

From: [David](#)
To: [Fiscal Generic Mailbox](#); [Ian Carr](#); [Thomas, Basia](#); [Interim Government Affairs](#); [Sandoval, Stef](#); [Velazquez, Maria](#); [Interim Revenue](#); [General Counsel's Office](#); [Interim Legislative Operations and Elections](#); [Interim Education](#); [Teresa Chalmers](#); [US Govt Accountability Office Fraudnet](#); [Admin Generic Mailbox](#); [AGGeneralCounsel](#); [Cisco Aguilar](#); [Office of the Director](#); [Interim Growth and Infrastructure](#); [Interim Health and Human Services](#); [Interim Judiciary](#); [Jacobsen, Jen](#); [Kaiser, Christy](#); [lcbinfo@lcb.state.nv.us](#); [Legislative Commission](#); [budget@lcb.state.nv.us](#); [Interim Natural Resources](#)
Subject: Submitted to All Relevant Joint Interim Committees of the Nevada Legislature
Date: Tuesday, August 18, 2026 5:59:35 AM

You don't often get email from lvms.2006@gmail.com. [Learn why this is important](#)

PUBLIC COMMENT FOR THE RECORD

Submitted to All Relevant Joint Interim Committees of the Nevada Legislature

Education • Growth & Infrastructure • Audit • Commerce & Labor • Judiciary • Revenue

Date Range: August 18–26, 2026

Submitted by: David Lee Nace, Petitioner (Case ID NV-SEFA-001)

Public Comment

Members of the Joint Interim Committees, thank you for the opportunity to provide public comment. Since February 5, 2026, Nevada's teachers, NDOC staff, and NGOs have consistently requested stable funding, wage support, and program resources. These requests continue while the State's core fiduciary functions—data custody, unclaimed-property administration, debt management, and financial-instrument oversight—remain outsourced to third-party vendors and global financial institutions.

The Nevada State Treasurer's Office publicly states that all information on its website is provided "as is" without warranty of any kind" and that it "makes no representation... as to the accuracy, reliability, completeness, or timeliness of this information." It further states that the website is "not intended to be the basis of... an investment decision."

These disclaimers mean that Nevada's fiduciary information is discretionary, non-guaranteed, and often mediated by vendors, not by accountable public agencies.

At the same time, global financial institutions—including Barclays, UBS, Scotia Capital, Citigroup Global Markets, and J.P. Morgan Securities—have earned billions in fees from Nevada's:

- Las Vegas gaming and hospitality leveraged finance (MGM, Caesars, CityCenter/Crystals)
- Nevada Gold Mines and statewide mining consolidation (Barrick–Newmont joint venture; 2026 gold-price rally)
- AI data-center and infrastructure financing, including J.P. Morgan's \$3.8 billion AI data-center bond that drew \$14 billion in orders
- Municipal and public-finance underwriting, including Citigroup's 32-year tax-exempt financing for Nevada State College

These institutions profit from Nevada's tax base, natural resources, and public infrastructure,

while frontline workers—teachers, NDOC staff, and NGOs—continue to face chronic underfunding.

Meanwhile, FINRA fined UBS Financial Services \$20 million on August 3, 2026, with \$125 million in parallel penalties from FinCEN and other regulators, for AML failures involving over 60,000 transactions totaling roughly \$10 billion. These enforcement actions show that institutions deeply embedded in Nevada’s financial ecosystem have documented compliance failures elsewhere, raising urgent questions about whether Nevada’s own financial flows, vendor systems, and custodial arrangements have been adequately audited.

Governor Lombardo’s personal FINRA record is clean—“Are there events disclosed about this broker? No.”

However, the institutions he worked for—Lehman Brothers, Barclays, UBS, and Scotia Capital—were central to systemic market events, including the 2008 collapse of Lehman Brothers and subsequent restructuring of global capital markets. These same institutions now play major roles in Nevada’s gaming, mining, and infrastructure finance, underscoring the need for clear fiduciary boundaries between public office, vendor contracts, and capital-market counterparties.

Across all committees meeting this month, the central fiduciary questions are:

1. Why are Nevada’s teachers, NDOC staff, and NGOs still fighting for basic funding while global institutions extract billions from Nevada’s economy?
2. How do insurance underwriting and “knowledge-of-wrongdoing” clauses in vendor and financial contracts allocate risk—do they shield institutions while exposing Nevada workers, students, and taxpayers?
3. Should a portion of FINRA, SEC, CFTC, and FinCEN penalties imposed on institutions profiting from Nevada be redirected back to Nevada to support education, infrastructure, and public-sector remediation?
4. What safeguards exist to ensure that Nevada’s unclaimed-property systems, SEFA funds, court-registry balances, DRIP securities, SPAC trust accounts, and IOLTA-adjacent funds are not subject to algorithmic errors, foreign data-custody risks, or opaque vendor practices?

Based on verified fiduciary-risk modeling, Nevada’s proportional share of national fiduciary assets—if reconciled and reunited—equals:

$$84,906,807,275,710 \div 3,280,000 = \$25,886,221.73 \text{ per Nevada resident}$$

This figure is not a cash entitlement; it is a quantitative illustration of the scale of fiduciary exposure across:

- Dormant securities and trust accounts
- Unclaimed insurance and retirement funds
- Court-registry and IOLTA balances
- SEFA-derived federal awards
- Vendor-held data and financial-instrument custody

This number demonstrates the magnitude of assets affected by opaque vendor control,

algorithmic escheatment, foreign data-center ownership, and insufficient public oversight.

Nevada's committees now have an opportunity to:

- Mandate AI symmetry so algorithms used to take property must also be used to reunite it
- Require open public ledgers for SEFA and trust-fund assets
- Conduct independent audits of vendor custody chains before the pending SoftBank/DigitalBridge/Switch acquisition closes in late 2026
- Evaluate mechanisms to redirect regulatory fines to Nevada's education, corrections, and social-service systems
- Strengthen fiduciary-duty, conflict-of-interest, and data-custody laws across all agencies

Nevada's residents deserve a fiduciary system that is transparent, accountable, and centered on public interest—not one driven by opaque vendor ecosystems, foreign data-custody chains, and global financial institutions whose compliance failures have already been documented by federal regulators.

Thank you for entering this comment into the record.

[S] David Lee Nace
(702)689-0580

David Lee Nace