COMMISSION FOR COMMON-INTEREST COMMUNITIES AND CONDOMINIUM HOTELS MEETING MINUTES JUNE 09, 2026

VIA IN PERSON AND TEAMS VIRTUAL MEETING
JUNE 09, 2026

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

VIDEO CONFERENCE TO:
Nevada Division of Insurance
1818 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 Heydarian called the meeting to order at 9:08 A.M.
Introduction of Commissioners in attendance: June Heydarian, Robert "Bob" Sweetin, Kyle Tibbitts, Sara Gilliam, Kim Lighthart, and Patricia Morse Jarman. A quorum was established. Commissioner Phyliss Tomasso was absent.

Commission Counsel: Joseph Ostunio, Deputy Attorney General, was present.

B) 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; Maria Gallo, Commission Coordinator; Amy Reveyrand, Commission Coordinator; Phil Su, Senior Deputy Attorney General; William "Bill" Peper, Deputy Attorney General; and Christal Keegan, Senior Deputy Attorney was present.

2) Public Comment

Mike Kosor stated numerous formal petitions were submitted to the Commission under NRS 233B remain pending and have not been considered. Mr. Kosor expressed concern that the petitions have been outstanding for nearly one year without disposition and stated the petition process is intended to ensure requests for consideration are addressed.

Mr. Kosor also commented on public records requests related to matters on the Commission's agenda. Mr. Kosor stated requests for certain letters of instruction (LOIs) were denied based on the Division's interpretation of the confidentiality provisions in NRS 116.757. Mr. Kosor expressed the opinion the records should be available once a formal complaint has been filed and requested clarification regarding the Division's interpretation of the statute and the scope of confidentiality.

Mr. Kosor further stated a letter had been submitted for the Commission's consideration regarding the Ombudsman's Report. Mr. Kosor expressed the opinion that the report provides useful background information but does not provide sufficient information to support the Commission's regulatory, adjudicative, and policy-making responsibilities. Mr. Kosor requested the Commission review the letter and consider the concerns raised regarding the content of the report.

3) <u>REGULATION WORKSHOP FOR PROPOSED CHANGES TO NAC 116 AND NAC 116A LCB FILE NO. R091-25 ON JUNE 9, 2026 @ 9:00 AM</u>:

<u>General Public Comment</u>

None

<u>Section 1</u>

Shareece Bates read Section 1 into the record.

No public comment.

<u>Section 2</u>

Shareece Bates read Section 2 into the record.

Todd Jocelyn expressed support for several of the proposed amendments, including provisions requiring greater specificity in affidavits alleging breaches of fiduciary duty by board members, establishing requirements for the transfer of association records when a community manager is terminated or replaced, and eliminating the baseline funding option for reserve studies.

Mr. Jocelyn also recommended additional revisions to the proposed regulations. Mr. Jocelyn suggested increasing transparency following the closure of Division investigations by providing public disclosure of remedial measures required, broadening the definition of "imminent threat" to include conduct affecting the governance and financial integrity of an association, and strengthening protections for sitting directors exercising their statutory oversight rights under NRS 116.31175.

John Leach expressed support for the Commission's efforts to clarify the regulations but cautioned against adopting language that could unintentionally expand the role of homeowners' associations beyond their administrative authority. Mr. Leach discussed the distinction between criminal, civil, and administrative proceedings and stated the proposed regulations should avoid relying on criminal statutes or criminal convictions as the basis for determining health, safety, and welfare violations.

Mr. Leach recommended revising several provisions of the proposed regulations, including broadening the definition of health, safety, and welfare violations, recognizing conduct that may cause emotional harm in addition to physical harm, and aligning the regulations with existing statutory provisions regarding damage to association property. Mr. Leach also suggested removing references requiring criminal convictions, clarifying language regarding consultation with professionals while preserving attorney-client privilege, and revising provisions addressing foul or abusive language, public nuisances, and violations of state law to avoid unintended consequences.

Mr. Leach further expressed concern that the proposed regulations could increase costs for associations and homeowners by requiring additional legal proceedings. Mr. Leach encouraged the Commission to continue refining the proposed regulations, consider comments previously submitted by CAI, and allow additional opportunities for stakeholder input before adopting the amendments.

Jan Porter expressed agreement with comments previously made by John Leach and raised concerns regarding several provisions of Section 2. Ms. Porter stated additional clarification is needed regarding references to criminal convictions, noting associations may need to address health, safety, and welfare issues before a criminal matter is resolved. Ms. Porter also requested clarification regarding the application of housing codes and habitability standards within the Commission's jurisdiction.

Ms. Porter further commented on the proposed language addressing abusive language, stating certain conduct involving discriminatory or harassing language may create fair housing concerns requiring action by an association. Ms. Porter also requested clarification regarding references to public nuisance and the use of the term "pursue" in connection with enforcement actions, noting associations may coordinate with other governmental agencies, such as local health districts, when appropriate.

Ms. Porter acknowledged the complexity of the rulemaking process, thanked the Commission for considering stakeholder input, and encouraged continued refinement of the proposed regulations.

Mike Kosor stated he agreed with several comments made by previous speakers and emphasized the Commission's role as the administrative body responsible for implementing the statutory provisions. Mr. Kosor commented the proposed regulations would delegate significant authority to volunteer homeowners' association boards and stated the Commission's task is to determine the circumstances under which associations may impose enhanced fines for health, safety, and welfare violations.

Mr. Kosor expressed the opinion that the proposed regulations do not fully address the legislative directives to establish criteria, severity levels, and limits for health, safety, and welfare violations. Mr. Kosor further stated the statutory language refers to conduct posing an imminent threat and suggested the regulations should focus on ongoing threats rather than past conduct.

Mr. Kosor also commented on proposed provisions relating to bullying, stating previous legislative efforts to address bullying in homeowner's associations had not been enacted and cautioning against expanding the regulations beyond legislative intent. Mr. Kosor further noted fines imposed for health, safety, and welfare violations may become liens subject to foreclosure and encourage the Commission to carefully consider the scope of authority granted to homeowners' association boards.

Section 3

Shareece Bates read Section 3 into the record.

Mike Kosor stated he had submitted written comments for the Commission's consideration and expressed opposition to the proposed language. Mr. Kosor questioned whether the Division has statutory authority to require additional information beyond prescribing the affidavit form and asked why the proposed requirements apply only to fiduciary duty complaints.

Mr. Kosor further stated homeowners filing affidavits are often not represented by legal counsel and should be required to describe the underlying facts rather than identify a specific legal theory. Mr. Kosor expressed concern that the proposed requirements could result in affidavits being rejected based on an incorrect legal characterization rather than the facts presented. Mr. Kosor suggested the Division should evaluate the facts alleged and determine the applicable legal theory during its investigation.

Section 4

Shareece Bates read Section 4 into the record.

Jan Porter suggested the investigator's authority to make remedial recommendations should be coordinated with the provisions in Section 14 addressing investigative reports. Ms. Porter recommended the investigator's remedial recommendations be included in the report submitted to the Administrator.

Ms. Porter also expressed concern that remedial recommendations could be lost if an association changes management companies before a formal complaint is filed. Ms. Porter suggested the Commission consider requiring any advisories or remedial recommendations issued by the Division to be included with the association records transferred to a successor management company under the provisions of Section 13.

Mike Kosor stated he had submitted written comments and expressed opposition to the proposed language. Mr. Kosor stated the Legislature established the Commission as the adjudicative body for homeowners' association matters and expressed concern that the proposed amendments would delegate adjudicative authority to the Division beyond the authority granted by statute.

Mr. Kosor further expressed concern that the proposed remedial process would allow the Division to resolve alleged compliance issues without Commission review while maintaining the information as confidential. Mr. Kosor suggested the Commission should receive information regarding the types of remedial actions taken by the Division to better understand how the regulations are being applied. Mr. Kosor also stated greater transparency would assist the Commission and the public in identifying recurring compliance issues.

Mr. Kosor urged the Commission not to adopt provisions he believes would expand the Division's authority or reduce Commission oversight.

John Leach stated support for the proposed provision allowing the Division to address certain matters through remedial measures. Mr. Leach stated the Commission is tasked with handling significant cases and making difficult decisions; however, the Division has experienced staff at all levels who regularly encounter issues involving community managers, board members, and other regulated parties.

Mr. Leach stated the Division has extensive knowledge and experience regarding the types of issues that arise and may be able to determine when a matter can appropriately be resolved without Commission involvement. Mr. Leach suggested the Division could provide remedial measures to a person, and if the person accepts and completes the measures, the Division could report the resolution back to the Commission during a future meeting.

Mr. Leach stated the Commission would maintain oversight by reviewing matters resolved through remedial measures and could provide direction if certain types of resolutions were not appropriate. Mr. Leach acknowledged concerns regarding confidentiality and supervisory control but stated those concerns could be addressed through reporting requirements.

Mr. Leach stated the proposed language would allow issues to be resolved more quickly and less expensively, as matters brought before the Commission often involve additional expenses and resources. Mr. Leach stated he supports providing the Division with the ability to resolve appropriate matters before they escalate to the Commission.

Benn Wiebers stated opposition to the proposed section and expressed support for the concerns raised by Mike Kosor and the Nevada HOA Reform Coalition. Mr. Wiebers raised concerns regarding transparency and stated his experience with the Division has shown a lack of meaningful assistance for individual homeowners, particularly when larger interests are involved.

Mr. Wiebers described frustrations with the handling of homeowner complaints, including allegations of financial misconduct where homeowners were advised the matter would be investigated but the complaint was ultimately closed. Mr. Wiebers stated homeowners are often directed to pursue alternative dispute resolution (ADR) or litigation rather than receiving regulatory assistance.

Mr. Wiebers stated the proposed legislation could further limit homeowner protections and questioned the effectiveness of the Division's regulatory role if homeowners cannot obtain meaningful resolution of documented concerns.

Heather Scherloski stated opposition to the proposed regulatory changes and expressed concerns that the changes would limit homeowners' ability to bring forward legitimate complaints. Ms. Scherloski stated her experience with the Division has involved delays, lack of investigations, and complaints being closed without meaningful resolution, particularly when complaints involve developers, investors, board members, or managers.

Ms. Scherloski described concerns regarding the handling of complaints related to alleged financial misconduct at her HOA and stated homeowners provided extensive documentation, including a forensic audit alleging significant financial losses, but did not receive the assistance they expected from the Division.

Ms. Scherloski also raised concerns regarding interactions with Division staff, stating she felt intimidated and unsupported during the complaint process. Ms. Scherloski stated she and her husband have incurred significant legal expenses attempting to address their concerns and believe homeowners are treated unfairly when complaints involve larger financial interests.

Ms. Scherloski stated the proposed changes would further harm homeowners by limiting accountability and potentially allowing legitimate complaints to be dismissed. Ms. Scherloski urged the Commission to consider homeowner experiences when evaluating the proposed changes.

Section 5

Shareece Bates read Section 5 into the record.

Mike Kosor stated he provided written comments regarding the proposed section and urged the Commission to consider his concerns. Mr. Kosor stated regulations are needed to establish a clear process for regulatory petitions and expressed concern that numerous petitions he submitted have remained unresolved for an extended period.

Mr. Kosor stated he requested the Division's rules of practice for handling petitions but has not received a response. Mr. Kosor stated the process should comply with the accountability requirements of NRS 233B and should not allow an agency to prevent regulatory changes by failing to act on submitted petitions.

Mr. Kosor stated the Commission has authority under NRS 116 to adopt regulations, while the Division administers the program, and questioned the process for ensuring petitions are reviewed and brought before the Commission. Mr. Kosor stated he has monitored Commission meetings for approximately a decade and has rarely seen regulatory changes considered outside of formal rulemaking initiated by the Division.

Mr. Kosor stated the proposed regulation does not adequately address the statutory 30-day requirement for the Division to provide written objections to petitions. Mr. Kosor requested the Commission seek clarification from the Division regarding the status of pending petitions, establish a transparent process, and ensure petitions are not allowed to remain unresolved without action or explanation.

Mr. Kosor stated if the Commission delegates authority to the Division to deny petitions, the decisions should be made publicly and include the reasons for denial.

Section 6

Shareece Bates read Section 6 into the record.

Rob Forney stated support for the proposed changes to NAC 116.425(2). Mr. Forney stated adding the term "continuously" would be beneficial and expressed support for retaining the language regarding requirements described in the governing documents and maintaining projected fund balances above zero. Mr. Forney stated he believes the proposed changes are beneficial.

Byron Goetting stated support for the proposed changes and echoed Rob Forney's comments. Mr. Goetting stated recent updates to Fannie Mae and Freddie Mac lending guidelines have increased focus on reserve studies, and the proposed changes align with trends occurring at the federal level.

Mr. Goetting stated reserve funding should be viewed as an ongoing process rather than a snapshot in time and stated the requirement for continuous funding supports the goal of maintaining adequate reserve levels. Mr. Goetting stated the proposed changes are beneficial.

Joshua Carey stated support for the proposed changes and echoed the comments made by Byron Goetting and others. Mr. Carey stated he manages a small community in Henderson and believes establishing minimum reserve fund requirements provides helpful guidance for HOA's.

Heather Scherloski stated she wanted to raise an additional concern regarding reserve studies and the verification of reserve fund balances. Ms. Scherloski stated reserve study providers should clarify whether reported reserve funds are supported by actual cash held in reserve accounts.

Ms. Scherloski stated her HOA experienced a situation where the reserve fund balance reflected millions of dollars on paper, while the actual reserve bank account contained significantly less money. Ms. Scherloski stated large accounts receivable amounts owed by developers or investors, can create a misleading appearance of available reserve funds.

Ms. Scherloski recommended ensuring reserve studies distinguish between reported balances and actual available cash when evaluating an association's reserve funding.

Jan Porter stated support for the added language and requested the Commission consider the broadest interpretation of the term "unforeseen" as used in the proposed regulation regarding special reserve assessments.

Ms. Porter referenced recent Fannie Mae reserve requirements, including increased reserve funding expectations and reserve study requirements, and stated these changes demonstrate the importance of maintaining adequate reserves.

Ms. Porter stated events such as those addressed by AB 356 raise questions regarding what constitutes an unforeseen event and requested clarification to ensure the term "unforeseen" is interpreted broadly when determining whether special reserve assessments are necessary. Ms. Porter stated her comments were intended to address potential interpretation issues.

Section 7
Shareece Bates read Section 7 into the record.

No public comment.

Section 8
Shareece Bates read Section 8 into the record.

No public comment.

Section 9
Shareece Bates read Section 9 into the record.

No public comment.

Section 10
Shareece Bates read Section 10 into the record.

Lara Knipmeyer stated support for the proposed language but requested clarification regarding Section 10(2), specifically the provision addressing instruction where the instructor and student are separated by distance but not time.

Ms. Knipmeyer asked whether additional clarification would be provided regarding the requirement, including whether a student must be located within Nevada or within the same time zone as Nevada to satisfy the requirement.

Section 11
Shareece Bates read Section 11 into the record.

No public comment.

Section 12
Shareece Bates read Section 12 into the record.

Leah Wickline stated support for education requirements and expressed appreciation for the opportunity to attend classes and interact with peers.

Ms. Wickline stated her concern regarding individuals who may need to complete an extension requiring 60 hours of instruction within a one-year period. Ms. Wickline questioned whether completing that amount of education within the timeframe would be reasonable or feasible.

Section 13
Shareece Bates read Section 13 into the record.

Mike Kosor stated support for most of Section 13 but expressed opposition to the language in Section 13(6)(a) regarding records. Mr. Kosor stated management's obligation to transfer records should not be limited to records available for owner inspection under NRS 116, records identified as customarily maintained or records a successor manager identifies as being in its possession.

Mr. Kosor stated associations should be required to transfer all required association records and recommended removing limitations on what records must be provided. Mr. Kosor acknowledged records may become lost, outdated, or dispersed among multiple parties but stated the regulations should require disclosure when records are missing and allow the board to determine whether further action is necessary.

Mr. Kosor stated the regulation should clearly identify records the association is required to maintain and ensure those records are transferred during management transitions. Mr. Kosor stated his concern was with the definition of records required to be transferred and requested revisions to the language.

Jan Porter stated she teaches a class on transitions between management companies and frequently hears concerns regarding the transfer of records. Ms. Porter referenced her prior comments regarding Section 4 and requested inclusion of the letter of intent (LOI) within the required transfer of documents.

Ms. Porter raised concerns regarding Section 13 and the transfer of accounting records, stating some management companies combine compliance accounts and assessment accounts during record transfers. Ms. Porter recommended adding language requiring records to be transferred in a reasonable, usable, and statutorily compliant format to address this issue.

Ms. Porter stated combining these accounts creates difficulties during management transitions and is a frequent complaint raised by community managers and others in her educational classes. Ms. Porter requested consideration of additional language to improve the transfer process.

Benn Wiebers stated he had not fully reviewed the proposed section but wanted to raise concerns based on his experience with multiple management company transitions. Mr. Wiebers stated his association has had six management companies and ten different managers since 2012, and new management companies frequently report they have not received records from the prior company.

Mr. Wiebers questioned whether the proposed language establishes consequences or penalties for management companies that fail to transfer required records. Mr. Wiebers stated stronger enforcement measures may be necessary to ensure compliance and prevent repeated delays or claims that records cannot be located.

Mr. Wiebers also questioned how electronic records maintained by a manager on a personal device, such as a laptop, would be handled during a transition and whether a former manager should retain access to those records after leaving the association.

Mr. Wiebers stated the proposed changes are needed because failure to transfer records creates difficulties maintaining historical documentation for associations.

<u>Section 14</u>
Shareece Bates read Section 14 into the record.

Jan Porter requested consideration of additional language in Section 3(c), regarding investigations and remedial measures. Ms. Porter referenced her prior comments regarding Section 4 and requested that similar language be added on page 20 to clarify that investigators may make inquiries, conduct investigations, and take remedial measures as appropriate in matters related to allegations contained in a complaint.

Ms. Porter stated the addition would help ensure consistency and address a potential gap in the language.

Section 15

Shareece Bates read Section 15 into the record.

Rob Forney stated support for the proposed 210-day requirement, stating it benefits reserve specialists by ensuring reserve studies remain current and reliable. Mr. Forney explained that requests to revise reserve studies long after the original site visit can result in outdated information.

Mr. Forney expressed concern with the proposed requirement that reserve studies be completed 30 days before the start of the next fiscal year. Mr. Forney stated the requirement could negatively affect associations that voluntarily update reserve studies later in the year to monitor reserve funding rather than for budget preparation.

Mr. Forney stated he believes the proposed language in Section 16 adequately addresses the timing of reserve study adoption because it requires adoption no later than approval of the proposed budget, which is already governed by statutory budget timelines.

Byron Goetting stated support for the proposed regulation requiring reserve studies to be adopted within 210 days and 30 days before the start of the next fiscal year. Mr. Goetting stated the 210-day requirement previously existed and believes reinstating it will improve reserve planning.

Mr. Goetting stated some boards delay adoption of reserve studies until after approving their budgets, allowing recommended reserve funding increases to be postponed for another year. Mr. Goetting stated the proposed timing requirements would help prevent that practice.

Mr. Goetting also stated recent lending requirements have increased the importance of adopted reserve studies. Mr. Goetting stated requiring boards to formally adopt reserve studies will benefit lenders, who generally require a final adopted study rather than a draft version.

Mike Kosor stated he supports the intent of the proposed changes but recommended deleting Section 15 and instead incorporating his proposed revisions into Section 16. Mr. Kosor stated his suggested language would address concerns raised by reserve specialists while avoiding unnecessary or conflicting provisions.

Mr. Kosor expressed concern that the proposed language requiring a board to adopt a reserve study is too restrictive and could interfere with a board's fiduciary duty to review, question, revise, or reject a reserve study before adoption. Mr. Kosor also stated the requirement to document board action is unnecessary because those actions are already reflected in meeting minutes.

Mr. Kosor emphasized the distinction between a reserve study and a reserve budget, stating the reserve study is intended to inform the board's budgeting decisions but is not itself the budget. Mr. Kosor stated boards should retain flexibility to adjust reserve spending based on changing circumstances while using the reserve study as a planning tool.

Mr. Kosor also recommended providing homeowners with a summary of the association's reserve budget or capital plan, rather than only a summary of the reserve study, to better inform homeowners how reserve funds are intended to be spent. He stated his written comments contain proposed language to address these concerns.

Jan Porter stated support for the proposed language in Section 15 and believes the timing requirements are appropriate. Ms. Porter stated the proposed 210-day review period, together with the requirement to complete the process at least 30 days before the start of the fiscal year, provides boards with sufficient time to review the reserve study, make revisions, and incorporate the results into the budget process.

Ms. Porter also stated the timeline for receipt of the reserve study aligns with the overall budgeting process and believes the proposed requirements are reasonable and practical.

John Leach stated support for Sections 15 and 16 and emphasized that a board's responsibilities extend beyond obtaining a reserve study every five years. Mr. Leach stated Nevada law requires boards to annually review the reserve study, determine whether reserve funding remains sufficient, and make any necessary adjustments to the funding plan based on current conditions.

Mr. Leach stated reserve studies can quickly become outdated due to changing circumstances, making timely review and board action essential. Mr. Leach stated the proposed timing requirements reinforce the board's ongoing fiduciary duty to evaluate reserve funding and make appropriate adjustments each year.

Leah Wickline stated she agreed with John Leach's comments and discussed challenges managing older condominium communities with significant deferred maintenance. Ms. Wickline stated reserve studies and funding plans alone do not compel boards to take appropriate action when associations are significantly underfunded.

Ms. Wickline stated volunteer board members often lack the expertise to make long-term capital funding decisions and face difficult choices regarding reserve contributions and special assessments. Ms. Wickline suggested additional mechanisms should be considered to encourage or require boards to implement appropriate funding plans and help protect associations from financial instability.

<u>Section 16</u>
Shareece Bates read Section 16 into the record.

Rob Forney stated support for the proposed language regarding the timing of reserve studies. Mr. Forney stated the revisions improve upon the previous requirement, which tied the five-year cycle to the site visit date, by providing greater flexibility while still ensuring reserve studies are completed at least every five years and before boards adopt their budgets.

Mr. Forney stated the proposed language promotes more effective budgeting by ensuring boards review the reserve study before adopting the annual budget. Mr. Forney also noted a potential concern regarding language tying future reserve study adoption dates to the previous adoption date, stating it could permanently fix associations to a particular schedule and may warrant further review.

Byron Goetting stated strong support for the proposed changes and stated he and other reserve specialists have consistently advocated for this revision. Mr. Goetting stated the proposed language appropriately establishes a deadline for completing a reserve study rather than dictating when the work must begin.

Mr. Goetting stated associations often delay the start of reserve studies, affecting scheduling, and believes the proposed changes provide greater flexibility while ensuring studies are completed on time.

Jan Porter stated support for the proposed changes but expressed concern about removing the term "on-site" from the five-year reserve study requirement. Ms. Porter stated reserve studies can quickly become outdated and noted that many reserve specialists follow best practices by performing regular financial updates.

Ms. Porter stated retaining the term "on-site" would help prevent associations from relying solely on financial updates in place of a required on-site reserve study and would reduce the potential misinterpretation of the requirement.

Mike Kosor stated he agrees with the intent of the proposed changes and the comments made by the reserve specialists but believes the language should be simplified. Mr. Kosor proposed requiring executive boards to review and adopt the results of a reserve study before adopting the proposed budget for the fiscal year in which the reserve study is conducted or updated.

Mr. Kosor stated the regulation should clearly require reserve studies to be completed within the statutory five-year period while avoiding language that unnecessarily prescribes how boards carry out their fiduciary duties. Mr. Kosor stated simplifying the language would achieve the intended purpose while reducing confusion and potential loopholes.

<u>Public Comment</u>
Mike Kosor clarified his comments regarding Section 4 and the Division's discretion. Mr. Kosor stated he believes the Division should have discretion in handling matters and agreed with Mr. Leach's comments that the Division has significant knowledge and experience regarding issues within its jurisdiction.

Mr. Kosor stated his concern is not with granting the Division discretion, but with the lack of transparency regarding how that discretion is exercised. Mr. Kosor stated the Division should report its actions and decisions to the Commission to ensure appropriate oversight.

The public workshop portion of the hearing was closed.

<u>Commission Counsel</u>: Joseph Ostunio, Deputy Attorney General, left the meeting.
Now Rosalie Bordelove, Chief Deputy Attorney General – Commission Counsel.

<u>Commissioner Discussion and Deliberation – Workshop</u>
Chairman Heydarian stated the Commissioners would review each section to allow time for Commissioner discussion

<u>Section 2</u>
Commissioner Lighthart asked whether Section 2, subsection 1, should include timeframes for when the required actions or reporting would occur. Commissioner Lighthart noted the provision did not appear to specify when an individual would be required to report or take action after becoming aware of an issue and asked whether the Division had considered including such timeframes.

Administrator Chandra explained the proposed language was intended to provide a framework for addressing health and safety violations without being overly prescriptive. Mr. Chandra stated the governing documents and executive board would remain responsible for determining the amount of any fine and establishing internal processes for distinguishing health and safety violations from other violations. Mr. Chandra referenced NRS 116.31031(b) and explained the statute addresses violations posing an imminent threat of substantial adverse effect on the health, safety, or welfare of unit owners or residents and provides that the amount of the fine must be commensurate with the severity of the violation and determined by the executive board in accordance with the governing documents.

Commissioner Tibbitts noted that the section refers to a violation posing an imminent threat, while the proposed process could involve waiting for a conviction before imposing a fine. Commissioner Tibbitts questioned how a violation could still be considered an imminent threat after several months or a year had passed and stated he was struggling to reconcile those provisions.

Mr. Chandra stated the Division had also struggled with the issue during the development of the proposed regulation, which began in 2021. Mr. Chandra explained earlier versions were more specific regarding violations and corresponding fines but were considered too structured and rigid. Mr. Chandra stated the Division also considered tying health and safety violations to statutes outside of Chapter 116 but determined that approach presented additional concerns regarding enforcement.

Mr. Chandra explained a conviction or citation could be one basis for an association to determine whether a health and safety violation occurred, particularly when another governmental agency had jurisdiction over the underlying violation. However, Mr. Chandra emphasized the proposed regulation did not require an association to wait for a conviction. Mr. Chandra stated Section 2, subsection 1, including subsections A, B, and C, provided other opportunities for an executive board to evaluate whether conduct constituted a health and safety violation. Mr. Chandra stated the intent was to provide executive boards with additional direction and flexibility without attempting to identify every possible health and safety scenario or being overly specific.

Commissioner Sweetin stated Section 2, subsection 1, paragraphs B and C, appeared to address many of the health and safety concerns discussed during public comments.

Commissioner Sweetin also commented on the provisions addressing bullying and foul language. Commissioner Sweetin stated actual harassment and a course of conduct were distinguishable from conduct that may simply be offensive or disrespectful and cautioned against using the authority of an association to penalize individuals solely because others were offended by their conduct. Commissioner Sweetin further stated the proposed language indicating that certain conduct could not be the "sole basis" for a violation provided an important limitation.

Commissioner Sweetin expressed some concern the "failure to exercise reasonable care" language in Section 2, subsection 1, paragraph A, could be overly broad in light of the provisions in paragraphs B and C. Commissioner Sweetin stated he did not have a major concern regarding the provision addressing convictions and noted the executive board remained responsible for determining the severity of a violation and the appropriate fine.

Commissioner Gilliam suggested removing "abusive language" from the provision addressing conduct that would not constitute a health, safety, or welfare violation, while retaining "foul or profane language," noting that abusive language could potentially implicate fair housing concerns.

Commissioner Gilliam also addressed concerns raised regarding the potential waiver of attorney-client privilege under subsection E, which requires the executive board to consult with appropriate professionals. Commissioner Gilliam stated consulting appropriate professionals regarding health, safety, or welfare violations was appropriate but questioned whether the provision could be clarified to avoid requiring disclosure of privileged legal advice, such as by requiring confirmation that consultation occurred without requiring submission of the legal opinion.

Commissioner Gilliam further suggested adding "but not limited to" to provide flexibility for circumstances that may not fall precisely within the identified categories. Finally, Commissioner Gilliam referenced comments regarding factors for determining health, safety, and welfare violations that had been submitted by CAI in 2021 and suggested the Commission review those materials to determine whether any relevant factors had been overlooked during the drafting of the proposed regulation.

Mr. Chandra stated the Division could consider language clarifying foul, profane, or abusive language involving a fair housing violation could constitute a health, safety, or welfare violation. Mr. Chandra explained the intent of the existing language was to avoid penalizing individuals merely for expressing frustration or venting, while recognizing that conduct implicating fair housing concerns should be addressed.

Mr. Chandra explained earlier versions of the proposed regulation had attempted to provide more detailed guidance and specific factors for consideration. Mr. Chandra stated the Commission had ultimately determined that the level of detail was too extensive and could create confusion, particularly for volunteer board members. Mr. Chandra stated such detailed factors may be more appropriate as best practices or addressed through an association's governing documents and rules.

Mr. Chandra further explained the proposed language requiring the executive board to consider the nature and context of the conduct and consult with appropriate professionals was intended to provide a framework for the board's consideration without incorporating every possible factor into the regulation. Mr. Chandra stated the Division had intentionally stepped back from an overly detailed regulatory approach to provide guidance and flexibility while avoiding unnecessary complexity.

Commissioner Morse Jarman expressed concern about the line between freedom of speech and conduct could constitute a health, safety, or welfare violation. Commissioner Morse Jarman noted a dispute between neighbors, including the use of offensive language, would not necessarily constitute a health or welfare issue, while threats could present a different concern. Commissioner Morse Jarman stated the Commission should be cautious not to restrict individuals' freedom of speech and expressed concern overly broad language could be subject to legal challenge.

Commissioner Sweetin stated the harassment provisions in Chapter 116.31184 appeared to address much of the conduct being discussed, including harassment, threats, and stalking, and noted such conduct could also constitute a criminal offense reportable to local law enforcement.

Commissioner Sweetin expressed concern about granting HOA boards overly broad authority to regulate disputes between neighbors. Commissioner Sweetin stated while most volunteer board members are well-intentioned, the Commission should also consider the potential for a board member to misuse their authority to target or harass an individual who may simply be rude or difficult.

Mr. Chandra stated the Division would further review the fair housing concerns but maintained the use of foul or profane language alone should not constitute a health and safety violation.

Commissioner Morse Jarman explained that speech involving protected characteristics or conduct covered under fair housing laws could present a different issue. However, Commissioner Morse Jarman stated rude or offensive language during a heated discussion, without implicating protected characteristics or other prohibited conduct, should not by itself result in a health and safety violation. Commissioner Morse Jarman acknowledged concerns regarding overly zealous board members potentially misusing their authority to penalize residents for rude behavior.

Commissioner Sweetin stated he supported Mr. Chandra’s suggestion to incorporate or reference applicable fair housing requirements in the proposed language. Commissioner Sweetin stated while not an expert in fair housing law, the Commission had heard concerns from several individuals regarding the potential fair housing implications, and he believed the issue warranted consideration and clarification in the regulation.

Chairman Heydarian agreed with the comments made by the other Commissioners, particularly regarding fair housing language and the requirement an executive board consult with appropriate professionals. Chairman Heydarian stated the intent was not to require an association to automatically obtain legal advice or incur unnecessary expenses but to encourage boards to seek appropriate expertise when addressing potential health, safety, or welfare violations.

Chairman Heydarian explained associations may be inclined to characterize issues as health, safety, or welfare violations without fully considering the nature of the conduct or the potential consequences, including increased penalties and possible foreclosure. Chairman Heydarian stated consulting appropriate professionals could assist boards in conducting due diligence, evaluating the risks and benefits of a proposed course of action, and determining whether the conduct actually met the criteria for a health, safety, or welfare violation. Chairman Heydarian also noted consultation could involve professionals other than legal counsel, particularly where an issue involved property maintenance, repairs, or other specialized matters outside the expertise of board members and community managers.

Chairman Heydarian stated a preference for removing the reference "to a conviction" in Section 1D. Chairman Heydarian expressed concern a homeowner could argue the absence of a criminal conviction prevented the association from addressing serious conduct, or an association could improperly rely on a prior conviction unrelated to the community. Chairman Heydarian stated if violations of other laws were incorporated into the association's authority, boards and managers would likely need guidance from legal counsel to determine whether the conduct was applicable.

Chairman Heydarian concluded by stating she believed the revised language addressed many of the issues previously discussed and supported providing appropriate guardrails without attempting to define or regulate the severity of every possible violation, which could be subjective and difficult to administer.

Commissioner Sweetin supported retaining the language regarding convictions. Commissioner Sweetin acknowledged concerns the provision could be interpreted as requiring an association to wait for a conviction before taking action but stated he viewed the language as an additional basis for addressing a violation rather than a prerequisite to action.

Commissioner Sweetin explained certain conduct occurring within a residence or otherwise outside the association's knowledge could later come to light through a criminal conviction, code enforcement action, or health and safety citation. In those circumstances, Commissioner Sweetin stated the association could use that information to address conditions affecting neighboring residents, the community, or common elements.

Commissioner Sweetin noted the provision was limited to matters involving health, housing, safety, sanitation, or fitness for habitation and stated other governmental agencies may not always have the same ability as an association to require a violation to be remedied. Commissioner Sweetin stated while the Commission could ultimately determine the appropriate approach, he wanted to express support for retaining the conviction language as an additional tool for associations to address serious health and safety concerns.

Chairman Heydarian agreed with Commissioner Sweetin's comments regarding the conviction language and stated information such as citations, code enforcement actions, or police reports could serve as additional evidence to assist an association in evaluating the severity of an incident and conducting its own investigation. Chairman Heydarian stated an association should not rely solely on a conviction or action by another governmental entity before addressing a serious health or safety concern.

Chairman Heydarian further stated, in some circumstances, law enforcement or other agencies may not take further action even when serious conduct has occurred. Chairman Heydarian stated associations should be able to rely on appropriate information and the advice of counsel to address serious issues affecting the community or its residents without waiting for another entity to act. Chairman Heydarian agreed the conviction language could be retained as an additional tool rather than as a requirement or sole basis for an association to take action.

Commissioner Sweetin agreed with Chairman Heydarian's comments and stated, if the Commission retained the conviction language, the language should be clarified to ensure associations understand they are not required to wait for a conviction before taking action. Commissioner Sweetin stated subsections B and C appeared to provide a basis for an association to proceed when a potential health or safety issue came to light, including while law enforcement or another governmental agency was investigating the matter. Commissioner Sweetin suggested clarifying the language could resolve concerns an association might believe it was prohibited from acting until another agency completed its investigation or obtained a conviction.

Mr. Chandra thanked the Commissioners for the realistic perspective and the discussion, stating the back-and-forth helps the Commission think through the issue. Mr. Chandra explained the proposed provision was intended to provide HOA's with another tool rather than require them to wait for the outcome of a Division investigation before taking action.

Mr. Chandra noted the Division receives many complaints but must open a case and conduct an investigation before making a determination. Mr. Chandra explained, when an HOA is unaware of conduct occurring behind the scenes, waiting for the outcome of an investigation may provide something concrete on which to base subsequent action. However, Mr. Chandra emphasized other tools may be available when more immediate action is necessary and the provision should not be viewed as an all-or-nothing requirement. Mr. Chandra stated the language could be reviewed further and revised as appropriate.

Chairman Heydarian stated the issuance of a health and safety fine would likely be challenged and could result in an appeal, multiple hearings, or the involvement of an attorney. Chairman Heydarian emphasized thoroughly documenting the file and obtaining supporting information, such as evidence of citations or other proof of the violation, would help strengthen the association's case.

Senior Deputy Attorney Christal Keegan addressed several public comments and explained the reasoning behind the proposed language. Ms. Keegan stated the "including but not limited to" language was removed to provide clearer guidance and a defined framework.

Ms. Keegan explained concerns involving association records, retaliation, other code violations, and similar issues are already addressed under separate statutes or other provisions. Ms. Keegan also discussed subsection E, explaining it incorporates general factors a board may consider and allows consultation with an appropriate professional.

Regarding fines, Ms. Keegan stated the proposed regulation establishes criteria for determining whether a violation poses an imminent threat, while the severity of a particular violation would be determined on a case-by-case basis. Ms. Keegan explained the $10,000 cap was removed and cautioned against establishing a hard cap through regulation.

Finally, Ms. Keegan stated existing statutes already provide notice, opportunities to cure or contest fines, and other protections, including procedures related to unpaid fines.

Commissioner Sweetin stated he recalled the discussion from a previous meeting and was open to revisiting the language. Commissioner Sweetin acknowledged using "includes but is not limited to" could create additional opportunities and potential risk and deferred to Commissioner Gilliam regarding the preferred language.

Commissioner Gilliam stated although the "including but not limited to" language would broaden the provision; it could be necessary to address circumstances that do not fit a specific or anticipated scenario.

Commissioner Sweetin stated the language might be revised to address substantially similar conduct and deferred to Senior Deputy Attorney Keegan regarding appropriate wording.

Mr. Chandra stated they developed a solid framework, and the proposed provisions were intended to serve as controls rather than address every possible scenario. Mr. Chandra emphasized the goal was not to create a perfect regulation, but to establish a workable framework that could be refined based on real-world experience and specific issues that arise.

<u>Section 3</u>
Commissioner Tibbitts suggested complaints submitted by homeowners should not be dismissed solely because the complainant identified the wrong regulation or violation. Commissioner Tibbitts noted that, if the facts support a different violation, the Division should be able to consider the complaint under the appropriate provision.

Commissioner Gilliam agreed with Commissioner Tibbitts and questioned why the requirement to identify the applicable statute was limited to complaints involving an alleged breach of fiduciary duty. Commissioner Gilliam asked whether the requirement should apply to all complaints and whether there was a reason for limiting the provision to fiduciary duty violations.

Ms. Keegan explained the requirement arose from concerns within the Division's compliance section regarding complaints alleging a breach of fiduciary duty under NRS 116.3103. Ms. Keegan stated that the statute is sometimes used to raise general or personal grievances and that a complaint must identify a legal basis for the Division to proceed with an investigation. Ms. Keegan clarified complainants are not required to cite the exact statute or regulation, but the alleged conduct must be connected to a violation of law, regulation, or Commission order.

Mr. Chandra explained the proposed process was intended to balance accessibility for homeowners with the need for sufficient information to evaluate a complaint. Mr. Chandra noted the Ombudsman's Office is available to provide guidance and help individuals determine the appropriate process, including whether a matter should be filed as an intervention affidavit, ADR matter, or another type of complaint.

Mr. Chandra stated individuals who understand the intervention affidavit process should provide a legal basis for their complaint, but an incorrect citation would not automatically result in dismissal. Mr. Chandra emphasized the requirement provides an additional level of due diligence while preventing complaints from broadly alleging multiple potential violations without a reasonable basis.

Chairman Heydarian acknowledged homeowners' frustration when complaints appear to result in no action. Chairman Heydarian stated that allegations of a breach of fiduciary duty are serious and that homeowners should make a reasonable effort to understand how the alleged conduct relates to the law before filing a complaint. Chairman Heydarian added that the Ombudsman's Office is available to help guide homeowners through the process and did not believe the requirement would be overly burdensome.

Commissioner Morse Jarman asked whether an online resource or guidance tool was available to help individuals determine how to file a complaint alleging a breach of fiduciary duty, including the information and documentation required before filing.

Mr. Chandra explained that information regarding the complaint process is available through several resources, including forms, guides, and the homeowner's manual. Mr. Chandra noted the requirements for filing an intervention affidavit under Form 530 are extensive and include specific statutory steps, such as providing notice and allowing an opportunity to cure.

Mr. Chandra encouraged individuals who are unsure of the appropriate process to consult with the Ombudsman's Office before filing. Mr. Chandra explained early guidance can help determine whether a matter falls within the Division's jurisdiction or should instead be addressed through mediation or another process.

Commissioner Morse Jarman suggested developing public service announcements or other educational outreach encouraging homeowners to contact the Ombudsman's Office before filing a complaint. Commissioner Morse Jarman stated clearer instructions regarding required documentation and filing steps could reduce frustration, particularly when complaints are closed without homeowners understanding what information was missing.

Mr. Chandra acknowledged the need for improved consumer education and stated that the Division is working to identify pain points in the complaint process and develop clearer resources. Mr. Chandra explained the process must remain consistent with statutory requirements while becoming more straightforward for homeowners who need additional guidance. Mr. Chandra noted the Division is considering public service announcements and other resources to assist less experienced homeowners without unnecessarily simplifying the process for individuals already familiar with it.

Commissioner Morse Jarman asked whether funding was included in the upcoming budget for public service announcements or public education initiatives.

Mr. Chandra stated the Division has an education budget and provides educational resources for licensees and the public, although those efforts have not included television public service announcements.

Section 4

Commissioner Morse Jarman asked if the Commission asked for this to be put on the agenda because homeowners have expressed concerns that the reports contain no information or transparency regarding actions taken, leaving them with only an indication that the matter was closed.

Chairman Heydarian asked whether the confidentiality provision applies to the names of the parties, case number, and subject of a complaint when remedial action has been taken during an investigation, but no formal complaint has been filed.

Mr. Chandra explained the Division may resolve certain matters through remedial measures without incurring the expense of bringing the matter before the Commission. Mr. Chandra stated the parties involved are informed of the resolution and any actions required, although the information provided may vary depending on the circumstances.

Mr. Chandra further explained if the party fails to comply with the remedial measures or instructions, the matter may then be brought before the Commission. Mr. Chandra acknowledged the need to balance providing information to the parties with maintaining confidentiality until a formal complaint is filed.

Ms. Keegan explained that NRS 116.757 makes information compiled during the investigative phase confidential and that the Commission cannot alter those statutory confidentiality requirements through regulation. Ms. Keegan stated the proposed language does not expand existing confidentiality provisions.

Ms. Keegan further explained that the Division may issue remedial guidance without triggering the public disclosure requirements associated with a formal complaint. Ms. Keegan stated once a remedial letter becomes an association record, however, it may be available to unit owners upon request, subject to applicable statutory exemptions.

Ms. Keegan noted that confidentiality during the investigative phase is consistent with other state regulatory agencies and that the Division already provides the Commission with aggregate data regarding remedial measures and compliance activities without disclosing confidential investigative information.

Commissioner Morse Jarman asked whether the complaint application includes a notice advising complainants that information collected during the investigation is confidential and will not be publicly discussed unless disclosure is authorized by law. Commissioner Morse Jarman suggested that clearly communicating the confidentiality requirements at the outset could help address confusion and frustration.

Mr. Chandra stated the Division would review the form and consider adding a confidentiality notice in a future version.

Commissioner Morse Jarman emphasized the importance of providing clear notice at the outset of the complaint process. Commissioner Morse Jarman suggested prominently displaying a statement on the complaint form advising filers that information collected during an investigation is confidential pursuant to the applicable statute.

Commissioner Sweetin acknowledged the need to maintain the confidentiality of investigative information but raised concerns regarding public perceptions of a lack of transparency. Commissioner Sweetin suggested exploring whether the Commission could receive information regarding the number of complaints filed, remedial measures issued and matters in which no action was taken while maintaining the confidentiality of the parties and specific investigations.

Commissioner Sweetin stated additional reporting could help demonstrate the Commission's oversight of the Division's regulatory activities and address the perception that complaint matters are handled without transparency.

Commission Counsel Rosalie Bordelove stated the Commission could receive additional aggregate data regarding complaints, general topics, and commonly used remedial measures without identifying specific parties or investigations. Ms. Bordelove explained confidential complaint information could not be discussed in closed session without a statutory change.

Ms. Bordelove further explained regulatory agencies often receive complaints that do not result in disciplinary action because of insufficient evidence, credibility concerns, or other factors. Ms. Bordelove noted disclosing the reasons for declining to pursue a matter could reveal confidential information and affect the due process rights of the parties involved.

Commissioner Morse Jarman suggested when a complaint is closed, the Division provide a general reason, such as insufficient evidence, insufficient information, or a lack of merit. Commissioner Morse Jarman expressed concern that providing a general explanation could help address recurring complaints regarding transparency.

Ms. Bordelove explained that providing a general reason for closing a complaint could invite additional submissions from the complainant when further information is not needed. Ms.

Bordelove noted in some cases, the issue may not be a lack of information but insufficient evidence of an actual statutory violation.

Ms. Bordelove stated complaints regarding a lack of transparency are common and that the Division may, in some circumstances, provide a general explanation when a complaint is closed. Ms. Bordelove explained that simply stating there was insufficient evidence or no violation may not resolve the complainant's concerns and can lead to continued disputes over the outcome. Ms. Bordelove emphasized the Commission's role is not to review individual confidential investigations and that determining whether sufficient evidence exists to support a statutory violation falls within the Division's investigative and prosecutorial discretion.

Commissioner Sweetin stated the explanation provided a clear response to recurring questions regarding the Commission's role in confidential investigations. Commissioner Sweetin noted although individuals may raise concerns with Commissioners, the Commission does not review or direct individual investigations, which remain the responsibility of Division staff.

Commissioner Morse Jarman stated if the Division determines there is no violation of Nevada law, communicating that conclusion to the complainant should resolve the matter because there would be no further action the Division could take.

Commissioner Sweetin explained concerns about confidential investigations may occasionally draw the attention of legislators, who may seek information regarding how those matters are handled. Commissioner Sweetin stated this was the reason for raising the question of whether the Commission could review confidential information.

Commissioner Sweetin acknowledged the Commission does not currently have authority to discuss confidential complaint information in closed session but noted that a statutory change could provide such authority, similar to confidentiality provisions applicable to other regulatory agencies.

Ms. Bordelove explained some licensing authorities have statutory committees exempt from the Open Meeting Law that review investigated complaints and determine whether to proceed with disciplinary action or another resolution. Ms. Bordelove, noted committee members, are removed from the later adjudication process to preserve impartiality. Ms. Bordelove emphasized establishing a similar oversight structure for the Commission would require specific statutory authority.

Chairman Heydarian stated the Commission's questions regarding transparency stem from its oversight responsibilities and the recurring perception that the Division's activities are not visible. Chairman Heydarian requested additional aggregate information in the Division's reports, to the extent such information can be publicly released without violating confidentiality requirements. Chairman Heydarian noted broader reporting could help identify widespread industry issues that may otherwise be resolved at the Division level without reaching the Commission. Chairman Heydarian stated that, with respect to the proposed section, she had no concerns regarding unfair enforcement and trusted the Division to follow the law.

Commissioner Lighthart suggested providing additional aggregate information regarding letters of instruction. Commissioner Lighthart proposed summarizing the types of violations or remedial measures involved, without identifying the HOA, board members, community manager, or other parties. Commissioner Lighthart noted that this type of reporting could help identify recurring issues requiring clarification while maintaining confidentiality.

Ms. Bordelove stated any additional reporting would need to be sufficiently general to prevent identification of individual cases, even without names or specific complaint information. Ms. Bordelove suggested reviewing the Division's existing compliance and investigative reports to determine whether additional aggregate categories or trends could be incorporated. Ms. Bordelove noted future complaint intake processes could include broader categories to track recurring issues. Ms. Bordelove cautioned against including detailed facts that could indirectly identify a matter or create due process concerns if the case later comes before the Commission.

Section 5

Commissioner Tibbitts stated the proposal appeared straightforward but questioned whether requiring the Division to provide a quarterly report on the number of petitions submitted and denied would be overly burdensome. Commissioner Tibbitts noted the report would allow the Commission to determine the number of remaining petitions to be addressed at Commission meetings.

Ms. Keegan stated the Division rarely denies petitions under NRS 233B.100 because, unless a petition is deficient or unsupported by data or legal arguments, the Division generally advances it to the Commission for review and determination. Ms. Keegan explained that the petition process proposed in Section 5 follows processes used by other boards and professional licensing bodies.

Regarding the 12 submissions referenced during public comment, Ms. Keegan explained the Division advanced the submissions as part of its biennial rulemaking process and included them in the cumulative record. Ms. Keegan noted, however, that the law does not require the Commission to advance every submission through formal adoption.

Mr. Chandra stated the proposed regulation formalizes the existing petition process and provides a more structured, step-by-step procedure. Mr. Chandra explained the Division could provide the Commission with periodic reports summarizing the number of petitions received and the Division's responses if the Commission requested such tracking.

Mr. Chandra further explained that petitions may be incorporated into the broader rulemaking process and remain subject to public workshops, public comment, and Commission review. Under the proposed process, the Division would respond to petitioners within 30 days and, if appropriate, advance matters to the Commission for consideration as part of a future rulemaking process.

Commissioner Tibbitts clarified that the purpose of the requested reporting was to provide transparency and track petitions received, denied, or advanced to the Commission. Commissioner Tibbitts stated the reporting requirement would be unnecessary if it proved overly burdensome but could provide the public with assurance that petitions were being addressed.

Mr. Chandra clarified that a petition advanced to the Commission would be included in the Commission materials for consideration. Mr. Chandra stated the Commission could review and discuss the petition and, if appropriate, incorporate the proposal into the rulemaking process. Mr. Chandra stated the Division would not separately place each individual petition on the agenda for discussion.

Section 6

Commissioner Sweetin asked about a comment indicating the proposed regulation may be inconsistent with federal financing guidelines and sought clarification from staff regarding the issue.

Ms. Keegan stated the comments referenced a Fannie Mae lender letter issued in March 2026. Based on the Division's review, Ms. Keegan stated the proposed regulations do not appear to conflict with the federal financing requirements and, instead, move toward stricter reserve study requirements. Ms. Keegan explained the proposed changes would phase out baseline funding and provide flexibility for compliant, updated reserve studies.

Section 7

No, further discussion by the Commission.

Sections 8-11

Chairman Heydarian referenced public comment and requested clarification concerning language providing that online education participants may be separated by distance but not time. Chairman Heydarian asked whether the requirement would prohibit attendees participating from different time zones.

Mr. Chandra explained the language was adopted to expand the definition of live instruction following changes made during COVID. Mr. Chandra stated participants may attend from any location or time zone, provided they are present for the live instruction with the instructor and the course is not prerecorded.

Commissioner Tibbitts asked whether there was a legal definition of “time” for purposes of the proposed language, noting that participants in different time zones could still be attending simultaneously. Commissioner Tibbitts clarified the intent was to ensure the instruction was live rather than prerecorded.

Mr. Chandra clarified that the requirement applies regardless of the participant's time zone. Mr. Chandra stated participants must attend the scheduled live training session at the corresponding time in their location.

Commissioner Sweetin stated his understanding of the Division's continuing education courses was that virtual attendees are required to remain on camera, allowing the instructor to verify their attendance.

Chairman Heydarian thanked staff for the clarification and emphasized the importance of carefully reviewing the language to ensure its intent was clearly understood.

Section 12
Commissioner Morse Jarman referenced public comment expressing concern that the proposed increase in the education requirement would be burdensome and asked whether the increased requirement was necessary.

Chairman Heydarian explained the intent was for certificate holders to complete a 60-hour pre-licensing course. Chairman Heydarian stated that, although individuals could combine other courses to meet the requirement, completing the 60-hour course would be the easiest option and did not appear to present a problem.

Mr. Chandra explained that individuals operating under a temporary license are not initially required to complete the 60-hour pre-licensing course; however, completion of the full 60-hour course is required to obtain a full license after the temporary license period ends.

Commissioner Gilliam expressed support for the proposed requirement, stating the additional education would help ensure community managers with temporary licenses better understand Nevada law. Commissioner Gilliam suggested specifically referring to the "60-hour pre-licensing course" to make the requirement clear.

Section 13
Commissioner Lighthart referenced public comment regarding subsection 6B and expressed concern about accounting records combining reserve and operating information. Commissioner Lighthart asked whether the language could be revised to require the information to be provided separately and in a reasonably usable format, allowing a subsequent community manager or the association to clearly identify the respective records.

Chairman Heydarian discussed the challenges some community management companies face in separating financial information due to limitations in their accounting software. Chairman Heydarian noted that, while some software systems can generate separate reports, identifying and separating certain information can be time-consuming and difficult.

Chairman Heydarian stated that, to the extent possible, reserve and operating account information should be clearly separated and provided in a usable format when records are transferred to a new community manager or the association.

Commissioner Lighthart clarified that, if reserve and operating account information is already separated by the transferring community management company, it should be provided in that format to the new community manager or association. Commissioner Lighthart noted that limitations in the receiving company's software would present a separate issue. Commissioner Lighthart stated the information should be provided as clearly and cleanly as possible to assist the new community manager or association.

Commissioner Tibbitts questioned whether the concern was already addressed by subsections 6B (1) or 6B, which require records to be transferred in a reasonably usable format.

Chairman Heydarian agreed the proposed requirement for records to be provided in a reasonably usable format may address the concern but noted that what constitutes a “reasonably usable format” may vary depending on the recipient and the software being used. Chairman Heydarian explained that records provided in a format that cannot be readily imported into the receiving party’s software could require significant additional work to convert. Chairman Heydarian questioned whether the requirement could be defined more specifically in the regulation.

Commissioner Sweetin stated he was unaware of the issue and recognized the importance of ensuring records are properly transferred when an HOA changes management companies. Commissioner Sweetin noted the variety of software programs used by community management companies and questioned whether the Commission should establish regulatory requirements to promote consistency among the programs used.

Chairman Heydarian explained that even community management companies using the same software may generate records differently, requiring the transferring company to adjust reports to meet the receiving company’s needs. Chairman Heydarian emphasized that properly transferring records in a usable format requires significant knowledge of the records and software and can involve substantial time, particularly for large associations. Chairman Heydarian noted the record transfer process involves considerably more information than the provision addresses.

Chairman Heydarian noted there are numerous community management software programs, with variations within individual programs, and stated the programs do not all have the same capabilities.

Commissioner Morse Jarman asked whether homeowners should be concerned about the compatibility of association records when an association changes management companies and whether the association should confirm that its existing data can be transferred to the new management company’s software.

Chairman Heydarian stated some boards ask prospective management companies which software they use, generally because the board has had a negative experience with a particular system and wants to avoid similar issues. Chairman Heydarian noted that such questions are more common when a board is technologically knowledgeable or has previously experienced problems with a management system.

Commissioner Lighthart stated a knowledgeable board could address record-transfer requirements as part of the management company selection and RFP process and include those requirements in the management agreement. Commissioner Lighthart noted that inadequate record transfers could result in accounting discrepancies that are difficult and time-consuming to resolve, such as payments not properly transferring from the prior management company.

Commissioner Morse Jarman presented a hypothetical situation in which all five board members were new, and the board was preparing to hire a new management company without knowing what questions to ask. Commissioner Morse Jarman questioned what guidance would be available to homeowners in such a situation and whether homeowners should be asking specific questions regarding the management company selection and record transfer process.

Chairman Heydarian supported the proposed record-transfer requirements, particularly the provisions addressing accessible electronic records and record inventories. Chairman Heydarian noted that electronic transfers can present technical difficulties and questioned whether the proposed 90-day inventory review period adequately addresses records retained by the association rather than the management company.

Commissioner Sweetin asked whether disputes or difficulties occur when community management companies transfer records after losing an association, similar to situations in which law firms may make client file transfers burdensome after a client changes firms.

Chairman Heydarian stated record transfers are generally handled civilly but can become problematic when transition personnel misunderstand the records requested or provide incorrect documents, resulting in a difficult and disorganized transfer process.

Commissioner Gilliam suggested clarifying the requirement that electronic records be transferred in an accessible format to ensure compliance with NRS 116. Commissioner Gilliam stated management companies should ensure their software can produce records in the required format.

Commissioner Gilliam also questioned how long a former management company would be required to retain records that were later identified as missing from the transfer. Commissioner Gilliam noted that a new management company may not discover missing records until much later and stated the proposed provisions were a good starting point but raised practical issues requiring further consideration.

Chairman Heydarian noted the proposed requirements do not address association records received by an outgoing management company after the management agreement ends, such as payments, utility bills, or vendor invoices. Chairman Heydarian suggested establishing an ongoing obligation for the former management company to promptly forward such records for a specified period. Chairman Heydarian stated it was unnecessary to identify specific types of documents because the requirement should apply broadly to all association records.

Commissioner Sweetin expressed concern about the complexities of record transfers and suggested considering whether association records could be maintained in a centralized electronic filing system. Commissioner Sweetin acknowledged that such a system may not be practical for the volume and complexity of records associated with HOA’s.

Commissioner Morse Jarman referenced public comment indicating one association had experienced 10 different management companies and expressed concern about the potential loss of records through multiple management transitions. Commissioner Morse Jarman stated she had assumed a checklist or other standardized process existed to ensure required records were transferred between management companies.

Chairman Heydarian stated management companies generally use a record request intended to encompass all necessary records, including a catch-all provision. Chairman Heydarian noted, however, that with thousands of electronic files or numerous boxes of archived documents, it may not be possible to determine what is missing until a specific record is needed. Commissioner Gilliam asked how long the notice required under subsection E must remain posted when a community with more than 100 units is changing management companies.

Chairman Heydarian supported notifying homeowners of management changes but expressed concern about placing responsibility for the notice solely on the outgoing management company. Chairman Heydarian suggested clarifying that the association board should be responsible for the timing and content of the notice to avoid confusion during the transition.

Commissioner Tibbitts supported placing the notice requirement on the outgoing management company, regardless of whether the board approves the communication. Commissioner Tibbitts stated homeowners should be informed when a management company is terminating its services so they understand the transition and the effective date of the change.

Commissioner Sweetin asked whether requiring a community manager to provide notice of a management agreement termination, even without the board's approval, would conflict with the community manager's professional obligations or authority. Commissioner Sweetin clarified whether a regulatory requirement would prevent the board from directing the community manager not to communicate the notice.

Chairman Heydarian stated if the notice requirement were established in regulation, the management company would be required to comply regardless of the board's direction. Chairman Heydarian's primary concern was the timing of the notice and the potential for confusion if the outgoing management company must notify homeowners before a new management company has been selected. Chairman Heydarian suggested the process should allow sufficient information about the incoming management company to be provided so homeowners receive clear direction rather than incomplete information.

Commissioner Sweetin asked whether an association could terminate a community management company without having a replacement management company in place. Upon learning this was possible, Commissioner Sweetin expressed concern and suggested the Commission consider addressing the issue.

Commissioner Morse Jarman, noted management companies may also terminate an association's contract, requiring the association to secure a new management company within the notice period. Commissioner Morse Jarman emphasized the importance of timing during such transitions and referenced a recent experience in which homeowners were not informed that the existing management company was terminating its contract until the transition was already underway.

Commissioner Sweetin asked whether it was appropriate for a community management company to terminate its management agreement with an association and suggested the Commission consider whether such a policy should be addressed.

Chairman Heydarian reiterated that responsibility for notifying homeowners of a management change should rest with the association's board because management companies have limited authority and may not be informed of the board's actions. Chairman Heydarian expressed concern that placing the requirement on management companies could result in inconsistent compliance because managers may lack the information or authority necessary to provide the required notice.

Commissioner Morse Jarman stated the regulation should clearly distinguish between situations in which the board terminates the management company and situations in which the management company terminates its agreement with the association. Commissioner Morse Jarman suggested considering a longer notice period, such as 90 days, when the management company initiates the termination to provide the association with additional time to secure new management. Commissioner Morse Jarman emphasized the need for clear guidelines addressing management transitions.

Mr. Chandra noted a prior version of the regulation placed the notice requirement on the association rather than the management company. Mr. Chandra stated the provision required the association's secretary or designated officer to provide notice at least 40 days before the termination or assignment of a management agreement. Mr. Chandra explained the requirement was structured this way because the Division could not ensure a management company would be authorized or able to provide the notice when its agreement was being terminated.

Chairman Heydarian clarified that the issue with the prior provision was the 40-day notice period, which did not align with typical management transition timelines.

Commissioner Tibbitts noted the prior provision placed the notice responsibility on the association's secretary or designated officer, but associations may not have the systems or means to efficiently communicate with all homeowners. Commissioner Tibbitts stated management companies generally have established communication systems that make them better equipped to provide such notice.

Commissioner Morse Jarman expressed concern that homeowners may not be informed when a management company terminates its agreement, particularly when a new board lacks experience or institutional knowledge. Commissioner Morse Jarman stated the issue can leave homeowners uninformed about significant management changes and should be addressed in the proposed requirements.

Mr. Chandra acknowledged the issue was a significant concern and stated the proposed requirements were intended to provide safeguards, but the matter may warrant further review.

<u>Section 14</u>
Commissioner Sweetin referenced public comments to add language similar to the provisions applicable to HOA investigations, allowing for an opportunity to remedy alleged violations. Commissioner Sweetin suggested adding a separate subsection to provide a remedial opportunity and noted the existing language in NRS 116A did not currently address the issue.

Ms. Keegan responded that subsection 4 already provides the administrator authority to take appropriate action, including issuing a letter of censure, which serves as a remedial measure.

Commissioner Sweetin acknowledged the provision addressed his concern.

Ms. Keegan added that the language could be revised for consistency with the comparable provisions, if desired.

Sections 15 & 16

Chairman Heydarian supported requiring associations to report to the Division when a reserve study is adopted and suggested documenting the adoption in the meeting minutes for ease of reference. Chairman Heydarian questioned whether requiring adoption at least 30 days before the next fiscal year would provide sufficient time for associations to obtain and implement updated reserve studies.

Commissioner Lighthart expressed concern about the timing requirements in Sections 15 and 16, noting that requiring reserve studies to be completed within specified periods could create a significant workload for reserve study consultants. Commissioner Lighthart observed that, because many associations operate on a January 1 fiscal year, consultants could face a concentrated demand for reserve studies during the first quarter of the year.

Commissioner Tibbitts suggested community management companies could help address the potential workload issue by advising boards to begin the reserve study process early rather than waiting until the deadline. Commissioner Tibbitts stated the proposed timing requirements appeared feasible with appropriate planning.

Chairman Heydarian noted many associations meet quarterly in January, April, July, and October. Chairman Heydarian stated if a reserve study is not adopted during the October meeting when the budget is adopted, the proposed timing requirement could require the association to hold a special meeting before the end of the fiscal year.

Commissioner Lighthart stated the 210-day period could begin as early as March or April rather than May 1 to allow sufficient time for associations to complete and adopt reserve studies before October meetings. Commissioner Lighthart, noted reserve study companies, would face a significant workload during the first few months of the year, followed by increased activity as associations prepare for October meetings.

Commissioner Gilliam noted the timing could also be challenging because associations may have already prepared their budgets before adopting the reserve study at the October meeting. Commissioner Gilliam stated the process should be workable but would require coordination.

Chairman Heydarian noted that Section 16 further requires adoption of the reserve study in the fifth year on or before the date the proposed budget for the upcoming year is adopted. Chairman Heydarian clarified this would require the reserve study to be finalized and adopted no later than the date of budget adoption.

Commissioner Tibbitts suggested considering proposed language that was in public comment as a simpler alternative to the current provisions. Commissioner Tibbitts stated the proposed language appeared to address the necessary requirements, with the possible addition of a 210-day deadline for approval. Commissioner Tibbitts noted language was less prescriptive than the current proposal.

Chairman Heydarian noted the 210-day timeframe mirrors the timeframe used for draft audits, which requires submission within 210 days following the end of the fiscal year. Chairman Heydarian suggested focusing on the outside deadline and questioned whether the five-year reserve study cycle should be measured from adoption of the prior study rather than the site inspection date, noting the current language could be unnecessarily complicated.

Mr. Chandra explained that Sections 15 and 16 address different aspects of the reserve study process. Mr. Chandra stated Section 15 focuses on reserve study requirements and timing, while Section 16 establishes when the next five-year cycle begins. Mr. Chandra clarified that the reserve study and funding plan are separate and that updates to a reserve study may be requested without affecting the five-year cycle. Mr. Chandra acknowledged the proposed timelines may require further refinement and invited additional suggestions.

The Commissioner deliberation portion of the public workshop was closed.

4) <u>FOR POSSIBLE ACTION: DISCUSSION AND DECISION REGARDING RESPONDENT'S REQUEST FOR AN EXTENSION:</u>
A) NRED v. El Parque Homeowners Association, for possible action
Case No. 2025-217
Type of Respondent: Homeowners Association

<u>Parties Present</u>
Christal Keegan, Senior Deputy Attorney, was present representing the Division
Charles "Bob" Peterson, Esq., was present representing the Association
Leah Wickline, Community Manager, was present.

<u>Preliminary Matters</u>
Mr. Peterson requested an extension of time for board members to complete the continuing education ordered on December 19th. Mr. Peterson stated one board member has completed three classes, another has completed two classes but experienced technical difficulties while attempting to complete the third class, and a third board member recently returned from being out of the country and is expected to complete the required education. Mr. Peterson stated a fourth board member has been difficult to contact, and additional time is needed to determine whether the individual will remain on the board and complete the required education.

Mr. Peterson stated the original extension request was through June 30th but requested additional time, potentially several months, to allow completion of the requirements. Mr. Peterson suggested the matter could be addressed together with other compliance items scheduled to return before the Commission in December.

Ms. Keegan stated she wanted to clarify several matters regarding the request for an extension of time for board members to complete continuing education requirements. Ms. Keegan confirmed no board members were present at the hearing.

Ms. Keegan moved the Division's exhibits into the record, consisting of NRED date-stamped exhibits 1 – 44. Chairman Heydarian moved to accept the Division's exhibits into the record.

Ms. Keegan stated the board was not originally required to return before the Commission until the December 2026 hearings but appeared earlier because March 31, 2026, was the deadline for completing the ordered continuing education. Ms. Keegan stated respondents' counsel first contacted the Division on the deadline date, and at that time, no board members had completed the required education or provided evidence of completed credit hours.

Ms. Keegan stated the Commission's order required board members to complete education in HOA financial management, fiduciary duties, and reserve studies. Ms. Keegan stated the certificates submitted for one board member did not appear to satisfy the Commission's order because the courses addressed community manager responsibilities, HOA meetings, and towing sanctions rather than the required subject areas. Ms. Keegan stated substantial compliance does not constitute compliance with the Commission's order.

Ms. Keegan stated the Division provided course information demonstrating the availability of the required training topics and argued respondents had not provided sufficient evidence of scheduling conflicts or other circumstances preventing timely completion. Ms. Keegan stated the Division did not receive evidence that the board members or community manager worked with the Division's education section to identify alternative options for completing the requirements.

Ms. Keegan stated the Division believed respondents had not demonstrated good faith compliance with the Commission's order. Ms. Keegan stated the Division relied on respondents' commitment to completing the training when penalties were not pursued during the prior hearing.

Ms. Keegan also raised questions regarding the number and identity of current board members, noting inconsistencies between the extension request and recently filed documentation. Ms. Keegan requested confirmation of the current board composition.

Ms. Keegan stated the Commission provided a clear deadline for completion of the continuing education requirements and respondents did not request additional time when the deadline was established. Ms. Keegan stated the Commission could consider granting an extension through the December 2026 hearing, provided the deadline is firm and enforceable.

Ms. Keegan requested the Commission to consider finding that the respondents failed to comply with Order Term No. 1, requiring completion of continuing education. Ms. Keegan further requested that any extension include a strict deadline, potential sanctions for failure to comply, proof of completion submitted 10 working days before the December hearing, application of the continuing education requirements to any new board members during the effective period of the order, and submission of required Form 602 certifications confirming board members reviewed and understood applicable law.

Mr. Peterson responded that respondents were not asserting all continuing education was completed by the March 31, 2026, deadline. Mr. Peterson stated some courses were completed before the deadline and others afterward. Mr. Peterson stated the board members who completed courses acted in good faith based on their understanding of the topics required by the Commission's order.

Mr. Peterson stated the courses taken addressed subjects related to board member responsibilities and fiduciary duties and renewed the request for an extension. Mr. Peterson agreed returning to the Commission in December would provide an opportunity to review the status of compliance.

Commissioner Lighthart expressed disappointment that the requested continuing education had not been completed. Commissioner Lighthart also noted ongoing concerns regarding the two board members and asked whether that matter should be addressed during the current meeting or deferred until the December meeting. Commissioner Lighthart then requested an update on the status of the remaining items expected to return to the Commission in December.

Mr. Peterson stated his understanding all assessed fees and fines had been paid. Mr. Peterson also stated the association had retained a CPA to complete the required audit and that those matters were moving forward.

Ms. Wickline confirmed the fines assessed had been paid. Ms. Wickline stated an accounting firm had been retained to complete the audit but did not have an exact timeline for completion. Ms. Wickline acknowledged the December deadline and explained the accounting firm was reviewing multiple years of financial records to determine the appropriate scope of work. Ms. Wickline stated engagement agreements had been executed, and the association was actively providing documents requested by the accounting firm to complete the audit process.

The Commissioners deliberated whether to grant the Respondent's request for an extension.

<u>Motion</u>
Commissioner Tibbitts moved to grant the requested extension, provided all current and newly appointed board members complete the continuing education training required by the original Order before the December Commission meeting and if any required board member fails to complete the training by that deadline, a $5,000 fine will be imposed. Chairman Heydarian amended the motion to add that the education certificates be submitted 10 days before the December 2026 meeting. Commissioner Tibbitts accepted the motion. Chairman Heydarian seconded the motion. Motion carried 4-0. Commissioners Sweetin and Gilliam left the meeting.

Commissioner Morse Jarman made a recommendation to Respondent's counsel that all five of the board members attend the December 2026 meeting.

7) <u>Commission/Division Business:</u>

A) Discussion regarding Administrator's Report.

Sharath Chandra reported the Division continues to make progress on its technology modernization project and recently met with its consultant to review the project's status. Mr. Chandra stated there are still items to work through, however the project remains on track.

Mr. Chandra stated the Division is preparing its budget requests for the next legislative session, and the Division is requesting an additional finance position with qualifications equivalent to a Certified Public Accountant (CPA). Mr. Chandra explained the position would enhance the Division's ability to review financial audits, identify issues with reserve studies, provide educational recommendations to associations, and conduct more comprehensive fiscal audits when necessary.

Mr. Chandra advised the Division is not proposing legislation related to reserve studies but anticipates industry-sponsored bills addressing reserve funding and reserve study requirements during the upcoming legislative session. Mr. Chandra stated the Division will provide information and technical assistance as needed.

Mr. Chandra noted the Division continues to experience staffing and retention challenges and discussed plans to expand homeowner outreach through the Ombudsman's Office by increasing education and proactively connecting with homeowners who may be unfamiliar with the Division's resources. Mr. Chandra states the goal is to provide guidance and assistance before disputes escalate into formal complaints.

Mr. Chandra added the Division's technology modernization project will allow complaints, registrations, and other documents to be submitted electronically, reducing paperwork and allowing staff to dedicate more time to outreach and public education.

The Commissioners questioned Mr. Chandra about the new portal and about the personnel in the accounting section.

B) Discussion regarding Licensee and Board Member Discipline.

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

C) Discussion regarding Ombudsman's Summary Report.

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

The Commission questioned Ms. Meriweather about the report.

D) Discussion regarding the Education and Information Officer Report.

Noelle Garcia presented this report which was provided to the Commission in the meeting packet.

E) Discussion regarding CIC Compliance Caseload Report and Summary.

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

F) Discussion regarding the Commissioner's Speaking Engagement Requests.
None

G) Discussion regarding the State of Nevada Controller's Office Debt Collection Process for fines issued by the Commission.
None

H) For Possible action: Discussion and decision to approve minutes of the March 10, 2026, meeting.
Commissioner Sweetin moved to approve the meeting minutes of the March 10, 2026, meeting. Motion seconded by Commissioner Tibbitts. Motion caried. 4-0. Commissioner Sweetin rejoined the meeting, Commissioner Lighthart abstained and Commissioner Gilliam left the meeting.

7) FOR POSSIBLE ACTION: FOR DISCUSSION AND DECISION ON DATE, TIME, PLACE, AND AGENDA ITEMS FOR UPCOMING MEETING(S)
The next Commission meeting is scheduled for September 8-10, 2026.

9) PUBLIC COMMENT:
Mike Kosor expressed concern regarding testimony during the workshop concerning the status of petitions submitted to the Commission. Mr. Kosor referenced Commissioner Tibbett's question to the Administrator regarding whether all petitions had been placed on the docket and the Administrator's response that everything had been presented to the Commission. Mr. Kosor stated that placing petitions in the Commissioners' packets was not equivalent to placing the matters on an agenda for Commission consideration. Mr. Kosor requested clarification regarding the status of his petitions, which had been pending for nearly a year, and stated that he had not received a response regarding their disposition.

Trenece Holiday stated that her remarks were a question rather than a public comment. As a first-time attendee, Ms. Holiday requested clarification regarding whether her agenda item is still going to be heard.

Chairman Heydarian stated Ms. Holiday's agenda item is still on the agenda to be heard.

10) FOR POSSIBLE ACTION: ADJOURNMENT
Meeting adjourned at 4:34 PM.

Minutes prepared by: ______________________________
Maria Gallo
Commission Coordinator

COMMISSION FOR COMMON-INTEREST COMMUNITIES AND CONDOMINIUM HOTELS MEETING MINUTES JUNE 10, 2026

VIA IN PERSON AND TEAMS VIRTUAL MEETING
JUNE 10, 2026

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

VIDEO CONFERENCE TO:
Nevada Division of Insurance
1818 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 Heydarian called the meeting to order at 9:11 A.M.
Introduction of Commissioners in attendance: June Heydarian, Robert “Bob” Sweetin, Kyle Tibbitts, Sara Gilliam, Kim Lighthart and Patricia Morse Jarman. A quorum was established. Commissioner Phyliss Tomasso was absent.

Commission Counsel: Henna Rasul, Senior Deputy Attorney General, was present.

2) Public Comment
Mike Kosor referenced the discussion from the previous session regarding Section 5, which addresses the formal petition process.

Mr. Kosor stated petitions submitted as far back as July had not been considered in accordance with the requirements of the statute. Mr. Kosor stated during the previous discussion, Senior Deputy Attorney Christal Keegan indicated that all petitions would be given "due course." Mr. Kosor stated clarification had been requested regarding the meaning of "due course" and expressed the understanding that any response should be provided in writing. Mr. Kosor stated no written response had been received despite repeated requests.

Mr. Kosor stated during the previous discussion, a commissioner asked whether the petitions had been considered, and the Administrator responded that everything had been presented to the Commission. Mr. Kosor stated based on prior testimony and current comments, someone was providing inaccurate information to the Commission.

Mr. Kosor referenced several issues that had been raised through the petition process, including board approval of matters by email, workshop meetings, virtual-only board meetings, conflicts of interest, ambiguities within NRS Chapter 116 requiring regulatory clarification, contracts awarded by an architectural control committee to the declarant's management company, competitive bidding requirements, and declarant control of associations. Mr. Kosor stated a master association had remained under declarant control for 27 years and questioned whether that outcome was consistent with legislative intent.

Mr. Kosor concluded by requesting an explanation regarding the status of the submitted petitions and asked that either the Commission or the Division provide a response.

Mr. Kosor also addressed comments made during the previous day's discussion regarding anti-bullying language in NRS Chapter 116. Mr. Kosor stated to the best of his knowledge, no anti-bullying provisions exist within NRS Chapter 116. Mr. Kosor stated proposed anti-bullying legislation had been introduced in prior legislative sessions but was not enacted. Mr. Kosor further stated NAC Chapter 116 authorizes associations to adopt policies addressing bullying and requested that the distinction be clarified due to inquiries received from the public.

Jean Coquilla stated as a homeowner and an individual involved in managing family properties located in Nevada and California, many of which are within common-interest communities, observations had been made regarding interactions between homeowner's associations, management companies, and compliance standards.

Ms. Coquilla provided comments regarding the investigation of alleged violations and encouraged the Commission to consider the importance of communication, documentation, and verification when resolving disputes between homeowners and associations. Ms. Coquilla stated many matters involve more than determining whether a violation exists and that homeowners and associations may have differing understandings regarding whether a violation has been corrected or resolved.

Ms. Coquilla stated homeowners may submit photographs, documentation, payment records, and other evidence demonstrating compliance, yet disputed violation balances may continue to accumulate when homeowners believe corrective actions have been completed. Ms. Coquilla emphasized the importance of thorough investigations that include review of communications between the parties, photographs, compliance documentation, payment records, hearing records, and other relevant evidence to ensure informed and accurate determinations.

Ms. Coquilla encouraged the Commission to consider investigative procedures that promote transparency by ensuring homeowners understand what information is being reviewed, what issues remain in dispute, and what additional documentation may be needed to resolve a matter. Ms. Coquilla stated clear investigative standards benefit homeowners, associations, and the Division by promoting consistency, improving communication, and increasing confidence in the Division's decisions.

Ms. Coquilla further stated many disputes result from misunderstandings, incomplete records, miscommunication, or differing interpretations regarding whether compliance has been achieved rather than intentional misconduct. Ms. Coquilla encouraged investigative procedures that emphasize accuracy, documentation, communication, and verification whenever possible to ensure enforcement decisions are based on complete and reliable information.

Ms. Coquilla also encouraged consideration of investigative procedures addressing issues involving record transfers between management companies, account reconciliations, submitted compliance documentation, and homeowner requests for clarification. Ms. Coquilla stated homeowners may submit photographs, payment records, correspondence, and other documentation without receiving confirmation that the information was received, reviewed, or accepted, resulting in confusion regarding the status of the matter. Ms. Coquilla stated the availability and review of complete records are critical to reaching accurate determinations.

Ms. Coquilla concluded by encouraging the Commission to distinguish between matters involving actual health, safety, or welfare concerns and those involving routine covenant compliance issues. Ms. Coquilla stated clear standards would help ensure consistent enforcement and improve understanding of the basis for the determinations.

Linda McCree stated after hearing the previous public comments, agreement was expressed with the concerns raised regarding alleged bullying, harassment by board members, and the investigative process.

Ms. McCree stated a $10,000 fine had been imposed after a board member accused Ms. McCree of distributing negative information about the board member. Ms. McCree stated the allegation was not true and asserted that no investigation was conducted before the fine was imposed.

Ms. McCree further stated an additional $5,000 fine was imposed under health, safety, and welfare provisions for contacting the community manager too frequently and requesting documents. Ms. McCree stated the requested documents had not been received despite the requests having been made in September.

Ms. McCree stated the combined $15,000 in fines remained outstanding and indicated that additional information could be provided regarding the matter. Ms. McCree concluded by expressing hope that the concerns would be reviewed and stated that several complaints had been submitted to the Division.

5) <u>DISCIPLINARY ACTION: DISCUSSION AND POSSIBLE ACTION BY THE COMMISSION:</u>

A) NRED v. Cheyenne Park Villas Homeowners Association, Inc., for possible action
Case No. 2024-606
Type of Respondent: Homeowners Association

<u>Parties Present</u>
Christal Keegan, Senior Deputy Attorney General, was present representing the Division
John Leach, Esq., was present representing the Respondent
Lisa Roberts, Community Manager, was present virtually
Dennis Pankey, Board Member, was present virtually

<u>Preliminary Matters</u>
Mr. Leach requested to admit some last-minute exhibits into the record.

Ms. Keegan stated the exhibits were untimely, however if the documents were relevant, material, and helpful to the Commission's discussion, the Division did not object to the Commission considering them.

Ms. Keegan stated the parties had stipulated to the admission of the exhibits in support of the status check. Ms. Keegan stated the respondents submitted nine exhibits, and the Division submitted five exhibits. Ms. Keegan moved to admit those documents into the record as well as exhibits 10-13 that Mr. Leach is now requesting to also be admitted.

Chairman Heydarian moved to accept all documents from the Division and the Respondent.

Mr. Leach went over the board member education requirement with the Commission.

Mr. Leach went over the funding plan with the Commission.

The Commissioners questioned Mr. Leach about his presentations.

Ms. Roberts stated her office had just started managing the association last year and the "due to/from" balance was not solely related to funds paid from the reserves. Ms. Roberts explained the balance resulted from many years of poor budgeting practices, during which the association accrued the due to/from balance rather than necessarily paying operating expenses from reserve funds.

The Commission continued to question Mr. Leach and Ms. Roberts about the funding plan.

Ms. Keegan acknowledged the timely submission of the Respondent's status report and outlined the Division's concerns regarding compliance with the Commission's Order. Ms. Keegan stated certain Board members had not completed all required continuing education, supported obtaining an updated reserve study addressing the due-to reserve balance, and raised concerns regarding payments to a company owned by a Board member and potential conflict-of-interest issues. Ms. Keegan confirmed that the Division's fees and costs had been paid and recommended that the Commission find the Association noncompliant with certain Order terms and require a December status check with updated financial records, proof of completed Board education, and an updated reserve study.

Mr. Leach stated the updated reserve study would be used to develop a funding plan addressing the due-to/from balance and that the Association would work with its CPA to better understand the origin of the balance and determine the appropriate method for repayment. Mr. Leach confirmed the audits had been submitted, acknowledged that one was untimely, outlined the remaining Board education requirements, committed to continuing to provide financial statements, and stated that the Association would address the concerns raised regarding payments to vendors that have a conflict of interest.

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

<u>Motion</u>

Commissioner Lighthart moved that the Respondent appear at the December 2026 meeting and submit within ten (10) working days of the meeting: board member education certificates, form 602 from all board members, updated reserve study, form 609, updated funding plan, 2025 audited financial statements, reconciliation of the due to/from, most current financial statements and status of the vendor contract as they relate to the conflict of interest with the board. Commissioner Morse Jarman seconded the motion. Motion carried.

Commission Counsel: Henna Rasul, Senior Deputy Attorney General, left the meeting.
Now Rosalie Bordelove, Chief Deputy Attorney General – Commission Counsel

B) NRED v Robindale/Tamarus Homeowner's Association, for possible action
Case No. 2025-612
Type of Respondent: Homeowners Association

Parties Present
William (Bill) Peper, Deputy Attorney General, was present representing the Division.
Scott Kieper, Board Member was present virtually

Preliminary Matters
Mr. Peper stated the matter had previously been heard by the Commission in March. Mr. Peper explained only the complainant, who was an owner within the Association, attended the prior hearing and as a result, the Commission issued an Order imposing several requirements on the Association. Mr. Peper noted the Association consists of seven single-family homes and that its small size contributed to governance challenges, including difficulty obtaining volunteers and maintaining enough board members due to illnesses and resignations. Mr. Peper stated the Commission's Order first required the Association to address those governance deficiencies.

This case was tabled due to technical difficulties.

C) NRED v Silver State Condominium Owners' Association, Inc., for possible action
Case No. 2024-106
Type of Respondent: Homeowners Association

Parties Present
Christal Keegan, Senior Deputy Attorney, was present representing the Division
Sophie Karadanis, Esq., was present virtually representing the Respondent.

Preliminary Matters
Ms. Keegan asked if the community manager or any board members were present.

Ms. Karadanis apologized neither the community manager nor a board member was present at the status check. Ms. Karadanis explained both the Board President and the community manager had attended the previous day's proceedings but were unable to attend the current meeting due to prior commitments.

Ms. Keegan stated the parties had stipulated to the admission of the exhibits submitted in support of the status check and moved to admit the exhibits into the record before proceeding with the matter.

Ms. Karadanis stated the Association had complied with the Commission's June 2026 Order. Ms. Karadanis reported the Association timely paid the required reimbursement to the Division, submitted the 2024 CPA audit, and demonstrated compliance with its funding plan through required reserve transfers. Ms. Karadanis also stated the Association submitted an attestation confirming it had not retained or paid any unlicensed vendors and continues to follow established procedures for vendor selection. Regarding the continuing education requirement, Ms. Karadanis stated the current Board President completed the required coursework and explained that the Board members serving when the Order was issued were no longer on the Board. Ms. Karadanis stated the Association's submitted documentation demonstrates compliance with the Commission's Order. Mr. Karadanis stated the Association has addressed the Commission's primary concerns by improving its financial condition, funding its reserve account, and completing the required audits.

Ms. Keegan thanked the Respondents for timely submitting the status report and acknowledged that the reimbursement payment required by the Commission's Order had been satisfied. Ms. Keegan stated, however, that in the Division's opinion, the Association had not fully complied with all terms of the Order. Ms. Keegan raised concerns regarding the 2024 CPA audit, including an outstanding payable between the operating and reserve funds and the lack of documentation showing the audit had been adopted. Ms. Keegan also questioned whether the Association's funding plan adequately addressed repayment obligations and demonstrated compliance with statutory reserve funding requirements.

Ms. Keegan further stated the attestation regarding unlicensed vendors had not been signed by the Association's current community manager and asserted that the continuing education requirement had not been fully satisfied. Ms. Keegan maintained that the Order required all sitting Board members during the effective period of the Order to complete the specified education in all required subject areas and questioned whether the submitted coursework met those requirements.

Ms. Keegan also identified additional concerns, including the Association's compliance with the minimum Board member requirement, the timely reporting of Board member changes to the Division, and documentation supporting certain expenditures. Ms. Keegan recommended the Commission continue its oversight of the Association, place the matter on a future agenda for an additional status review, and noted the Division could amend its complaint if the identified deficiencies and potential violations were not corrected.

Ms. Karadanis stated the Association had substantially complied with the Commission's order by implementing its reserve funding plan and making the required reserve transfers. Ms. Karadanis explained the order did not specifically require submission of financial statements and offered to provide additional documentation if requested.

Ms. Karadanis stated the attestation regarding licensed vendors was completed by the acting community manager and two Board members following an unexpected change in management. Ms. Karadanis explained the underlying violation resulted from an isolated incident involving emergency roof repairs after a catastrophic fire and stated the Association had implemented procedures to prevent similar occurrences.

Regarding continuing education, Ms. Karadanis argued the order was ambiguous and that the Board member had substantially complied by completing extensive educational courses. Ms. Karadanis further stated the continuing education requirement should apply only to Board members involved in the original disciplinary matter and not to newly elected Board members.

Ms. Karadanis addressed additional concerns raised by the Division, stating the recent Board and community manager changes were timely reported to the Division to the extent records were available. Regarding the current Board vacancy, Ms. Karadanis stated the resignation was recent, the remaining Board members continued to fulfill their duties, and the Association was actively working to fill the vacant position.

Ms. Karadanis concluded by requesting the Commission find the Association had substantially complied with the order and offered to provide any additional information or documentation the Commission deemed necessary.

Ms. Keegan stated the Division believed the Association remained out of compliance with the Commission's order, specifically regarding the licensed vendor attestation, reserve funding update, and Board member education requirements. Ms. Keegan requested the Commission find violations of Order Terms 3B and 4, require a future status check, and direct the Association to provide documentation demonstrating compliance with Board composition, required filings, audits, Board member education, and reserve funding.

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

<u>Motion</u>
Chairman Heydarian moved the Respondent appear at the September meeting and provide a status update on filling the third board member seat or a timely filed form 623, payments to the reserve, any expenditures, required funding levels, copy of the 2025 audit, December 2025 and most current financial statements, signed attestation of the licensee in charge of the Association that unlicensed vendors will not be utilized, the Association shall comply with all provisions of NRS 116 and NAC 116, and recommend that all new and future board members obtain continuing education relevant to acting with serving on the board of directors. All documents in the status report be submitted ten (10) working days before the September meeting. Commissioner Lighthart moved to amend the order to include an explanation of any amounts that are reflected in the 2024 and 2025 due to/from's. Amended motion accepted by Chairman Heydarian. Commissioner Sweetin seconded the motion. Motion carried.

B) NRED v Robindale/Tamarus Homeowner's Association, for possible action
Case No. 2025-612
Type of Respondent: Homeowners Association

Parties Present
William (Bill) Peper, Deputy Attorney General, was present representing the Division.
Scott Kieper, Board Member was present virtually

Preliminary Matters
Mr. Peper summarized the Commission's March order, stating the Association was required to pay the Division's administrative fees and costs, elect a Board consisting of at least three members, restore the Association's corporate status with the Nevada Secretary of State, complete all required filings with the Division, and designate a representative of the newly elected Board to appear at the status hearing.

Mr. Kieper stated the Association had substantially completed the requirements of the Commission's March order. Mr. Kieper reported the Association had conducted Board meetings and an election, submitted its annual registration, restored access to its financial accounts, paid the ordered fees, and believed the Association was fully funded under its current reserve study. Mr. Kieper added the Association was awaiting confirmation of its good standing with the Secretary of State and had prepared the required Board member certification forms to maintain compliance moving forward.

Mr. Peper asked whether the Association contended it had satisfied all requirements of the Commission's order.

Mr. Kieper stated the Association believed it had satisfied the requirements of the Commission's order. Mr. Kieper explained the current Board inherited significant issues from the prior Board, including appointments made without an election and challenges resulting from former Board members leaving the country. Mr. Kieper stated the current Board had worked to correct those issues and bring the Association into compliance.

The Commissioners questioned Mr. Kieper about what was submitted to the Division and whether the Association is in compliance with the Nevada Secretary of State.

Division staff verified what Mr. Kieper submitted to the Division.

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

Motion
Commissioner Tibbitts moved that the Respondent provide a status check at the September meeting and submit financial statements that would include: a budget, a current financial statement, bank statements, a plan for a reserve study and compliance with any outstanding Division and Secretary of State filing requirements, including the reinstatement of the Associations corporate name. All status check documents must be submitted to the Division at least ten (10) working days prior to the start of the September meeting. Commission Sweetin seconded the motion. Motion carried.

C) NRED v Kelly Evers., for possible action
Case No. 2025-526
Type of Respondent: Board Member

Parties Present
Phil Su, Senior Deputy Attorney General, was present representing the Division.
Jeffrey Whipple Esq., was present representing the Respondent.
Kelly Evers, Respondent, was present

Preliminary Matters
Commissioner Lighthart stated she serves on the Board of the Association involved in the matter and would abstain from participating pursuant to Nevada ethics and government law.

Opening Statements
Mr. Su gave an opening statement.
Mr. Whipple gave an opening statement.

State's Witness
Robert Towle, Compliance/Audit Investigator, testified.

Mr. Su moved to admit the State's exhibits into the record.
Chairman Heydarian accepted the motion to admit the State's documents into the record.

Mr. Su moved to admit an audio clip from a board meeting into the record.

Mr. Whipple objected to admitting only a portion of the recording and requested that the entire Board meeting recording be admitted ensuring the excerpts were not taken out of context.

Mr. Su agreed and requested admission of the full audio recording into evidence while stating he would only play relevant portions during his presentation.

Chairman Heydarian accepted the motion to admit the entire audio clip into the record.

Mr. Whipple conducted cross-examination of Mr. Towle.

Mr. Whipple moved to admit the Respondent's exhibits into the record.

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

Mr. Su conducted a redirect examination.

Commissioners questioned Mr. Towle.

Respondent's Witness
Kelly Evers, testified.
Mr. Su conducted cross-examination of Ms. Evers

Commissioners questioned Ms. Evers.

<u>Closing Statements:</u>
Mr. Su gave a closing statement.
Mr. Whipple gave a closing statement.

The Commissioners deliberated over the Factual Allegations.

<u>Motion:</u>
Commissioner Sweetin moved that Factual Allegations numbers 3,4,6,7,8,9,10,11,12,13,14,15 and 16 were proven. Commissioner Morse Jarman seconded the motion. Motion carried.

Commissioner Sweetin moved that Factual Allegations numbers 1,2 and 5 were not proven. Commissioner Tibbitt seconded the motion. Motion carried.

The Commissioners deliberated over the Violation of Law.

<u>Motion:</u>
Commissioner Sweetin moved that Violation of Law number 1 has not been proven. Motion failed.

Commissioner Gilliam moved that Violation of Law number 1 only NRS 116.3103 has been proven. Commissioner Tibbitts seconded the motion. Motion carried 4-1 with Commissioner Sweetin opposed.

Mr. Su recommended that the Respondent pay the fees and costs of the hearing and cannot serve on future boards for 5 years.

Maria Gallo, Commission Coordinator, testified that the Division's fees and cost are $7,182.05 and those fees are reasonable, actual and necessary.

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

<u>Motion:</u>
Commissioner Tibbitts moved that the Respondent pay a $500 fine and there not be a ban on serving on a board. Commissioner Sweetin seconded the motion. Motion carried 4-1 with Commissioner Morse Jarman opposed and Commissioner Lighthart recused from the matter.

9) <u>PUBLIC COMMENT:</u>
Mike Kosor expressed concern that the Chairman had recommended membership to an industry group requiring homeowners to pay a membership fee. Mr. Kosor acknowledged the value of CAI's educational programs but stated that he believed recommending membership was inappropriate. Mr. Kosor commended the Commission for the time spent addressing the previous matter but expressed concern regarding the finding of a fiduciary duty violation against the Respondent. Mr. Kosor stated the discussion indicated the Respondent acted in good faith and made an error in judgment. Mr. Kosor questioned the standard of review applied, including

whether the business judgment rule had been considered. Mr. Kosor expressed concern that the finding of a fiduciary duty violation could have insurance and other legal implications. Mr. Kosor stated that he found the issue confusing and potentially problematic and wanted his concerns entered into the record.

10) <u>FOR POSSIBLE ACTION: ADJOURNMENT</u>
Meeting adjourned at 4:45 PM.

Minutes prepared by: ______________________________
Maria Gallo
Commission Coordinator

COMMISSION FOR COMMON-INTEREST COMMUNITIES AND CONDOMINIUM HOTELS MEETING MINUTES JUNE 11, 2026

VIA IN PERSON AND TEAMS VIRTUAL MEETING
JUNE 11, 2026

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

VIDEO CONFERENCE TO:
Nevada Division of Insurance
1818 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 Heydarian called the meeting to order at 9:09 A.M.
Introduction of Commissioners in attendance: June Heydarian, Robert “Bob” Sweetin, Sara Gilliam, Kim Lighthart and Patricia Morse Jarman. A quorum was established.
Commissioner Kyle Tibbitts and Commissioner Phyliss Tomasso were absent.

Commission Counsel: Rosalie Bordelove, Chief Deputy Attorney General, was present.

2) Public Comment
None

5) DISCIPLINARY ACTION: DISCUSSION AND POSSIBLE ACTION BY THE COMMISSION:
D) NRED v. Theresa M. Kenyon, for possible action
Case No. 2025-946
Type of Respondent: Community Association Manager
License No. CAM.0001064-SUPR (ACTIVE)

Parties Present
Phil Su, Senior Deputy Attorney General, was present representing the Division.
Theresa Kenyon, Respondent, was present virtually.

Preliminary Matters
Mr. Su stated no Answer had been filed to the Complaint, and a default recommendation had been prepared for presentation to the Commission. Mr. Su stated following a conversation with Ms. Kenyon at the conclusion of Day One, Mr. Su requested Ms. Kenyon explain the circumstances surrounding the matter. Mr. Su stated additional comments would be provided

following Ms. Kenyon's remarks.

Ms. Kenyon stated personal and family circumstances had delayed submission of a written response. Ms. Kenyon requested additional time to provide Mr. Su with the information and documentation needed for the matter.

Mr. Su stated a continuance to the September meeting had been discussed with Ms. Kenyon to allow time for filing an Answer and to permit the parties to discuss a potential settlement stipulation or otherwise prepare the matter for hearing.

Mr. Su stated the Division would neither request nor oppose a continuance. Mr. Su advised any request for a continuance would need to be made by Ms. Kenyon. Mr. Su further stated, absent a continuance request, the Division's position would be to proceed with default.

Ms. Kenyon requested a continuance to allow additional time to compile and submit information and documentation covering a two-year period.

The Commissioners deliberated regarding the Respondent's request for a continuance.

<u>Motion</u>
Chairman Heydarian moved to grant a one-time continuance to the September meeting for Ms. Kenyon to provide a response, no later than ten (10) working days prior to the September meeting. Commissioner Lighthart seconded the motion. Motion carried.

B) NRED v Rainbow Bend Homeowners Association, for possible action
Case No. 2025-630
Type of Respondent: Homeowners Association

<u>Parties Present</u>
William "Bill" Peper, Deputy Attorney General, was present representing the Division.
Donna Zanetti Esq., representing the Respondent, was present virtually.
Dan Root, Board Member, was present virtually.
Dave Hart, Board Member, was present virtually.
Lisa Holleman, Board Member, was present virtually.
Dave Neidert, Board Member, was present virtually.
Glenn Martin, Board Member, was present virtually.

<u>Preliminary Matters</u>
Mr. Peper stated the matter had previously been scheduled for the March hearing date and was continued upon request by counsel for Rainbow Bend. Mr. Peper stated that, since the continuance, counsel for Rainbow Bend had produced documents responsive to the Complaint and had filed an Answer. Mr. Peper stated the Respondent admitted all allegations except one, identified as paragraph 11and the Division will be seeking the fees and costs of the matter.

Mr. Peper stated the Association requested stipulation to a series of exhibits and confirmed the Division's Exhibits 0001 through 0026 were available. Mr. Peper inquired whether Ms. Zanetti had any objection to admission of the Division's Exhibits 0001 through 0026.

Ms. Zanetti had no objections.

Chairman Heydarian admitted the Division's documents into the record.

Mr. Peper gave a summary of the case.

Maria Gallo, Commission Coordinator, testified to the Division's fees and cost of the matter at this time.

Ms. Zanetti stated the board's delinquency in completing the reserve study was not in dispute and had been fully admitted. Ms. Zanetti stated issues remained regarding failure to produce annual registrations, failure to submit the reserve study update form, and failure to respond to the Division's repeated attempts to contact the board.

Ms. Zanetti stated the matter involved prior issues with Rainbow Bend's community manager and a failure to provide required information, which affected Rainbow Bend in that communications were not forwarded to the appropriate board members. Ms. Zanetti stated annual registration forms identifying current board members were not submitted, resulting in Division correspondence being directed to former board members.

Ms. Zanetti stated the circumstances were unfortunate and requested the Commission consider reducing or not imposing investigative costs. Ms. Zanetti stated that once the board became aware of the issues, corrective steps were taken to achieve compliance and to work within applicable laws and regulations.

The Commissioners questioned Mr. Peper and Ms. Zanetti about the case.

The Commissioners deliberated on the issues of the case.

Commissioner Morse Jarman moved that factual allegations 1-12 have been proven. Commissioner Lighthart seconded the motion. Motion carried.

Commissioner Lighthart moved that violations of law 1-3 have been proven. Commissioner Gilliam seconded the motion. Motion carried.

Ms. Gallo testified the Division's fees and costs are in the amount of $5,230.53 and those fees are reasonable, actual and necessary.

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

<u>Motion:</u>
Commissioner Morse Jarman moved that the Respondent pay the Division's fees and costs in the amount of $5,230.53 within 60 days. Chairman Heydarian seconded the motion. Motion carried 4-1. Commissioner Lighthart opposed.

D) NRED v Kelly Evers, for possible action
Case No. 2025-526
Type of Respondent: Board Member

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

Preliminary Matters
Mr. Su stated a clarification was needed regarding the administrative fine imposed in the Kelly Evers matter because no payment deadline had been included in the Commission's order. Mr. Su stated discussions had occurred with opposing counsel and requested guidance from the Commission regarding the matter.

Commissioner Lighthart recused herself from the matter.

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

Motion:
Commissioner Morse Jarman motioned that the administrative fined levied against the Respondent is due within 30 days. Chairman Heydarian seconded the motion. Motion carried 4-0 with a recusal by Commissioner Lighthart.

6) FOR POSSIBLE ACTION: DISCUSSION AND DECISION REGARDING LICENSE DENIAL APPEAL PURSUANT TO NAC 116A.130
Notes: Pursuant to NRS 241.030, the Nevada Commission for Common-Interest Communities and Condominium Hotels may conduct a closed meeting to consider the character, allegations of misconduct, professional competence, or physical and mental health of a person.
A) Trenece Lashane' Holiday, for possible action
File No.: S-LDA-25-024

Parties Present
Trenece Holiday, Respondent, was present
Sandra Saenz, Licensing Supervisor, was present
Griselle Scott, Character Witness, was present virtually

Preliminary Matters
Ms. Holiday requested a closed session meeting.

Motion:
Chairman Heydarian moved to go into closed session. Commissioner Gilliam seconded the motion. Motion carried.

Motion
Chairman Heydarian moved to go back into open session. Commissioner Gilliam seconded the the motion. Motion carried.

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

Motion
Chairman Heydarian moved to overturn the denial and grant a provisional community manager license to the Respondent. Commissioner Gilliam seconded the motion. Motion carried.

Commissioner Sweetin left the meeting.

5) DISCIPLINARY ACTION: DISCUSSION AND POSSIBLE ACTION BY THE COMMISSION:
G) NRED v. Santa Barbara Village Homeowners Association, for possible action
Case No. 2025-653
Type of Respondent: Homeowners Association

Parties Present
William "Bill" Peper, Deputy Attorney General, was present representing the Division
Leah Wickline, Community Manager, was present virtually representing the Respondent.

Preliminary Matters
Mr. Peper stated the complaint was served on May 8, 2026, no answer, exhibit list, or witness list had been received from the respondent and based on the respondent's failure to respond, the Division moves for a default.

Ms. Wickline stated she was requesting a continuance to the September Commission meeting. Ms. Wickline explained the matter had been submitted to the insurance carrier to determine whether it was covered under the directors and officers (D&O) liability policy. Ms. Wickline stated the last correspondence received from the Division was dated January 26, 2026, indicating the matter would be heard. Ms. Wickline stated the May 8, 2026, correspondence referenced by the Division was not received. Ms. Wickline explained the insurance carrier was determining whether coverage applied and whether legal counsel would be assigned to represent the matter.

Mr. Peper stated the Division was prepared to present testimony, establishing the complaint, notice of documents, and related materials had been properly served on the respondent.

Ms. Gallo testified that the complaint, notice of documents and related materials had been mailed to the Respondent.

Motion
Chairman Heydarian moved to find that the state has proven sufficient service of notice to the Respondent. Commissioner Morse Jarman seconded the motion. Motion carried.

Chairman Heydarian stated there is a request from the Respondent for a continuance.

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

Commissioner Lighthart moved to grant the Respondent's request for a continuance, for the matter to be heard at the September meeting and for the response and any supporting documentation to be submitted to be filed within 10 business days before the September meeting. Commissioner Gilliam seconded the motion. Motion carried.

H) <u>NRED v. Winterwood Village Unit No.1, Homeowners Association and Leslie Ortega, for possible action</u>

Case No. 2025-86

Type of Respondent: Homeowners Association and Board Member

<u>Parties Present</u>
Phil Su, Senior Deputy Attorney General, was present representing the Division
Troy Dickerson, Esq., was present representing Ms. Ortega
Leslie Ortega, was present

<u>Preliminary Matters</u>
Mr. Su stated that the parties have stipulated to the admission of each party's documents.

Chairman Heydarian moved to admit the documents into the record.

<u>Opening Statements</u>
Mr. Su gave an opening statement.
Mr. Dickerson gave an opening statement.

<u>State's Witness</u>
Daniel Messer, Compliance/Audit Investigator testified.
Mr. Dickerson conducted cross-examination of Mr. Messer.
Mr. Su conducted a redirect examination.
Commissioners questioned Mr. Messer

<u>Respondent's Witness</u>
Leslie Ortega testified.
Mr. Su conducted cross-examination of Ms. Ortega
Mr. Dickerson conducted redirect examination.
Commissioners questioned Ms. Ortega.

<u>Closing Statements</u>
Mr. Su gave a closing statement.
Mr. Dickerson gave a closing statement.

The Commissioners deliberated over the factual allegations and violations of law.

<u>Motions</u>
Commissioner Gilliam moved that Factual Allegations 1-15 were proven with an edit to Factual Allegation #1 the number of units in the community is 213 not 214 that is indicated on the Complaint. Commissioner Morse Jarman seconded the motion. Motion carried.

Chairman Heydarian moved that Violation of Law #1 has been proven. Commissioner Lighthart seconded the motion. Motion carried.

Commissioner Gilliam moved that Violation of Law #2 has been proven. Commissioner Morse Jarman seconded the motion. Motion carried.

Mr. Su stated the recommended discipline is for the Respondent Ms. Ortega to pay restitution to the Association in the amount of $38,919.00, pay the fees and costs of the investigation and hearing, no administrative fine, the Association retain a licensed CAM, and for Ms. Ortega to be removed from the board and she cannot serve on a board for 10 years and for the remaining board members to complete 6 hours of board member education within 6 months.

Ms. Gallo testified that the Division's fees and costs are in the amount of $5,438.70 and those fees are reasonable, actual and necessary.

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

Commissioner Lighthart moved to order that the Association hire a community association manager (CAM) within 90 days of the Order; Ms. Ortega be removed from the Board and be prohibited from serving on any board for a period of 10 years. Following the 10-year prohibition, Ms. Ortega must obtain prior approval from the Commission before serving on any board.

Commissioner Lighthart further moved that Ms. Ortega and the Association each be responsible for 50 percent of the Division's fees and costs totaling $5,438.70, with payment due within six months; that the Association and Ms. Ortega each be assessed an administrative fine of $1,000.00, also payable within six months; that the Association appear before the Commission for a status check at the December 2026 meeting and submit all documentation demonstrating compliance with the Order within 10 business days following the December meeting; and each Board member complete six hours of board member education, including at least one course addressing fiduciary duties. Commissioner Gilliam seconded the motion. Motion carried.

8) FOR POSSIBLE ACTION: FOR DISCUSSION AND DECISION ON DATE, TIME, PLACE AND AGENDA ITEMS FOR UPCOMING MEETING(S)
Next meeting is scheduled for September 8-10, 2026.

9) PUBLIC COMMENT:
None

9) FOR POSSIBLE ACTION: ADJOURNMENT
Meeting adjourned at 3:28 PM.

Minutes prepared by: ____________________________
Maria Gallo
Commission Coordinator

From: Jean
To: Maria Gallo
Subject: Nevada Commission for Common-Interest Communities - Public comment for June 10, 2026
Date: Wednesday, June 10, 2026 10:29:11 AM

Good morning Ms. Gallo,

I provided public comment during the June 10, 2026 meeting of the Nevada Commission for Common-Interest Communities and Condominium Hotels. Please accept the attached written public comment for inclusion in the record of the June 10, 2026 proceedings and the June 9–11, 2026 Commission meeting.

The comments relate to the regulation workshop discussion concerning investigations of alleged violations, health and safety violations, and transfer of association records.

Thank you for your assistance.

Respectfully,

Jean Coquilla

Good morning Commissioners.

My name is Jean Coquilla.

As a homeowner and someone involved in managing family properties located in Nevada and California, many of which are within common-interest communities, I have had the opportunity to observe a variety of interactions involving homeowners, associations, management companies, and compliance matters.

I would like to offer comments regarding the Division's investigation of alleged violations.

As discussions continue regarding enforcement procedures, I respectfully encourage consideration of the role that communication, documentation, and verification play in resolving disputes between homeowners and associations.

Many enforcement matters involve more than a simple question of whether a violation exists. In some situations, homeowners may believe a condition was corrected, photographs or documentation were submitted, communications occurred, payments were made, or compliance was achieved. Associations and homeowners may sometimes have different understandings regarding the status of a matter.

In some cases, disputed violation balances may grow to substantial amounts even when homeowners believe corrective actions have been completed, documentation has been submitted, or communications indicate that a matter may have been resolved. Such situations underscore the importance of careful investigation, documentation review, communication, and verification of all relevant facts.

For that reason, clear investigative procedures are important.

An effective investigation process should help ensure that all relevant information is considered, including communications between the parties, photographs, compliance documentation, payment records, hearing records, and other evidence that may assist in determining what occurred.

I also encourage consideration of procedures that promote transparency during the investigative process. Homeowners should understand what information is being reviewed, what issues remain in dispute, and what documentation may be needed to resolve those disputes.

Clear investigative standards can benefit everyone involved. They help homeowners understand the process, assist associations in presenting information consistently, and support confidence in the Division's decisions.

In many cases, disputes may arise not from intentional misconduct, but from misunderstandings, incomplete records, missed communications, or differing interpretations regarding whether a condition has been corrected or a matter has been resolved.

For that reason, I believe investigative procedures should emphasize accuracy, documentation, communication, and verification whenever possible.

The goal should be to ensure that enforcement actions are based upon complete and reliable information and that all parties have confidence that relevant evidence has been fairly considered.

I also encourage consideration of how investigative procedures address situations involving record transfers between management companies, account reconciliations, submitted compliance documentation, and homeowner requests for clarification.

In some cases, homeowners may submit photographs, proof of corrective action, payment records, correspondence, or other documentation and may not receive confirmation regarding whether the information was received, reviewed, or accepted. This can lead to confusion regarding the status of a matter and whether additional action is required.

Investigative procedures may also benefit from consideration of situations involving transferred records, disputed account balances, unresolved requests for information, or questions regarding whether a violation has already been corrected. In such cases, the availability and review of complete records can be critical to reaching an accurate determination.

I also encourage consideration of the distinction between conditions that present an actual health, safety, or welfare concern and those involving ordinary covenant compliance issues. Clear standards can help ensure that enforcement actions are applied consistently and that all parties understand the basis for a determination.

Thank you for your time and consideration.

Jean Coquilla

FILED

JUN 10 2026

NEVADA COMMISSION FOR
COMMON INTEREST COMMUNITIES
AND CONDOMINIUM HOTELS

Maria Gallo

From: Jean [redacted]
Sent: Tuesday, June 9, 2026 10:17 PM
To: Maria Gallo
Subject: Public Comment Submission Proposal for a Nevada Homeowner Rights and Responsibilities Guide

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

Dear Ms. Gallo,

Please accept the attached public comment for the June 9, 2026 meeting of the Nevada Commission for Common-Interest Communities and Condominium Hotels.

I respectfully request that this comment be included in the meeting record.

Thank you for your time and assistance.

Sincerely,

Jean Coquilla

[redacted]

Public Comment Submission
Nevada Commission for Common-Interest Communities and Condominium Hotels
June 9, 2026

Good morning Commissioners:

My name is Jean Coquilla, and I would like to offer a proposal focused on homeowner communication, education, and participation.

I occasionally speak before the Legislature regarding HOA-related statutes and homeowner concerns. However, until recently, I was not aware that these Nevada Commission for Common-Interest Communities and Condominium Hotels meetings existed or that homeowners could participate in them. If someone who follows HOA legislation and public policy was unaware of these meetings, then many ordinary homeowners are likely unaware of them as well. I believe it would be very beneficial for homeowners to know that they too have an opportunity to offer their voices, comments, and opinions during these public meetings.

Many homeowners living in common-interest communities know that CC&Rs exist. However, knowing that governing documents exist is not the same as understanding the rights, resources, and public participation opportunities available under Nevada law.

In fact, a homeowner can read every page of their CC&Rs and still never learn that:

- Public meetings of this Commission exist.
- Homeowners may attend those meetings remotely.
- Homeowners may provide public comment.
- Homeowners may submit written comments.
- Homeowners may petition for regulatory changes.
- The Nevada Ombudsman's Office exists.
- State-level dispute-resolution and administrative processes may be available.

These are important homeowner resources, yet they are often unknown to the very people they are intended to serve.

Many homeowners assume that everything they need to know is contained within their CC&Rs. However, a homeowner can carefully review those documents and still never learn that public Commission meetings exist, that public comments are accepted, that petitions for regulatory changes may be submitted, or that the Ombudsman's Office and other state resources are available. This information exists, but many homeowners simply do not know where to find it.

Before becoming involved in this process, I did not know that homeowners could attend Commission meetings, participate remotely, submit public comments, petition for regulatory changes, review agendas, or seek information from the Ombudsman's Office. If someone actively researching HOA issues can still discover new rights and resources, then many ordinary homeowners, seniors, veterans, and first-time homebuyers are likely unaware of them as well.

Most homeowners will never hear about these rights through the channels where people typically receive information, such as television, newspapers, radio, community centers, or other public sources. In many cases, homeowners do not learn about available resources until after they receive a violation notice, a fine, a collection letter, or a lien.

For that reason, I respectfully propose that Nevada develop a standardized Nevada Homeowner Rights and Responsibilities Guide — an updated Guide to Living in a Nevada HOA Community.

The guide should be prepared by the State of Nevada, written in plain language, updated periodically, and made available as a free downloadable resource as well as a physical booklet available upon request.

To minimize costs and simplify distribution, the guide could also be provided through a state-maintained internet link that may be included in closing documents, association welcome materials, annual communications, email notices, or association websites.

It should be distributed:

- By real estate professionals during the sale of any home located within a common-interest community.
- By the homeowners' association upon transfer of ownership.
- Through periodic reminders provided by associations.

The purpose of the guide would not be to replace CC&Rs or other governing documents. Rather, it would provide homeowners with information that may not be contained within those documents, including information regarding public participation, homeowner resources, regulatory oversight, and available dispute-resolution processes.

The guide could explain:

- Homeowner rights and responsibilities.
- How to attend meetings and participate in governance.
- How to inspect records.
- How to request a hearing.
- How to submit evidence.
- How to cure a violation.
- How fines, collections, and liens work.
- Available mediation and dispute-resolution resources.
- Ombudsman contact information.
- Public participation opportunities before this Commission.
- How homeowners can submit comments and petition for regulatory changes.

Most homeowners buy a home only a few times in their lives. Most are not attorneys, community managers, board members, or HOA experts. A plain-language guide can help bridge that knowledge gap.

The guide would serve as an updated guide to living in a Nevada HOA community. Its purpose would be to help homeowners understand their rights, responsibilities, available resources, public participation opportunities, and dispute-resolution options so that concerns can be addressed early, fairly, and constructively.

Homeowners should be treated fairly, receive clear notice, be given meaningful opportunities to respond, and be able to participate in processes affecting their property rights. Homeowners cannot meaningfully participate in a system they do not know exists.

The goal is simple. Homeowners should understand both their rights and responsibilities before a problem occurs, not after a violation notice, fine, collection action, or lien has already been issued.

Nevada has already created many valuable homeowner resources, protections, and public participation opportunities. The challenge is ensuring that homeowners know those resources exist and can access them before problems arise.

Thank you for your time and consideration.

Respectfully submitted,

Jean Coquilla

Maria Gallo

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JUN 08 2026

NEVADA COMMISSION FOR COMMON INTEREST COMMUNITIES AND CONDOMINIUM HOTELS

mgallo

From:	Kelly Rae [redacted]
Sent:	Monday, June 8, 2026 11:52 AM
To:	Maria Gallo
Subject:	Public Comment regarding upcoming meeting:NOTICE & AGENDA OF PUBLIC MEETING OF THE NEVADA COMMISSION FOR COMMON-INTEREST COMMUNITIES AND CONDOMINIUM HOTELS JUNE 9-11, 2026

To whom it may concern,

I would love to make a public comments regarding my experience as a resident in an HOA controlled by Camco. The owner of Camco was governor appointed to an oversight Commission at NRED he also was on the Southern Nevada home builders Association board. Somehow the investigators from the contractors board, NRED, SNWA, and SNHD have overlooked the massive vandalism, property damage, contractors deceiving homeowners, dumping of sewage on property NRS 444.630, I could go on and on. The CAM controls the insurance and overseas the vendors of which they have personal conflicts of interest. I say this as the construction defects that are created are slowly worked upon and delayed and only fatten the pockets of their personal contractors, the CEO's multiple assessment debt collection agencies, and the realtors that flip the same ho.es the management companies run people out of. In February 2024, I complained in good faith regarding vendors Camco had sent to work on our property. I received an email from Camco, stating that I had no right to complain about these vendors and that they were vetted by their company. Any homeowner can complain in good faith regarding vendors or the management company. The carports they worked on collapsed one by one. One of the carports where I park next to was cut in a straight line at the base and blamed on the wind. Another was blamed on the wind after a 24-hour wind report showed there was no winds above 16 miles an hour. They refuse to check any of the carports. They then sent MK house which sponsors camco's take your kids to work day, they also pass money back and forth through tax write-offs. MK house then misrepresented the issues, remind you this was collapse of structures three days after they have been worked on for 2 months by other vendors. The electric was then ripped out and the breakers were broken by MK house. The carports were left in piles for over a year. A building code case was began but never actually became anything once I provided documentation of the licensed vendors who had taken apart the property. This all occurred during an NRED criminal case "investigation" as to which I was never asked any follow-up questions and was told by the investigator she did not know who I was to call when things were falling down. This is also while SNHD had to be called because they were dumping sewage not only in my home but another person's home. They don't sewage in my home for about 7 months while delaying and approved repair and they also left a open hole in the side of the building for a year. The contractors board pass this to Mr Wheaton, they close the cam case, then they try to negotiate the homeowners repairs in my unit without providing any scope of work violating the homeowners Bill of Rights set forth by the contractors board. We still have that close leaking. Camco sent somebody to take apart our clothes bibs and it's caused thousands of dollars of damage and personal property to myself and neighbors as well as water leaks. I was kicked off of the Facebook page when I tried to reach out to a Somerset resident she was complaining in May 2024 of not being able to reach any Cam and going through the same issues our property seem to be going through. We also are paying almost $369 a month without one amenity and considering we are extorted and forced out by taking the essential amenities. There are many laws regarding these issues. There are many laws that speak to property damage, extortion, racketeering, contractors oversight, management oversight. It's quite ridiculous to have a former semiconductor engineer at the zoom meeting kicking people off, followed by the entire property becoming dismantled with water and electrical infrastructure damaged. We cannot get anybody to respond to anything. I currently have a subfloor above me rotted because the property manager based out of Shanghai and the cam had a quid pro quo relationship and have stolen the money multiple times and we can't get one person to investigate the illegal contractors the legal contractors, oversee anything. The lawyer Mr Hastings, represented my HOA during the cam investigation, and his firm also sponsors cameo. If you check cameo, which the CEO of Camco is the CEO of cameo, and is cameo is owned by Thoroughbred management / realty. Of which MK house States they do all of their work, they all have horrible reviews. We don't need to be living like this and it's illegal. Please stop making up fake laws and pretending like you're doing something and just enforce the laws. We don't need children growing up without parks and playgrounds and adults who can't use the clubhouse yet are paying $5,000 a month for somebody to have an exercise machine. We don't need our quality of life stolen. It's not that cool to have that much conflict of interest and illegal activity overlooked by the investigators. Cam case 2025-296. Also what is the point of the cam certification and the courses they're all overseeing and you have given them qualified immunity that actually belongs to the homeowners and is supposed to protect the homeowners. In addition the insurance clause in NRS 116 should have covered the Somerset Henderson community. Nevada Legal services is not a real option it's lawyers covering up their own tracks. We should have learned from the Leon benzer investigation and understood that this is illegal. From the contractors board, to the declarants of NRED, to the insurance companies the laws need to be enforced on behalf of the people that have to be subject to the deceptive trade practices of the bad actors in this industry. The police should also be able to take a report regarding vandalism to property, they shouldn't be walking people out in asking them to write criminals a letter. Nothing about this is civil. Dumping sewage and people's private property is a misdemeanor and a felony. Insurance fraud. Bank fraud. Your industry seems more about flipping homes while people are in them I'm not sure what the Ombudsman is doing but it's not helping the people.

Kelly Rae

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JUN 09 2026

NEVADA COMMISSION FOR
COMMON INTEREST COMMUNITIES
AND CONDOMINIUM HOTELS

June 9, 2026

Commission for Common-Interest Communities and Condominium Hotels
Nevada Real Estate Division
3300 W. Sahara Avenue
Las Vegas, Nevada 89102

Re: Ombudsman Report, Confidentiality, and Commission Oversight

Chair and Commissioners:

I submit this letter regarding the Ombudsman Report included in the supporting materials for the June 9, 2026 Commission meeting.

The report provides workload information. It identifies the number of registered associations, units, filings, audits, intervention affidavits, ADR claims, education activity, and broad categories of alleged issues.

That information may be useful background. But workload is not the Commission's central concern. The Commission does not administer the Division's day-to-day operations, control NRED staffing, or appropriate funding. The Commission's role is regulatory, adjudicatory, and policy-oriented. For those purposes, the report provides very little meaningful information.

The report tells the Commission how many matters moved through the Division. It does not meaningfully tell the Commission what the Division learned, what legal issues recur, what corrective action was required, whether similar issues are treated consistently, whether repeat associations or managers are involved, or whether informal resolutions are producing meaningful compliance.

That distinction matters.

If the Ombudsman Report is the principal public disclosure the Commission receives regarding Division activity, then the Commission is being asked to evaluate Nevada's common-interest community system with little more than a workload summary. Case counts are not oversight. Closure labels are not accountability. A category such as "Division Resolved Allegations" tells the public almost nothing unless the Commission is also told, at least in redacted or anonymized form, what was resolved, why it was resolved, and what corrective action was required.

This concern is heightened by the Division's apparent application of NRS 116.757. I recognize that NRS 116.757 establishes confidentiality for certain investigative information. I am not asking the Division to disclose confidential investigative files, personal information, unproven allegations, or the identities of complainants.

But the Division appears to read confidentiality so broadly that the Commission and public receive almost no meaningful information about closed or informally resolved matters. That reading may protect files, but it also prevents the Commission from seeing the legal and regulatory patterns it needs to see.

Confidentiality may justify withholding names and investigative materials. It should not be used to withhold all meaningful public information about recurring legal issues, closure rationales, corrective action, and enforcement outcomes.

The Commission, lawmakers, associations, managers, and homeowners would benefit from a second layer of reporting: anonymized enforcement and closure summaries. The current system leaves homeowners and associations guessing. Owners do not know what conduct the Division considers actionable. Boards and managers do not know what practices have repeatedly resulted in correction. Lawmakers cannot see where statutory ambiguity or recurring noncompliance exists. The Commission cannot evaluate whether informal resolution is being used consistently or whether serious issues are being diverted from public review.

This is especially important if the Division continues to rely heavily on informal resolution, letters of instruction, termination of investigations, and confidential closure practices. The more matters are resolved outside formal public hearings, the more important it becomes for the Commission to receive anonymized summaries explaining what happened and why.

Otherwise, the public sees activity but not accountability. And the Commission receives workload information without the substantive information necessary to identify systemic problems, regulatory gaps, or areas requiring legislative reform.

The Ombudsman Report should not merely count activity. It should help the Commission understand recurring issues in Nevada common-interest communities and whether the existing regulatory system is addressing them.

I respectfully ask the Commission to direct the Division to improve future Ombudsman Reports by adding anonymized enforcement and closure summaries sufficient to inform Commission oversight and public understanding, while preserving legitimate confidentiality under NRS 116.757.

Respectfully submitted,

Michael Kosor
Nevada HOA Reform Coalition
NVHOAReform.com