Welcome!

Welcome to the first newsletter of the Virginia Common Interest Community Board (Board). The General Assembly established the new Board at the Department of Professional and Occupational Regulation (DPOR) during the 2008 Session. In addition to creating the Board, this law established licensure requirements for common interest community (CIC) managers and certification requirements for certain employees of CIC managers.

The Board has worked to complete many objectives since inception, and has many more planned. The Board recognizes the importance of having a way to share news and information about Board programs. This newsletter is designed to keep our regulants, industry professionals, and interested citizens of the Commonwealth informed of the activities of the Board and Office of the Common Interest Community Ombudsman. To save on expenses, the newsletter will be published exclusively on-line.

The Board's responsibilities also include administering Virginia's property registration laws which include: the Condominium Act, the Virginia Real Estate Time-Share Act, the Virginia Real Estate Cooperative Act, the Property Owners’ Association Act, and the Common Interest Community Management Information Fund Act. The Board is authorized to promulgate regulations to fulfill the requirements of these Acts.

If you have ideas or suggestions for future issues of COMMON INTERESTS, we invite you to share them with us. This publication is for you - let us know your interests!
MESSAGE FROM THE CHAIR:

The Common Interest Community Board is pleased to present this first issue of COMMON INTERESTS. Outreach to Virginia citizens who live and work in our common interest communities is an important goal of the Board. While the Board has been focused on the important task of assuming responsibility for an existing regulatory program and starting a brand new regulatory program, communication with Board regulants, and those who can benefit from and be protected by the Board’s regulatory programs, is important.

The Common Interest Community Board has been hard at work since September 2008 when the Board first met. A group of dedicated and accomplished volunteers with common interest community association experience from a variety of perspectives, the Board has worked well together to take on the task of ensuring compliance with the well-established property registration statutes and newly enacted statutes establishing the community management regulatory program. We have been guided by the capable staff of the Department of Professional and Occupational Regulation.

The Board is charged by the General Assembly to develop and sustain regulatory programs that protect the public. The Board does not seek to unnecessarily and adversely affect business in the Commonwealth. The Board also understands and appreciates the burdens placed on the regulated public. Nonetheless, the Board understands well that the centerpiece of regulating the common interest community industry is protection of the public.

DPOR regulates more than 30 occupations and professions through 19 boards. DPOR licenses or certifies over 300,000 individuals and businesses ranging from architects and contractors to cosmetologists and professional wrestlers.
The Common Interest Community Board consists of 11 members appointed by the Governor. Individuals appointed to the Board must fulfill specific criteria set forth in §§ 54.1-2348 and 54.1-107 of the Code of Virginia. Profiles of the current members of the CIC Board follow:

**F. JAMES AHLBERG**

Jim Ahlberg was appointed to the Board in July 2008 to fill the position of a certified public accountant. He was reappointed in 2009.

Mr. Ahlberg is a CPA in the Commonwealth of Virginia involved in providing audit, tax and consulting services to common interest communities for approximately 24 years. Mr. Ahlberg is the majority owner of Ahlberg & Company, P.C., in McLean. Mr. Ahlberg is also a member of the Community Associations Institute (CAI) and has served on CAI committees at both the local and national levels.

**PAMELA S. COERSE**

Pam Coerse was appointed to the Board in July 2008 to fill the position of the time-share industry representative.

A retiree after over 30 years in the time-share industry, Ms. Coerse currently consults for The Berkley Group and Great Eastern Resorts. In addition to serving as the time-share representative on the CIC Board, she serves as President of the Virginia Resort Developers Association.

Gordon N. Dixon was appointed Director of DPOR by Governor McDonnell in April 2010. Prior to taking the helm at DPOR, Mr. Dixon worked with regulatory, public policy and community engagement issues affecting various businesses. He has held numerous leadership positions in corporate and non-profit organizations. Mr. Dixon is a graduate of Mary Washington College (now the University of Mary Washington).
(Continued from page 3)

RONDA S. DESPLINTER

Ronda DeSplinter was appointed to the Board in July 2008 to serve as a representative of Virginia common interest community managers.

Ms. DeSplinter serves as the general manager of the Kingstown Residential Owners Corporation, a homeowner association of more than 20,000 members located in Alexandria. Ms. DeSplinter is also active in the local chapter of the CAI through service on the Legislative Committee and nationally through CAI Large-Scale Managers Committee.

KIMBERLY B. KACANI

Kim Kacani was appointed to the Board in July 2008 as a representative of a developer of Virginia common interest communities. She was reappointed in 2010. Ms. Kacani has served as Vice-Chair of the Board since September 2008.

In addition, she is employed at HHHunt as the VP of Entitlements and Special Projects with responsibility for land acquisition, zoning, entitlements and development for several large-scale common interest communities in Richmond and Hampton Roads. Ms. Kacani is a graduate of Westhampton College at University of Richmond, and she is an active member of CAI and the Urban Land Institute.

MILTON W. MATTHEWS

Milton Matthews was appointed to the Board in July 2008 to serve as a representative of Virginia common interest community managers.

In his capacity as a community association manager, Mr. Matthews has been the Chief Executive Officer of the Reston Association since October 2004. Reston Association is one of the largest community associations in the country, with a membership of over 62,000 and covering an area of approximately 11.5 square miles.
CHRISTIAAN “CHRIS” P. MELSON

One of the newest members appointed to the Board, Chris Melson was appointed in November 2010 to serve as a representative of Virginia common interest community managers.

Mr. Melson is President and CEO of CFM Management Services, a common interest community management company serving the Washington D.C. Metro area for 24 years. Mr. Melson is a graduate of Swarthmore College, serves as a faculty member for the Community Association Institute, and is a Hall of Fame member and past-President of the Washington Metro Chapter of the CAI.

DOUGLAS W. ROGERS

Another new appointee to the Board, Douglas Rogers was appointed in November 2010 to serve as a Virginia citizen member.

A retiree after 30 years at the IBM Corporation, with the latter 20 years as a management professional, Mr. Rogers provided the strategic planning necessary to supervise recruitment and administration of Information Technology personnel. With an increased knowledge of enterprise level systems, specifically, SAP/R3, client server and mainframes, he has proven successful in working with diversified groups to accomplish corporate goals. Mr. Rogers has served on various boards and committees. Currently, he serves as a director for: Germanna Community College Board, Lake Of The Woods Community Association, and Orange County Chamber of Commerce. Mr. Rogers is a graduate of Loyola College in Baltimore, Maryland.

SCOTT E. STERLING

Scott Sterling was appointed to the Board in July 2008 to serve as a representative of a developer of Virginia common interest communities.

Mr. Sterling is Assistant to the President of IDI Group Companies, a real estate developer headquartered in Arlington. He oversaw government affairs for the Greater Washington Board of Trade from 2004 to 2007, and for nearly two decades prior to that, he served as Vice President and Counsel of the Charles E. Smith Companies. Mr. Sterling has been involved in the establishment of condominiums and education of condominium board members.
**MIYUN SUNG**

Miyun Sung was appointed to the Board in December 2009 to serve as a Virginia citizen member.

Ms. Sung is an attorney with Hogan Lovells United States L.L.P., an international law firm. She focuses her practice on the representation of public companies in capital market, securities, mergers and acquisitions, and corporate transactions, and advises clients on general corporate governance matters.

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**LUCIA ANNA “PIA” TRIGIANI**

Pia Trigiani is a founding partner of MercerTrigiani, LLC, a law firm in Alexandria providing representation to community associations. Prior to entering private practice in 1987, she was the property registration administrator for the Virginia Real Estate Board. Pia later served as the first citizen member of the Virginia Real Estate Board and served on the Virginia Board of Health Professions. Pia currently serves as president of the Virginia Bar Association and as Chair of the Board since September 2008.

Pia was President of the Washington Metropolitan Chapter of CAI in 2000. She has been recognized for her contributions to the community association industry with several awards from the Chapter and from the National Community Associations Institute. Pia is also a member of the Board of Directors of the Foundation for Community Association Research.

Pia serves on the Saint Mary’s College National Advisory Council of the Christian Culture Series. She is a member of the Board of Commonwealth Human Services Foundation of Commonwealth Catholic Charities.

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**KATHERINE E. WADDELL**

Katie Waddell was appointed to the Board in July 2008 to serve as a Virginia citizen member. She was reappointed in 2009.

Ms. Waddell is an insurance professional with over 20 years of property and casualty underwriting experience. Ms. Waddell maintains a record of accomplishments in risk selection, fraudulent investigations, training, marketing, management, and customer service. Currently, Ms. Waddell serves as an underwriter for Mutual Assurance Society of Virginia. As an underwriter, she provides insurance services for common interest communities. She resides in a condominium and has served on the condominium board of directors since 2005. She has been a member of the National Association of Insurance Women since 2003 and has been elected to serve as council state membership chair for 2011-2012.
Since its inception, the Board has initiated 13 actions to implement various regulations and completed nine to date. From the transfer of the Real Estate Time-Share Regulations, the Common Interest Community Management Information Fund Regulations, and the Condominium Regulations from the Real Estate Board, to the development of the Common Interest Community Manager Regulations, there are always regulations of the Board active in the regulatory process. The Administrative Process Act establishes the requirements that all regulatory boards must follow in developing regulations. The process includes substantive and procedural steps intended to foster an open public process with opportunity for input from interested parties. Without an understanding of the regulatory review process, it is difficult to understand why and how regulations are developed, the length of time it takes, and how you can participate in the review process.

All regulations must be developed in accordance with authority established in the law. There are several different processes that can be used, depending upon the circumstances, to implement regulations. These include the emergency process, fast-track process, and standard process. In addition, certain regulations may be exempt from the standard regulatory review process.

**EMERGENCY PROCESS**

The emergency process takes place if there is an “emergency” situation that requires the promulgation of regulations within 280 days. These regulations are only effective for up to one year, although the Governor may approve a six-month extension. The law creating the Board and the licensure program for common interest community managers authorized the promulgation of emergency regulations.

**FAST TRACK**

The fast-track process is used for proposed regulations that are expected to be noncontroversial. However, if objections are raised (in accordance with § 2.2-4012.1 of the Code of Virginia), then the fast-track option is abandoned and the standard process must be followed.

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REGULATORY REVIEW PROCESS

STANDARD PROCESS

The standard process is used most often to amend, repeal, or enact regulations, and must be used to implement regulations that replace emergency regulations. There are three stages in the standard process:

I. Notice of Intended Regulatory Action (NOIRA) – the Board announces its intention to review its regulations;

II. Proposed – the text of the draft regulations are adopted by the Board; and

III. Final – the Board reviews public comments, makes amendments to the proposed regulations as necessary, and adopts final regulations.

This review process typically takes 18 to 24 months.

All of the regulatory review processes include several key elements. First, all regulations undergo executive branch review. The executive branch review includes a legal review by the Office of the Attorney General, economic and policy reviews by the Department of Planning and Budget, review by the Cabinet Secretary (Commerce and Trade for the CIC Board regulations), and concludes with review by the Governor. If approvals are received throughout the executive branch review, then the regulations are published in the Virginia Register for public comment. With the exception of emergency regulations, regulatory actions are open at specific times for public comment, and more than once during the standard process. Comments received during the designated Public Comment Period will be reviewed, and responded to, by the Board. The comments you submit may be used to amend, repeal, or create regulations.

In developing regulations mandated by statute, the Board has taken extra steps to encourage public participation in the regulatory process. The Board invited input from non-Board members by creating committees comprised of representatives from various industry groups and including homeowners from common interest community associations to assist in the development of the regulations. Those citizen committees met several times to develop proposed regulations for consideration by the Board.

To learn more about the regulatory processes, including those specific to the CIC Board (as well as other boards), please refer to the wealth of information available on the Virginia Regulatory Town Hall at www.townhall.virginia.gov. More information is available regarding Virginia Regulatory Town Hall on page 11 in this edition of COMMON INTERESTS. In addition, please refer to the Regulatory Update on page 14 for the status of regulations currently in process by the Board.
I was recently asked to be a member of a panel for the Washington Metropolitan Chapter of Community Associations Institute. The title of the panel presentation was “Transparent Governance.” In my opinion, those two words are probably the two most important words in community association governance, at least from a complaint perspective. Without transparency, association members often think the worst of their association board, and make incorrect assumptions that the board must be “up to something” or “misusing funds” if the board is not forthcoming in its day-to-day activities. While case law and my own experiences certainly demonstrate that there are a few, a few, association boards that do take liberties with association funds or association property, these boards are very much in the minority.

What can an association do to ensure that its members do not make inaccurate assumptions about its activities?

COMMUNICATE! Make certain that you hold your annual member meetings, remember that all members can attend all board meetings, provide a method of communication between the members and the board and the members and each other. Provide an open forum at your meetings. Don’t abuse executive sessions. Assist members in their requests to examine the books and records of the association. These are just a few of the key issues that will really help your association to blossom and will bring the community together rather than divide it. Remember that every member of the association has a stake in the association’s success and most members genuinely want to contribute to that success.

Keep on communicating!

By Heather S. Gillespie
Ombudsman
Among other responsibilities, the Ombudsman’s office may:

- assist members in understanding and exercising their rights in resolving issues with their common interest community associations including condominiums, property owners' association, and cooperatives;

- issue non-binding explanations (not interpretations) of laws and regulations governing associations;

- offer referrals to alternative dispute resolution services; and

- assist in helping to resolve violations of common interest community laws or regulations, but the Ombudsman has no jurisdiction over violations or conflicts related to the bylaws, declaration or any other governing document of an association.

The CIC Ombudsman regulations are currently in development. Please refer to the update on page 14 for more information!

All Common Interest Community Board meetings are held at DPOR (Perimeter Center, 9960 Mayland Drive, 2nd Floor in Richmond) and are **open to the public**. While the Board has the authority to go into closed session (which is not open to the public) for specific limited reasons all Board actions take place in an open meeting. In addition, Board meetings include a public comment period (typically at the beginning of the meeting). During the comment period, members of the public are welcome to address the Board regarding any Board matter, as long as the topic is not related to an open complaint or application file. Board agendas and minutes of all Board meetings are posted at [www.townhall.virginia.gov](http://www.townhall.virginia.gov).

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**TIP!**


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The Virginia Regulation Town Hall website is a great resource for following actions of regulatory boards, including tracking the regulatory review process for a specific program and viewing board meeting agendas, minutes, and guidance documents. Anyone can view recent regulatory action of the Board by going to [www.townhall.virginia.gov](http://www.townhall.virginia.gov) (click Browse Regulations, look under the Commerce & Trade Secretariat and select the Common Interest Community Board). Additionally, during the public comment period, you may provide your comments by clicking the appropriate icon. Furthermore, notices for Board meetings are posted on this website, and minutes from those Board meetings are posted once available. You may register with Town Hall to receive an e-mail notification as the regulations proceed through the regulatory review process, as well as notification of meetings and minutes when posted.
The following is a list of cases that have been handled through the disciplinary process. The outcome listed is an *abbreviated* description of the final action taken by the Board. Although every effort is made to ensure that the information is correct, before making any specific decisions based upon this information, you should contact the Board office or review a complete copy of the order at [http://www.dpor.virginia.gov/regulantlookup/DisciplinaryActions_SearchForm.CFM](http://www.dpor.virginia.gov/regulantlookup/DisciplinaryActions_SearchForm.CFM).

<table>
<thead>
<tr>
<th>File Number: 2010-04291</th>
<th>Outcome: CONSENT ORDER</th>
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</thead>
<tbody>
<tr>
<td>Case Name: Alexander Properties, Inc. dba Creekside Village Time-Share</td>
<td>Count 1: § 55-394.1 <em>Code of Virginia</em> (3 Violations) Monetary penalty $3,000 [$1,000 per violation]</td>
</tr>
<tr>
<td>Registration No. 0515960001</td>
<td>Count 2: § 55-386 <em>Code of Virginia</em> Monetary penalty $2,000</td>
</tr>
<tr>
<td>Type: Time-Share Registration</td>
<td>Count 3: § 55-386.A <em>Code of Virginia</em> Monetary Penalty $2,000</td>
</tr>
<tr>
<td>Date Issued: July 9, 2010</td>
<td>Count 4: 18VAC48-40-100 Monetary penalty $2,000</td>
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<td>Count 5: § 55-394.1.C <em>Code of Virginia</em> Monetary Penalty $2,000</td>
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<td></td>
<td>Count 6: § 55-376.2 <em>Code of Virginia</em> Monetary Penalty $2,000</td>
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<td></td>
<td>Count 8: 18VAC48-40-60 (2 Violations) Monetary Penalty $4,000 [$2,000 per violation]</td>
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<td></td>
<td>The Consent Order also incorporated the following terms as well as a Cease &amp; Desist Order:</td>
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<td></td>
<td>1.) compliance with the Cease &amp; Desist Order;</td>
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<td></td>
<td>2.) Consent Order shall be docketed as a judgment in Shenandoah County, Virginia Circuit Court; and</td>
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<td></td>
<td>3.) Jay M. Fulk, on behalf of Alexander Properties, Inc. make a statement under oath that he has not, to the best of his knowledge, made any untruthful or intentionally misleading statement to the Board or its agents in any proceeding in connection with this matter.</td>
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*(continued on page 13)*
### DISCIPLINARY ACTIONS CONTINUED...

<table>
<thead>
<tr>
<th>File Number: 2010-00562</th>
<th>Outcome: FINAL ORDER</th>
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<tbody>
<tr>
<td><strong>Case Name:</strong> Shirley D. Sarraga t/a Lakeside Community Management</td>
<td></td>
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<tr>
<td><strong>Registration No.</strong> 0501000001</td>
<td></td>
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<tr>
<td><strong>Type:</strong> CIC Manager</td>
<td></td>
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<tr>
<td><strong>Date Issued:</strong> June 24, 2010</td>
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<tr>
<td><strong>Count 1:</strong> 18VAC48-50-190.K (4 Violations)</td>
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<tr>
<td>Monetary penalty $1,000 [[$250 per violation] and revocation of license</td>
<td></td>
</tr>
<tr>
<td><strong>Count 2:</strong> 18VAC48-50-190.R (2 Violations)</td>
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<tr>
<td>Monetary penalty $500 [[$250 per violation]</td>
<td></td>
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<tr>
<td><strong>Count 3:</strong> 18VAC48-50-190.P (2 Violations)</td>
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<tr>
<td>Monetary penalty $500 [[$250 per violation] and license suspension and probation pending completion of specific training courses.</td>
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<tr>
<th>File Number: 2010-03598</th>
<th>Outcome: CONSENT ORDER</th>
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<tbody>
<tr>
<td><strong>Case Name:</strong> Kensington Condominium Association, Inc.</td>
<td></td>
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<tr>
<td><strong>Registration No.:</strong> 0550007308</td>
<td></td>
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<tr>
<td><strong>Type:</strong> Association Registration</td>
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<tr>
<td><strong>Date Issued:</strong> June 22, 2010</td>
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<tr>
<td><strong>Count 1:</strong> 18VAC48-60-30</td>
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<tr>
<td>Monetary Penalty $0</td>
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<tr>
<td><strong>Count 2:</strong> § 55-79.84.C Code of Virginia</td>
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<tr>
<td>Monetary Penalty $0</td>
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<tr>
<td>The Consent Order also incorporated the following terms:</td>
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<tr>
<td>1.) Kensington Condominium Association agrees to submit an annual report to the Board; and</td>
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<tr>
<td>2.) Kensington Condominium Association must take all steps necessary to perfect liens on all properties with delinquent assessment payments per § 55-79.84.C of the Code of Virginia.</td>
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<tr>
<th>Reference No.: 04-110</th>
<th>Outcome: TEMPORARY CEASE &amp; DESIST ORDER</th>
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<tr>
<td><strong>Case Name:</strong> WHM Corporation &amp; Bridgewater Bay Condominium</td>
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<tr>
<td><strong>Registration Number:</strong> 04-110</td>
<td></td>
</tr>
<tr>
<td><strong>Type:</strong> Condominium Registration</td>
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<tr>
<td><strong>Date Issued:</strong> October 29, 2009</td>
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<tr>
<td>The Order requested the declarant to cease and desist sales of units in the condominium until:</td>
<td></td>
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<tr>
<td>1.) all unregistered units are registered;</td>
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<td>2.) public offering statement is amended; and</td>
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<tr>
<td>3.) an appropriate assessment bond or letter of credit is submitted.</td>
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<tr>
<td><em>The temporary cease and desist order was subsequently lifted upon compliance.</em></td>
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The following Board regulatory actions are currently in process (please refer to *The Regulatory Review Process – A Somewhat Brief Update* located on page 7 for more information on the various regulatory review processes).

**Common Interest Community Manager Regulations**

This action is to develop the regulations for certified supervisory and principal employees in accordance with § 54.1-2346 of the *Code of Virginia* and also includes amendments to the current regulations governing common interest community managers.

- Regulatory Process: Standard
- Current Stage: Proposed
- Current Status: Public Comment period closed on Friday, March 18, 2011. On June 9, 2011, a CIC Board meeting will be held to review and consider public comments. Changes may be made to the proposed regulations based on comments received. Then the final regulations, as adopted, will be submitted for final executive branch review.


**Common Interest Community Ombudsman Regulations**

This action is to implement regulations governing the resolution of written complaints by the association, including submittal of notices of final adverse decisions to the Board, in accordance with § 55-530.E of the *Code of Virginia*.

- Regulatory Process: Standard
- Current Stage: Proposed
- Current Status: Public Comment period closed on Friday, March 18, 2011. On June 9, 2011, a CIC Board meeting will be held to review and consider public comments. Changes may be made to the proposed regulations based on comments received. Then the final regulations, as adopted, will be submitted for final executive branch review.


(Continued on page 15)
Condominium Regulations

This action is to implement provisions governing the return of bonds and letters of credit conditioned upon the payment of assessments for all units owned by the declarant in accordance with § 55-79.84:1 of the Code of Virginia.

- Regulatory Process: Fast-Track
- Current Status: Public Comment Period completed March 2, 2011
- Next Step: Anticipated effective date of April 1, 2011

Note: The proposed text of the regulations is available at http://townhall.virginia.gov/L/viewstage.cfm?stageid=5594&display=documents.

All of the Board’s regulations, including specific information regarding the above regulatory actions, can be found on the Virginia Regulatory Town Hall at http://www.townhall.virginia.gov/L/ViewBoard.cfm?BoardID=147. You can also sign up to receive notices as the regulations proceed through the review process on the Town Hall website.

If you do not have access to the Internet, please contact our office for a copy of the above referenced regulations. If you have questions regarding the regulatory process or other Board regulations, you may refer to the Town Hall website or contact the Board office.

Common Interest Community Board
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(804) 367-8510
CIC@dpor.virginia.gov
ATTENTION ALL REGULANTS AND INDUSTRY PROFESSIONALS

The 2011 General Assembly considered several bills affecting the CIC Board and its regulants. In addition to regulatory changes, you need to be aware of legislative changes that may affect you, your community, and your profession. Bills approved by the legislature are currently under consideration by the Governor.

To see all legislation from the 2011 Session, please refer to the Virginia’s Legislative Information System at http://lis.virginia.gov/. From this site, you can view all bills from the Session, or narrow your search by subject, those that are awaiting the Governor’s signature, and by specific bill numbers. Stay tuned to the next issue of COMMON INTERESTS for an update on specific CIC Board-related legislation.

CONTACT US

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