 7 of the Complaint, Respondent admits that on October 24,
14 2025, the Division’s Investigator sent a second request to the Association in care of Kenyon with
15 courtesy copies to the Board members listed on the last filed 2023 Annual Registration form.

16 8. Answering Paragraph 8 of the Complaint, Respondent admits that on November
17 13, 2025, the Division’s Investigator sent a third request to the Association in care of Kenyon with
18 courtesy copies to the Board members listed on the last filed 2023 Annual Registration form.

19 9. Answering Paragraph 9 of the Complaint, Respondent admits that on December 1,
20 2025, the Division’s Investigator sent a fourth request to the Association in care of Kenyon and to
21 five new board members.

22 10. Answering Paragraph 10 of the Complaint, Respondent admits that the Division’s
23 Investigator sent a fifth request to the Association in care of Kenyon and to the five new board
24 members who had been sent the fourth request.

25 11. Answering Paragraph 11 of the Complaint, Respondent states that it is without
26 sufficient knowledge to form a belief as to the truth of the allegations that no response was received
27 to any of the six letters sent by the Division or what former Board member Vick may have

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1 communicated to the Division and therefore cannot admit or deny the allegation.

2 12. Answering Paragraph 12 of the Complaint, Respondent admits that Division's
3 Chief Compliance Audit Investigator issued a 233B letter to the Association on December 29,
4 2025 in care of its community association manager, Kenyon, and to Board member Neidert.

5 VIOLATIONS OF LAW

6 1. Answering Paragraph 1 of this Section of the Complaint, Respondent admits to the
7 violation of NRS 116.31152(1)(a) by failing to conduct and submit to the Division, a current
8 reserve study which is required once every five (5) years but asserts that it adopted a new full
9 reserve study on July 22, 2025. *See Exhibit 1*, July 22, 2025 Board meeting minutes and *Exhibit*
10 *2, 2026 Reserve Studies*. Respondent provides a copy of Form 609 dated August 25, 2025,
11 prepared by Kenyon but unsigned, and for which Respondent's Board has no record of the Form
12 609 being timely submitted to the Division. *See Exhibit 3*, Form 609. With the help of its reserve
13 study specialist, the Board has completed Form 609, a copy of which was submitted to the Division
14 on or about May 6, 2026. *See Exhibit 4*, Completed and Submitted Form 609 with combined
15 reserve studies.

16 21. Answering Paragraph 2 of this Section of the Complaint, Respondent admits to the
17 violation of NRS 116.3103 by failing to submit to the Division the Annual Association
18 Registration forms for the years 2024 and 2025. Respondent provides copies of Form 562, Annual
19 Association Registration for 2024 dated December 20, 2024 and Annual Registration for 2025,
20 dated December 13, 2025, both prepared by Kenyon and signed, but not received by the Division.
21 *See Exhibit 5*, 2024 Form 562 and 2025 Form 562. Further attached as *Exhibit 6* is a copy of the
22 Ombudsman's invoice for past due fees, a stop payment order on the December 18, 2025 check
23 for the Ombudsman's Fees and an updated 2025 Form 562 listing the current directors.

24 22. Answering Paragraph 3 of this Section of the Complaint, Respondent admits the
25 alleged violation of NAC 116.405 of a lack of cooperation and response to the Division's requests
26 for information. Respondent acknowledges that the failure to timely submit Annual Registration
27 Forms for 2024 and 2025 caused the Division to mail correspondence to persons no longer on the

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1 Board and therefore, the mechanism to alert the Board to the Division’s continuing efforts to obtain
2 information from its community association manager did not function as intended. The Board
3 responds that it relied on representations from its community association manager that the
4 Division’s request for information was being addressed. In the minutes of its March 25, 2025
5 meeting, in the Members Open Forum section, the minutes state, “A homeowner asked about the
6 letter from NRED regarding the reserve study and was told that we have communicated with
7 NRED to let them know we are working on it.” See **Exhibit 7**, March 25, 2025 Board meeting
8 minutes. And on February 24, 2026, another community manager emailed to the Division’s
9 Investigator a copy of the 2026 reserve studies. See **Exhibit 8**, February 24, 2026 emails.

10 **DISCIPLINE AUTHORIZED**

11 With respect to the “Discipline Authorized,” Respondent acknowledges that the
12 Commission has the authority to impose sanctions set forth therein.

13 **PROPOSED RESOLUTION/SETTLEMENT**

14 With regards to the violation of NRS 116.31152(1)(a), Respondent adopted an updated
15 full reserve study on July 22, 2025. Form 609 has been submitted.

16 Similarly, the violation of NRS 116.3103 has been resolved because completed Annual
17 Registration Forms for 2024 and 2025 have been submitted and payment to the Ombudsman of all
18 past due fees is being made.

19 As it pertains to the violation of NAC 116.405, the Board members did not willfully,
20 intentionally ignore the Division but relied, in error, on representations from its community
21 association manager that the Division was being provided with the requested information. The
22 Board has been advised of its responsibility to oversee Association operations, which would
23 include the work of the Association’s community association manager, and to verify that required
24 forms are timely filed and responses timely provided to the Division. Therefore, the Board asks
25 that the Commission not impose administrative fines against the Association in this case.

26 Pursuant to NRS 239B.030 and 603A.040, the undersigned does hereby affirm that the
27 ***Response to Complaint for Disciplinary Action***, filed in the above-entitled case (Case No. 2025-
28 630) does not contain the personal information of any person.

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DATED this 8th day of May, 2026.

LEACH KERN GRUCHOW SONG

By: /s/ Donna A. Zanetti
DONNA A. ZANETTI, ESQ.
Nevada Bar No.12904
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INDEX OF EXHIBITS

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1	Minutes of July 22, 2025 Board meeting	3
2	2026 Reserve Studies	78
3	Form 609.	2
4	Completed and Submitted Form 609 with combined reserve studies	64
5	2024 Form 562 and 2025 Form 562	4
6	Copy of the Ombudsman's invoice for past due fees	4
7	March 25, 2025 Board meeting minutes	3
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CERTIFICATE OF SERVICE

Pursuant to NRCP 5(b), the undersigned, an employee of Leach Kern Gruchow Song hereby certified that on 11th of May, 2026, she served a true and correct copy of the foregoing, **RESPONSE TO COMPLAINT FOR DISCIPLINARY ACTION**, by:

- Depositing for mailing, in a sealed envelope, U.S. postage prepaid, at Reno, Nevada
- Personal Delivery
- Facsimile
- Federal Express/Airborne Express/Other Overnight Delivery
- Reno Messenger Service
- Electronic Service – via E-Mail**

Addressed as follows:

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By: /s/ Jacquelyn Leuener
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