



State of Nevada

Department of Business & Industry

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State panel removes Homeowners Association executive board for violations

Las Vegas, NV – The Nevada Commission for Common-Interest Communities and Condominium Hotels (CICCH) yesterday took unprecedented action to remove the entire three person executive board of the Autumn Chase Homeowners Association (HOA) board, effective immediately.

The Real Estate Division of the Department of Business & Industry brought the case against Joseph Bitsky, Barbara Bitsky and Hellen Murphy to hearing before the Commission, alleging that the respondents knowingly and willfully committed multiple violations of state law. Violations included failure to prepare financial statements as required, acting outside of the scope of their authority as provided by the homeowners association's governing documents, failure to conduct board elections, and retaliating against unit owners for making a complaint to the Real Estate Division.

The Division also alleged that the Bitskys failed to act in the best interest of the association when they used the homeowners association's operating account and credit card for their own personal enrichment 148 times amounting to the improper use of more than \$10,000 of association funds.

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The Commission found that Joseph Bitsky and Barbara Bitsky had committed a total of 248 and 261 violations of state law respectively and were ordered to pay administrative fines totaling \$82,600, pay restitution to the homeowners association of \$10,312.83 and reimburse the state for the cost of the investigation and hearing totaling \$22,884.40. The Bitskys were given 6 months to pay all fines and fees. In addition, the Bitskys are precluded indefinitely from serving on an HOA board within the State of Nevada.

The Commission declined to impose administrative fines or fees against Hellen Murphy citing concerns that she too was a victim of the Bitskys. However, she is also precluded from serving on an HOA board within the State of Nevada indefinitely.

The Bitskys were ordered to immediately surrender the association's credit card and turn over all association records to the Real Estate Division's Ombudsman's Office for safekeeping until a new board of directors is installed.

"This unprecedented action- to remove all board members from a homeowner association board, to ensure the protection of association documents and accounts and to facilitate an election of a new board- was necessary in this instance to protect the interests of all owners in this association" said Real Estate Division Administrator Gail Anderson. "The unit owners of Autumn Chase HOA will be given an opportunity to elect a new board and, under the professional guidance of a licensed community manager, operate the association in compliance with state law and their governing documents."

Terry Johnson, Director of the State Department of Business & Industry, praised the Real Estate Division and the CICCH for their bold actions. "This is the first time the State has taken the extraordinary step of removing an HOA's board for violating the law," said Johnson. "It is critically important that homeowners associations operate with transparency and accountability in carrying out their duties."

About the Real Estate Division:

The Real Estate Division is an agency of the State Department of Business & Industry. The mission of the Real Estate Division is to safeguard and promote interests in real estate transactions by developing an informed public and a professional real estate industry. For more information about the Real Estate Division or the Commission for Common-Interest Communities and Condominium Hotels, please visit <http://www.red.state.nv.us/> .

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