

KENNY C. GUINN
Governor

STATE OF NEVADA

REPLY TO:

MEMBERS

KIM W. GREGORY
Chairman
DOUG CARSON
DENNIS K. JOHNSON
JOHN LINDELL
DENNIS F. NELSON
DEBORAH WINNINGHAM SHELTRA
MICHAEL ZECH



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STATE CONTRACTORS' BOARD

MINUTES OF THE MEETING
JANUARY 11, 2000

The meeting of the State Contractors' Board was called to order by Chairman Kim Gregory at 8:46 a.m., Tuesday, January 11, 2000, State Contractors' Board, Las Vegas, Nevada. Exhibit A is the Meeting Agenda and Exhibit B is the Sign In Log.

BOARD MEMBERS PRESENT:

Mr. Kim Gregory – Chairman
Mr. Doug Carson
Mr. Dennis Johnson (Exited at 12:07 p.m.)
Mr. John Lindell
Mr. Dennis Nelson
Mr. Michael Zech

BOARD MEMBERS ABSENT:

Ms. Deborah Sheltra

STAFF MEMBERS PRESENT:

Ms. Margi Grein, Executive Officer
Mr. Robert Griffy, Legal Counsel (Haney, Woloson & Mullins)
Mr. Dennis Haney, Legal Counsel (Haney, Woloson & Mullins)
Mr. Hal Taylor, Legal Counsel
Ms. Nancy Mathias, Licensing Administrator
Mr. George Lyford, Director of Special Investigations Unit
Mr. Rick Bertuzzi, Director of Investigations
Ms. Pat Potter, Licensing Supervisor
Mr. Linc Dante', Investigator
Mr. Bob Macke, Investigator
Mr. Greg Mincheff, Investigator
Mr. Ron Ramsey, Investigator
Ms. Betty Wills, Recording Secretary

OTHERS PRESENT:

Cari Inkenbrandt, Court Reporter, CSR Associates of Nevada; Keith Gregory, Legal Counsel, B S Developers, Kelley Communication Company Inc., Westphall Construction Co Inc., State Insulation and Drywall, and D M L Construction; Leroy Nielsen, Owner, Beaver Dam Painting; James Green, Legal Counsel, Break Em Excavation LLC; Ricky Burton, Member/Manager, Break Em Excavation LLC; Mark Zeller, Owner, Zeller Enterprises; Mark Sabraw, Manager/Member, 21st Century Contractors LLC; Darryl Hardy, President, Hardy Construction; Lori Ashton, Representative, Southern California/Nevada Regional Council Corporation; Ray Beer, Partner Sunworld Landscape & Maintenance Co.; Dale Sanderson, Representative, Washoe County School District; Dennis Arentsen, Representative, Las Vegas Valley Water District; Thomas Giambattista, Owner, Tom Giambattista Service; Ann Ghelfi, Complainant; Steven Brozzo, President, Residential

Concepts, Inc.; Scott McGee, Owner, Ideal Concrete; Brian Terry, Legal Counsel, Falcon Homes Inc.; Fred Ahlstrom, President, Falcon Homes Inc.; Rick Farinelli, Complainant; Russ Lewis, Complainant; Sally McNamara; Richard Kersenbrock, Terry Wike, Business Associate, Falcon Homes; Robert Eliason, Business Associate, Falcon Homes; Dennis StClair, Structural Engineer; Bill delaGarza, Structural Engineer; Hal Moore, President, State Drywall Inc.; Gail Vogel, Assistant Executive Secretary, State Drywall Inc.; Kenneth Sheldon, Qualified Employee, State Drywall, Inc.; Janice Thomey, Corporate Officer, State Drywall Inc.; Rick Merrigold, Former Business Associate, State Insulation and Drywall; Michael McGuire, Former Business Associate; State Insulation and Drywall; Donald McKillop, Legal Counsel for Michael McGuire; Stan Perry, Legal Counsel/Complainant; Robert V. Jones, President, Robert V. Jones Corp., Attorney James Kohl for Robert V. Jones Corp.; Daniel Bradley, President, Dan Bradley Glass; Dean Anderson and Arnie Carreon, Business Associates, Capital Pacific Homes Inc.; Jay Young, Legal Counsel, Capital Pacific Homes Inc.; Donald Long Owner, D M L Construction; and Wendy Kelly, Complainant.

Ms. Grein stated that Greg Welch and Chet Yekin had posted the agenda in compliance with the open meeting law on January 4, 2000, at the Sawyer State Building, Clark County Library, and Las Vegas City Hall. Additionally, the agenda had been posted in each office of the Board, Las Vegas and Reno, and on the Board's Internet web site.

It was learned there were 28 items on the amended agenda, each item of an emergency nature. Additionally, there was one request for an advisory opinion from the Las Vegas Water District.

MR. LINDELL MOVED TO HEAR THE AMENDED AGENDA.

MR. ZECH SECONDED THE MOTION.

THE MOTION CARRIED.

Mr. Gregory called for a motion to approve the minutes of December 7, December 21, December 22, and December 30, 1999, and the minutes of January 4, 2000.

Mr. Lindell noted an error in the motion on page 9 of the December 7 minutes. The tape record reflected that it was Mr. Zech who made the motion, with Mr. Lindell seconding the motion.

MR. NELSON MOVED TO APPROVE THE MINUTES OF DECEMBER 7, DECEMBER 21, DECEMBER 22, AND DECEMBER 30 1999, AND THE MINUTES OF JANUARY 4, 2000, WITH THE CORRECTION TO THE DECEMBER 7, 1999 MINUTES AS NOTED.

MR. LINDELL SECONDED THE MOTION.

THE MOTION CARRIED.

EXECUTIVE SESSION

The Executive Session was continued.

APPLICATIONS

The following motion closed the meeting to the public.

MR. CARSON MOVED TO CLOSE THE MEETING TO THE PUBLIC.

MR. LINDELL SECONDED THE MOTION.

THE MOTION CARRIED.

The meeting was then closed to the public pursuant to NRS 241.030 to discuss financial and other data, which is confidential under NRS 624.110 (2).

B S DEVELOPERS #38536 (B2 – Residential & Small Commercial) FINANCIAL STATEMENT ON RENEWAL

Keith Gregory was present to represent the Licensee, Denny Segler, Owner, B S Developers. Attorney Gregory was informed there was not enough financial wherewithal to support the current license limit.

MR. CARSON MOVED TO TABLE THE LICENSE APPLICATION FOR 30 DAYS FOR A FINANCIAL REVIEW, AND TO SUMMARILY SUSPEND THE LICENSE BASED UPON THE FINANCIAL INFORMATION PROVIDED.

MR. NELSON SECONDED THE MOTION.

THE MOTION CARRIED.

A hearing would be scheduled in 30 as required by law.

KELLEY COMMUNICATION COMPANY INC. #47835 (C2D, E – Amplifying Systems; Signal Systems) RAISE IN LIMIT

Keith Gregory, Legal Counsel, was present to represent the Licensee, James Kelley, President. He was informed that the license application had been approved with a license limit of \$250,000 and a \$10,000 bond.

WESTPHALL CONSTRUCTION CO INC #30731B (B2 – Residential & Small Commercial) ONE TIME RAISE IN LIMIT, RECONSIDERATION.

Keith Gregory, Legal Counsel, was present to represent the Licensee, Bradley Westphall, President.

The one time raise in limit application had been approved on November 23, 1999 for \$1 million, subject to Westphall providing a payment and performance bond on the Trusello Office Building project.

Attorney Gregory told the Board that the owners did not want to put up a payment and performance bond, therefore Mr. Westphall was requesting that the requirement be changed to a labor only contract, which would put him under his current license limit. The owners were present to make the representation that they would take care of all of the materials, and that they had requested that the contract be approved with the a one time raise in limit.

The request was approved for \$1 million, payment and performance bonds if required.

BEAVER DAM PAINTING (C4A, C, E – Painting, Taping and Finishing, Drywall) NEW APPLICATION

Leroy Nielsen, Owner, was present.

MR. NELSON MOVED TO APPROVE THE LICENSE APPLICATION WITH A LIMIT OF \$25,000, A \$20,000 BOND, A FINANCIAL REVIEW UPON RENEWAL, AND A BID LETTER.

MR. JOHNSON SECONDED THE MOTION.

Mr. Nielsen was asked why he had not disclosed a bankruptcy. Mr. Nielsen stated that a contractor school had prepared the application and had not included the information. It was

suggested that Mr. Nielsen work on cleaning up the civil judgment.

THE MOTION CARRIED.

BREAK EM EXCAVATION LLC (A7, 13, 15, 19 – Excavating & Grading; Wrecking Buildings; Sewers, Drains & Pipes; Pipeline & Conduits) NEW APPLICATION, RECONSIDERATION

The license application had been denied on July 13, 1999 for lack of financial responsibility. Subsequently, a large tax lien had been satisfied.

James Green, Legal Counsel, and Ricky Burton, Member/Manager were present.

Mr. Green explained the status of a bankruptcy the LLC had filed. It was Mr. Green's opinion that the plan of reorganization would be confirmed on January 24, 2000, at which point, he said, Break Em would be out of its Chapter 11 bankruptcy.

MR. CARSON MOVED TO TABLE THE LICENSE APPLICATION FOR 90 DAYS FOR THE RECEIPT OF THE APPROVED PLAN OF REORGANIZATION AND A FINANCIAL STATEMENT FOR THE LLC.

Mr. Burton explained the reason for the bankruptcy.

MR. NELSON SECONDED THE MOTION.

THE MOTION CARRIED.

CONSTRUCTION MANAGEMENT CORPORATION #43098 (AB – General Engineering & General Building) CHANGE IN QUALIFIER, WAIVE TRADE EXAM

CONSTRUCTION MANAGEMENT CORPORATION #43138 (C28 – Fabricating Tanks) CHANGE IN QUALIFIER

CONSTRUCTION MANAGEMENT CORPORATION #43098 (AB – General Engineering & General Building) OFFICER CHANGE

CONSTRUCTION MANAGEMENT CORPORATION #43137 (C14K – Rigging & Cranes) CHANGE IN QUALIFIER

CONSTRUCTION MANAGEMENT CORPORATION #43137 (C14K – Rigging & Cranes) OFFICER CHANGE

CONSTRUCTION MANAGEMENT CORPORATION #43138 (C28 – Fabricating Tanks) OFFICER CHANGE

CONSTRUCTION MANAGEMENT CORPORATION #43139 (C7A– Elevator & Dumbwaiter) CHANGE IN QUALIFIER, WAIVE TRADE EXAM

CONSTRUCTION MANAGEMENT CORPORATION #43139 (C7A– Elevator & Dumbwaiter) OFFICER CHANGE

CONSTRUCTION MANAGEMENT CORPORATION #43140 (C33 – Install Industrial Machinery) CHANGE IN QUALIFIER

CONSTRUCTION MANAGEMENT CORPORATION #43140 (C33 – Install Industrial Machinery) OFFICER CHANGE

Joe Neeley, Business Associate, was present. He was informed that the change in qualifier, the officer change, and waiver of the trade examination had been approved for license #43098: the change in qualifier, and the officer change had been approved for

license #43138; the change in qualifier, and the officer change had been approved for license #43137; the change in qualifier, the officer change, and waiver of the trade examination had been approved for license #43139; and the change in qualifier, and the officer change had been approved for license #43140.

LIFEGUARD POOL MAINT (A10 – Commercial & Residential Pools) NEW APPLICATION, WAIVER OF EXAM

Ron Mecham, President and Qualified Officer, was present. He was informed the license application had been approved with a limit of \$50,000, a \$15,000 bond, a waiver of the exam, and a bid letter.

SORBON DEVELOPMENT INC. (B2 – Residential & Small Commercial) NEW APPLICATION, RECONSIDERATION

The license application had been denied for on November 23, 1999 for lack of financial responsibility. It was now indemnified.

Sam Woods, Secretary/Treasurer, was present. He was informed the license application had been approved with a limit of \$150,000, a \$10,000 bond, and a bid letter.

ZELLER ENTERPRISES #31243 (B2 – Residential & Small Commercial) RENEWAL OF EXPIRED LICENSE

Mark Zeller, Owner, was present as well as Greg Welsh and Bruce Yarborough, NSCB Investigators. Mr. Yarborough provided a summary of the investigation against Zeller Enterprises on two Church Development Group building projects. There were also pending money owing complaints, which remained unresolved.

MR. CARSON MOVED TO TABLE THE LICENSE APPLICATION FOR A BOARD HEARING.

MR. JOHNSON SECONDED THE MOTION.

Mr. Gregory directed staff to perform a formal investigation and to forward all information to the criminal investigation group, who would then forward it to the AG's office. Staff was directed to review all subcontractors on the project.

THE MOTION CARRIED.

21st CENTURY CONTRACTORS LLC (B – General Building) – NEW APPLICATION

21st CENTURY CONTRACTORS LLC (C2 – Electrical Contracting) – NEW APPLICATION, WAIVE TRADE TESTING

Mark Sabraw, Manager/Member, was present. He informed the Board the LLC intended to build its own building based on the financial statement provided. The Board thought it best to issue a small license, saying the LLC could use the one time raise in limit process, with a letter from the owner indemnifying the LLC.

MR. ZECH MOVED TO APPROVE THE TWO LICENSE APPLICATIONS WITH A LIMIT OF \$100,000, A \$10,000 BOND, A BID LETTER, AND A WAIVER OF THE TRADE EXAM.

MR. LINDELL SECONDED THE MOTION.

THE MOTION CARRIED.

HARDY CONSTRUCTION #19407A (B2 – Residential & Small Commercial) RAISE IN LIMIT, RECONSIDERATION

The raise in limit application had been approved on December 7, 1999 for \$6.5 million and a \$10,000 bond. The Licensee was requesting reconsideration to \$10 million.

Darryl Hardy, President, was present, as well as Lori Ashton, Representative, Southern California/Nevada Regional Council Corporation, who was present to protest the raise in limit.

As the session was closed to the public, Ms. Ashton was asked to leave the room while the Board conducted a financial review with the Licensee.

The hearing was opened to hear Ms. Ashton, who had filed a complaint against the contractor as of this day. She was informed the complaint would be handled in the regular manner.

MR. LINDELL MOVED TO APPROVE THE RAISE IN LIMIT APPLICATION FOR \$10 MILLION, THE BOND TO REMAIN THE SAME.

MR. CARSON SECONDED THE MOTION.

THE MOTION CARRIED.

The meeting resumed as closed to consider financial information.

SUNWORLD LANDSCAPE & MAINTENANCE CO #35610 (C10 – Landscape Contracting) RAISE IN LIMIT, RECONSIDERATION**SUNWORLD LANDSCAPE & MAINTENANCE CO #41742 (C18 – Masonry) RAISE IN LIMIT, RECONSIDERATION**

The two raise in limit applications had been tabled on December 21, 1999 for resolution of money owing complaint. The complaint had been resolved and closed on December 27, 1999.

Ray Beer, Partner, was present. He was informed the raise in limit application for license #35610 had been approved for \$1 million, and the raise in limit application for license #41742 had been approved for \$600,000. Both bonds were to remain the same.

SUNWORLD LANDSCAPE & MAINTENANCE CO #35610 (C10 – Landscape Contracting) ONE TIME RAISE IN LIMIT**SUNWORLD LANDSCAPE & MAINTENANCE CO #41742 (C18 – Masonry) ONE TIME RAISE IN LIMIT**

Lucille Carruthers, City of Las Vegas, and Ray Beer, Partner, were present. Mr. Beer was informed both applications for a one-time raise in limit had been denied because they had not been received in an office of the board in a timely manner. It had not been within the 2 working days required by statute.

Mr. Beer described the methodology used in submitting the application, which had been notarized and put into the mail on the December 27, 1999. He then defined the word 'made' in his mind, and discussion followed regarding the word 'made' versus the word 'submitted' or 'received'.

MR. LINDELL MOVED TO DENY THE TWO ONE-TIME RAISE IN LIMIT APPLICATIONS BASED UPON THE FACT THE APPLICATIONS HAD NOT BEEN RECEIVED IN A TIMELY FASHION IN THE BOARD OFFICE.

MR. NELSON SECONDED THE MOTION.

THE MOTION CARRIED.

INSPIRATION HOMES #47574 (B – General Building) ONE TIME RAISE IN LIMIT

Mark Bivens, Manager, was present. He was informed that the one time raise in limit application had been approved for \$1,731,571, payment and performance bonds if required, for the Silverado Court project.

MR. JOHNSON MOVED TO REOPEN THE MEETING TO THE PUBLIC.

MR. ZECH SECONDED THE MOTION.

THE MOTION CARRIED.

ADVISORY OPINIONS

1. EGY RESOURCE DEVELOPMENT CORP., R. LYNN MARSING, PRESIDENT

No one was present for the advisory opinion, which regarded the building of electrical distribution substations. The Licensee was questioning if the substations could be built with his C2 license, or if an A17 license was also needed.

The Board opined that both an A17 and a C2 license were required to build electrical distribution substations.

2. WASHOE COUNTY SCHOOL DISTRICT, EDWARD C. REED HIGH SCHOOL

Dale Sanderson, Washoe County School District, was present for the advisory opinion.

The project regarded a project, which was mostly mechanical in nature, and the question was whether a mechanical contractor could act as the prime contractor for the project.

After some discussion, the Board opined that either an AB, B, B2, or a full C21 could act as the prime contractor, noting that the Building Department could impose a more stringent ruling. It was suggested that language be added to the contract requiring the prime contractor to subcontract the fire alarm installation to a licensed fire alarm contractor.

3. CLARK COUNTY DEPT. OF AVIATION, MCCARRAN INT'L AIRPORT, BID NO. 2096, SCOPE OF WORK

No one was present for the advisory opinion.

The project was to build a ramp control tower on an existing 6-floor parking garage. The question that had been raised was could a B license holder perform the work. Mr. Carson abstained because he had been low bidder on the project.

The Board opined that an AB, A, or B license holder could act as the prime contractor. A B2 license holder could not perform the work.

4. CITY OF LOVELOCK, CITY HALL ROOF PROJECT

No one was present for the advisory opinion.

The project regarded the removal of an existing asbestos shingle roof from Lovelock City Hall and to replace it with a standing seam sheet metal roof.

Mr. Gregory clarified that a C21 license holder, as well as a C1, A14, and A15 license holder could install a standard sheet metal roof.

The question pertaining to this project was could a B license holder perform the work.

The Board opined that an AB, B, B2, a properly licensed C1 or C15, a C21, and an appropriately designated C40 could act as the prime contractor. It was noted that any asbestos abatement work required separate certification.

5. **LAS VEGAS VALLEY WATER DISTRICT COMPRESSED NATURAL GAS FUELING – FACILITY PROJECT (CONTRACT NO. 960R)**

Dennis Arentsen, was present for the advisory opinion. Mr. Arentsen explained what the project entailed, which was the construction of a compressed natural gas fueling facility. The question was could a B4 license holder perform the work.

The Board opined that an AB, A, B, B2, A20 license holder could act as the prime contractor.

In further discussion it was pointed out that the fueling and the pressure test would have to be performed by a C1 license holder, and that Osha required some type of certificate from the C1 license holder.

EXECUTIVE SESSION

BIDDERS PREFERENCE

Ms. Grein provided the Board with an update of the status of the Bidders Preference issue, which was awaiting clarification. She had received a letter from a State Senator on behalf of one of his clients, who had indicated that he believed the certificates could be issued without the regulations in place.

A discussion followed regarding adopting an emergency regulation once clarification was received.

DISCIPLINARY HEARINGS

TOM GIAMBATTISTA SERVICE #39613 – DISCIPLINARY HEARING

Thomas Giambattista, Owner, Tom Giambattista Service; Ron Ramsey, NSCB Investigator; and Ann Ghelfi, Complainant, were sworn in.

The notice of hearing, consisting of pages 1-11, had been sent certified mail on December 10, 1999. Return service was signed and dated December 20, 1999.

The hearing was for possible violation of NRS 624.3017 (1), substandard workmanship: workmanship which was not commensurate with the standards of the trade in general or which was below the standards in the building or construction codes adopted by the city or county in which the work was performed; and NRS 624.3013 (5), as set forth in NAC 624.700 (3) (a), failure to comply with law or regulations of board by failing to comply with the notice to correct.

The hearing notice was entered into the record as EXHIBIT 1, and the stipulation was signed.

Ms. Ghelfi testified that she had entered into a contract with the Licensee to paint the exterior of her residence for a contract price of \$4,200. Workmanship issues were: paint was peeling off the exterior walls on the East side of the residence; paint was peeling off

the eaves on the East and West sides of the residence; and tape joints were lifting on the ceiling of the carport. Ms. Ghelfi had claimed on the bond.

Mr. Ramsey validated the complaint.

Mr. Giambattista said he had attempted to get the matter corrected, but he had been unable to get the people who had performed the job to go back out and correct the work. When he received notice that the bond had been paid out, he thought the problem had been taken care of and the matter was done. He believed that until he had received the notice to attend the hearing.

The status of the license was expired, not renewed as of May 31, 1998.

The evidentiary was closed.

MR. LINDELL MOVED TO FIND THE LICENSE IN VIOLATION OF THE CHARGES AS STATED IN THE HEARING FILE.

MR. ZECH SECONDED THE MOTION.

THE MOTION CARRIED.

MR. LINDELL MOVED TO REVOKE LICENSE #39613, TOM GIAMBATTISTA SERVICE, AND TO RECOVER THE INVESTIGATIVE COST OF \$1,313.75 AND COMPLETE RESTITUTION TO THE BONDING COMPANY SHOULD THE LICENSEE EVER REAPPLY FOR LICENSURE IN THE STATE OF NEVADA.

MR. ZECH SECONDED THE MOTION.

THE MOTION CARRIED.

RESIDENTIAL CONCEPTS, INC. #41561 – DISCIPLINARY HEARING

Scott McGee, Owner, Ideal Concrete; Bob Macke, NSCB Investigator; and Steven Brozzo, President, Residential Concepts, Inc., were sworn in.

The notice of hearing, consisting of pages 1-15, had been sent certified mail on December 10, 1999. Return service was signed and dated December 13, 1999.

An amended notice of hearing had been prepared on January 6, 2000.

The hearing was for possible violation of NRS 624.3017 (1), substandard workmanship: workmanship which was not commensurate with the standards of the trade in general or which was below the standards in the building or construction codes adopted by the city or county in which the work was performed; and NRS 624.3013 (5), as evidenced by NAC 624.700 (3) (a) and NAC 624.640 (5), failure to comply with law or regulations of board by failing to comply with the notice to correct, and each licensee shall include in all bids he submits or contracts he enters into for construction work within this state, the monetary limit placed upon his license.

The hearing notice was entered into the record as EXHIBIT 1, and the stipulation was signed.

Mr. Taylor stated that the complaint began as a workmanship issue involving cracks in the concrete. Gary Moore had submitted a letter dated January 7, 2000 indicating the repairs had been made, along with his comments. The letter was entered into the record as EXHIBIT 2. Additionally, there was a charge regarding failure to comply with the notice to correct, and failure to place the monetary limit on the contract.

Mr. Macke testified the corrective notice had been issued on October 16, 1998 and on

November 18, 1998. A final notice to correct had been issued on February 3, 1999. The repairs had been completed according to Mr. Moore after May, 1999, after the matter had been submitted for a board hearing. Mr. Macke also confirmed the monetary limit had not been placed on the contract.

Mr. Brozzo said he had received the first notification of complaint on June 25, 1998. Mr. Brozzo said he was a landscape contractor who had hired Ideal Concrete to perform the work. The work had been paid upon completion. There had been a concern at that time that there might be a cracking problem, so Mr. Brozzo had acquired a letter from Ideal Concrete stating that the company would warranty the work through December, 1998. When the corrective notice had been received, Mr. Brozzo said he immediately sent the notice to Ideal Concrete advising them that there was a problem. In December, 1998, Mr. Brozzo realized that Ideal Concrete was not going to warrant the work, although many registered letters had been sent to them regarding the matter, but to no avail. On November 1, 1998, Mr. Brozzo had called the board to complain and found that Ideal Concrete had not renewed its license. The bonding company informed Mr. Brozzo that he could not claim until he had completed the work. In December, 1998, Mr. Brozzo informed Mr. Moore he would complete the work at his own expense. The work began in March when he took out the concrete with his own forces, prior to hiring another concrete contractor to complete the project to Mr. Moore's satisfaction. Mr. Brozzo said he did not man the job on a daily basis, therefore, many problems had manifested themselves.

Scott McGee, who identified himself as the new owner of Ideal Concrete, as of December 30, 1998, was present for the hearing. He said he had not been aware of the Gary Moore issue. The first he heard of it was when he received a subpoena the previous day to attend the hearing. The subpoena contained the original owner's name crossed out and with Mr. McGee's name inserted.

Mr. Taylor said Mr. Brozzo had subpoenaed Ideal Concrete.

A discussion followed regarding Mr. Brozzo filing a complaint against Ideal Concrete.

Mr. Brozzo made a statement regarding Gary Moore's letter.

The evidentiary was closed.

MR. CARSON MOVED TO FIND LICENSE #41561, RESIDENTIAL CONCEPTS, INC., IN VIOLATION OF ALL CHARGES AS STATED IN THE HEARING FILE.

MR. ZECH SECONDED THE MOTION.

THE MOTION CARRIED.

Penalty phase.

MR. CARSON MOVED TO PLACE A 1-YEAR LETTER OF REPRIMAND IN THE LICENSE FILE OF LICENSE #41561, RESIDENTIAL CONCEPTS, INC.; TO IMPOSE A TOTAL ADMINISTRATIVE FINE OF \$1,000; AND TO RECOVER THE INVESTIGATIVE COST OF \$1,401.13, TO BE PAID WITHIN 45 DAYS OR THE LICENSE WOULD AUTOMATICALLY BE SUSPENDED.

MR. ZECH SECONDED THE MOTION.

THE MOTION CARRIED.

FALCON HOMES, INC. #37203 – DISCIPLINARY HEARING

Brian Terry, Legal Counsel for Falcon Homes Inc., was identified.

Fred Ahlstrom, President, Falcon Homes; Rick Farinelli, Complainant; Russ Lewis,

Complainant; Sally McNamara; Richard Kersenbrock, Terry Wike, Business Associate, Falcon Homes; Robert Eliason, Business Associate, Falcon Homes; Dennis StClair, Structural Engineer; Bill delaGarza, Structural Engineer; and Tom Tucker, NSCB Investigator, were sworn in.

The notice of hearing, consisting of pages 1-25 and dated December 10, 1999, had been sent certified mail. An amended notice had been sent certified mail on December 28, 1999, and Investigator Chet Yekin had effected personal service of the notice on January 7, 2000.

The hearing was for possible violation of NRS 624.3017 (1), substandard workmanship: workmanship which was not commensurate with the standards of the trade in general or which was below the standards in the building or construction codes adopted by the city or county in which the work was performed; NRS 624.3013 (5) as evidenced by NAC 624.700 (3) (a); failure to comply with law or regulations of board by failing to comply with the notice to correct; NRS 624.3011 (1) (C) (1), disregard of plans, specifications, laws or regulations, disregard of the building laws of the state or of any political subdivision thereof.

The hearing notice was entered into the record as EXHIBIT 1, and the stipulation was signed.

Mr. Taylor stated the hearing regarded two separate complaints. One involved a house for Mr. Farinelli regarding workmanship issues, for which there had been partial repair. The second complaint regarded the Russell Lewis house, which consisted of workmanship issues, and allegations of violations of the Unified Building Code (UBC). Mr. Taylor said he had been served the preceding day with documents from Brian Terry. He entered the documents into the record as EXHIBIT 2, and said it was the legal response from Falcon Homes, Inc. pertaining to the Farinelli complaint.

RICK FARINELLI - COMPLAINANT

Mr. Farinelli testified he had entered into a contract with the Licensee for a single-family residence on or about June, 1990. A contract price of \$95,250 had been paid in full. Mr. Farinelli then described the problem he had with peeling eaves, and wood rot. Subsequently, Falcon had fixed the roofing problem, installed a bird stop, which had not originally been installed, and installed sheeting. The only problem Mr. Farinelli said he was now having with Falcon was the patio cover had rotted completely, and Falcon believed the problem was due to a wood replacement, which Mr. Farinelli had performed. As a result, Falcon did not want to prime or repaint anything.

Mr. Terry questioned Mr. Farinelli as to who had replaced the wood, the way the wood had been replaced, and who had performed the house painting. Ms. McNamara-Farinelli added that the eaves under the patio had never been painted, and a saw had not been used in the wood replacement.

Mr. Tucker testified he had validated the allegations contained in the complaint. Two notices to correct had been issued, one on April 7, 1999, and a final notice to correct on November 2, 1999. Mr. Terry then questioned Mr. Tucker, and asked him what needed to be done. Mr. Tucker stated that one area under the eaves needed to be replaced, and the rest painted.

Mr. Carson asked Mr. Tucker if the underside of the patio cover appeared to have occurred within the last year or over a period of several years. Mr. Tucker answered it had been going on for some time, not within a seven-month period.

Dennis StClair identified himself as a licensed California general contractor, who worked for Sage Construction Consulting. He had been retained by Falcon to investigate the Farinelli home. Mr. StClair then provided a narrative of what he had found during his examination.

Mr. Nelson clarified that there had been a previous written settlement between both parties for taking over the painting. Mr. Terry said he had a copy of the agreement.

MR. JOHNSON EXITED THE MEETING AT 12:07 P.M., BUT A QUORUM REMAINED.

Mr. Terry read the settlement agreement into the record.

RUSSELL LEWIS - COMPLAINANT

Mr. Lewis testified that on or about June, 1993 he had entered into a contract with Falcon Homes for the purchase of a new single-family residence in the amount of \$107,900. Workmanship issues addressed non-conforming sill plates, an overhang on the walls, and anchor bolts. Mr. Lewis had engaged Richard Kersenbrock and Bill de la Garza to review the construction of his home. A report had been prepared and was found on page 17 of the hearing notice. Additionally, counsel for Falcon had provided their response dated January 10, 2000. It was entered into record as EXHIBIT 3. Mr. Lewis described how the workmanship issues had been identified, stating that the matter was currently in litigation. Repairs had not been performed, but a settlement offer had been made, which had been rejected due to the nature of the litigation.

Mr. Terry next questioned Mr. Lewis, who was shown a copy of a correspondence dated April 23, 1999, which was entered into the record as EXHIBIT A. Mr. Terry said it contained the recommendations of the work Falcon wanted to perform based on the report of Dennis StClair.

Mr. Lewis said it was his understanding that the only person who could recommend repairs from the approved plans and specifications was the engineer of record. Mr. Gregory clarified that any licensed engineer could make a recommendation.

Mr. Terry continued his questioning of Mr. Lewis, and learned that there had been an offer to Mr. Lewis to repurchase his home for \$125,000 and \$30,000 in moving expenses and/or attorney fees. Mr. Lewis said the offer had been refused because his attorney fees were in excess of \$68,000.

Mr. Tucker testified he had validated the allegations contained in the complaint. He next described what he had found, and confirmed that a notice to correct had been issued on or about April 7, 1999, with a final notice to correct issued on August 16, 1999 and November 2, 1999. Mr. Tucker stated that the sill plates were not in conformance with UBC.

Mr. Terry questioned Mr. Tucker.

When asked if he wanted the house repaired, Mr. Lewis said the house was un-repairable.

Mr. de la Garza testified he had inspected the Lewis house. His findings were contained in the report dated January 22, 1998 on page 17 of the notice of hearing. Referencing the April 19, 1999 proposal to fix from Falcon Homes, Mr. de la Garza said he had reservations regarding several of the fixes, describing which ones, and indicating he had prepared a statement dated May 27, 1999 in response to Falcon's proposal. The statement was entered into record as EXHIBIT 4. Mr. Terry asked that the record reflect this was the first time he had seen Mr. de la Garza's statement.

Mr. Terry questioned Mr. de la Garza.

Mr. Terry then stipulated that there was an overhang. It had not been determined if it was structurally significant. Mr. Terry was unable to stipulate to the anchor bolts, and to the quality of the redwood of the sill plates.

Mr. Gregory commented that the party who was conspicuously missing was the building

department. He questioned if anyone had asked the North Las Vegas Building Department how the house had passed inspection.

Mr. Terry asked for the opportunity to correct the house however necessary, indicating Falcon Homes wanted to resolve the problem.

Mr. Nelson asked Mr. Lewis if he was willing to allow Falcon to negotiate a resolution to resolve the issues. Mr. Lewis agreed. Mr. Terry stipulated to a 30-day resolution period if all parties agreed, and with the approval of the City of North Las Vegas.

Mr. Gregory offered that the board would be willing to assist in any way possible to help resolve the issues.

MR. CARSON MOVED TO CONTINUE THE HEARING TO FEBRUARY 23, 2000.

MR. LINDELL SECONDED THE MOTION.

THE MOTION CARRIED.

STATE DRYWALL, INC. D.B.A. STATE INSULATION AND DRYWALL #40491, #40492, #43710 - DISCIPLINARY HEARING

Hal Moore, President, State Drywall Inc.; Gail Vogel, Assistant Executive Secretary, State Drywall Inc.; George Lyford, Director of Special Investigations Unit; Kenneth Sheldon, Qualified Employee, State Drywall, Inc.; Janice Thomey, Corporate Officer, State Drywall Inc.; Rick Merrigold, Former Business Associate, State Insulation and Drywall; Mike Turk, Legal Counsel for Rick Merrigold; Steve Snider; Michael McGuire; Rich Fraser; and Jerry Woolrich were sworn in. Keith Gregory, Legal Counsel, was present on behalf of the Licensee.

The notice of hearing dated, November 5, 1999 and consisting of pages 1-124, had been sent certified mail. Return service was signed and dated November 9, 1999.

The hearing was for possible violation of NRS 624.3013 (2), misrepresentation of a material fact by an applicant or licensee in obtaining a license, or in connection with any information or evidence furnished the board in connection with official matters of the board; NRS 624.3013 (3), failure to establish financial responsibility pursuant to NRS 624.220, 624.260, 624.263 and 624.265 at the time of renewal of the license or at any other time when required by the board; NRS 624.3013 (5), failure in any material respect to comply with the provisions of this chapter or the regulations of the board, specifically: failure to provide a financial statement, failure to advise the board within 10 days of the termination of the Qualified Employee, unlawful use of a license, failure to advise the board of a change in personnel within 30 days, and permitting a business to be operated by an unlicensed or unqualified person; and NRS 624.3014 (2) (A) (C) (D), aiding or abetting an unlicensed person to evade the provisions of this chapter, allowing a license to be used by an unlicensed person, and acting as agent, partner or associate of an unlicensed person.

The hearing file was entered into the record as EXHIBIT 1, and the stipulation was signed.

Mr. Taylor stated there were 19 counts of misrepresentation in the case, detailing specific items, and adding that Attorney Gregory had provided a financial statement.

Attorney Gregory acknowledged the general allegations but asked for the opportunity to explain them.

Ms. Vogel testified she had been asked to acquire the applications for Nevada contractors' licenses. Upon receipt, she had prepared the applications and forwarded them to the appropriate people for signature. The applications had not been prepared under Mr. Moore's direction or with his authorization. Ms. Vogel had received the needed information from the parties named on the applications for the licenses, prepared the applications as best as she could, and had then forwarded the applications to Rick Merrigold for signature

and submission to the board. The application on pages 17-21 of the hearing notice had been notarized without Mr. Merrigold's signature with notes as to how to complete. Ms. Vogel admitted she did not have knowledge regarding some of the questions, but had relied on the person signing to complete needed additional information. The same procedure was used in completing the application on pages 22-26 of the hearing notice.

Regarding references, Ms. Vogel had completed them, and had then forwarded them for signature. Subsequently, they had been forwarded to Mr. Merrigold for submission to the board. Ms. Vogel stated that Mr. Merrigold had knowledge of the references prior to the applications being submitted, and he had raised no objection to the them. Each of the parties listed on the references knew Mr. Merrigold. Ms. Vogel said the same procedure had been used to prepare the application on pages 51-60 of the hearing notice for Mike McGuire. She was never notified that any information had been omitted. All applications and references had been prepared without Mr. Moore's input. Concerning the indemnifications for the C3 and C4 license, Ms. Vogel said the original indemnification had the company name listed incorrectly. Therefore, it had been returned. Mike McGuire signed the first indemnification, and Ms. Vogel notarized it. When the second one was prepared, Mr. McGuire asked Ms. Vogel to sign it for him and she did. Ms. Vogel testified she had never prepared any Nevada state license contractors' applications or indemnifications without the knowledge of Mr. Merrigold or Mr. McGuire.

Attorney Gregory stated that Mr. Moore was erroneously identified as a principal on one of the applications, which led to another allegation because he did not disclose his California businesses. He should not have been on the application in the first place.

Questioning followed regarding Ms. Vogel's preparation of the applications.

Attorney Gregory then addressed the change in qualifier applications for Mr. Sheldon, explaining the difficulty, which had been encountered.

Mr. Sheldon testified he had stated working for State Insulation in August of 1998. Prior to January 4, 1999, Mr. Moore had informed him that it was necessary to replace his current President and Qualified Employee (QE), and had asked Mr. Sheldon if he would assume the position of General Manager and QE, which Mr. Sheldon did on January 4, 2000. Subsequently, Mr. Sheldon contacted the board on January 14, 1999, picked up the needed paperwork, and forwarded the application to Lisa Lewis, Office Manager, who forwarded the paperwork to the home office. After five trips to the board by Mr. Sheldon, the application was submitted by Lisa Lewis and accepted in April. The application was currently pending. Mr. Sheldon said he had answered the questions to the best of his ability, but he was confused as to the meaning of the questions. He now provided those answers under questioning by Attorney Gregory. Mr. Sheldon said Gail Vogel had prepared the application and the references, which had created a problem. New references were now in place. In its annual meeting in May, Mr. Sheldon had been elected President of State Insulation and Drywall.

Mr. Lyford explained how the case had come to be before the board.

Janice Thomey, former President, testified she had acted as an officer of the company from January, 1999 to September, 1999, taking a sabbatical on June 25, 1999. From that date to September, she had been involved in the day to day operations only as needed. Ms. Thomey then answered questions pertaining to the change of officer application.

Mr. Lyford was asked if his investigation disclosed any contradictory evidence to that presented in this hearing. Mr. Lyford replied that the only contradictions in the testimony was regarding not understanding the questions on the application. The indemnifications were supposedly signed by Mr. McGuire, but Mr. Lyford had received an affidavit from Mr. McGuire that the signatures on the indemnifications were not his.

Mr. McGuire testified that he was never the indemnifier of the corporation. He had never signed any documents making him the indemnifier. Mr. Nelson questioned whose financial statement had been used when the application had been indemnified. Mr. Lyford said he

believed they used Mr. McGuire's financial statement. Mr. McGuire stated the corporation did not have copies of his financial statement, and Ms. Vogel added she had not dealt with the accounting portion of the application. She had been involved in the bank verification process for the indemnification. More discussion focused on the financial statement wherein it was learned Mr. McGuire had signed the releases to acquire all bank information to prepare the financial statement. Mr. McGuire had no memory of the incident, and reaffirmed his statement in his affidavit that he had no knowledge that he was listed as the indemnifier.

Donald McKillop, Legal Counsel for Mr. McGuire, was identified.

Mr. Merrigold was shown page 46 of the hearing notice and said the signature on it appeared to be his, although he did not recall signing it. Mr. Merrigold clarified that when he originally prepared the license application, he had talked to Mr. Moore regarding including or excluding information about Tri Star Insulation. Mr. Merrigold stated that Mr. Moore had suggested that he not muddy the water. Mr. Merrigold said Mr. Moore was intimately knowledgeable about that company because he had purchased all of the company's assets and hired the salespeople from Tri Star.

Mr. McGuire was recalled. Upon reviewing the original personal financial information for the C3 license, Mr. McGuire said it did not belong to him, the signature was not his, he did not know who signed it, and he never had a personal banker.

Ms. Mathias confirmed the financial statement was the same one submitted with the personal indemnification.

A SHORT RECESS WAS TAKEN AND THE BOARD HEARD THE REST OF THE AGENDA BEFORE RETURNING TO THIS ITEM, THE CONCLUSION WHICH FOLLOWS.

Attorney Gregory stated he had received the application for a permanent raise in limit. He asked Ms. Vogel to identify Mr. McGuire's signature on the bank confirmation statement. Ms. Vogel said she was familiar with Mr. McGuire's signature, and to the best of her knowledge, the signature was Mr. McGuire's. She also confirmed that Mr. McGuire had been shown the financial statement document.

Turning his attention to Mr. Moore, Attorney Gregory asked him if he had been involved in the preparation of the license applications. He said he had not been. He had assigned the task to one or more of his employees. He said he did not direct anyone to sign someone else's signature, and he had not anyone to not provide prior background information.

Mr. Moore then made a statement regarding the allegations. He informed the Board that Mr. McGuire was his ex son-in-law and Mr. Merrigold was his surrogate son, detailing the personal issues he had with each. Mr. Moore asked for the licenses to be reinstated, and to accept Mr. Shelton as his Qualified Employee. Mr. Moore stated the reason why he was unable to qualify the licenses himself.

Mr. Lyford detailed the current status of the license, and the current status of the applications for officer change and change of QE.

Stan Perry, Legal Counsel, testified he had filed the complaint against Mr. Moore. Mr. Perry said the Licensee was claiming that the misrepresentations were not willful. Mr. Perry intended to prove Mr. Moore's conduct was willful and malicious.

Mr. Taylor said he had presented his case, to hear other witnesses was optional. Dialogue then ensued regarding the information presented and the misrepresentations.

The evidentiary was closed.

MR. CARSON MOVED TO FIND LICENSE #40491, 40492 & 43710 IN VIOLATION

OF ALL CHARGES EXCLUDING NRS 624.3013 (3), AND NRS 624.3014 (2) (A) AND (C).

MR. LINDELL SECONDED THE MOTION.

THE MOTION CARRIED.

MR. LINDELL MOVED THE LICENSES WERE TO REMAIN SUSPENDED UNTIL ACTED UPON AND TO RECOVER THE INVESTIGATIVE COST OF \$9,145.49 PRIOR TO THE ISSUANCE OF ANY LICENSES.

MR. ZECH SECONDED THE MOTION.

THE MOTION CARRIED.

MR. NELSON MOVED TO PLACE A PERMANENT LETTER OF REPRIMAND INTO THE LICENSE FILE OF STATE INSULATION AND DRYWALL.

MR. CARSON SECONDED THE MOTION.

THE MOTION CARRIED.

FACTORY AUTHORIZED CONSTRUCTION COMPANY, INC. #46393 – DISCIPLINARY HEARING - DISCIPLINARY HEARING (Continued from 12/22/99)

Gary L. Leaverton , President, was not present and no one, including legal counsel, was present to represent the Licensee.

Mr. Taylor and Greg Mincheff, NSCB Investigator updated the Board as to the status of the complaint. Mr. Torres, the complainant had been present but had been unable to remain due to time constraints.

Mr. Mincheff distributed photographs he had taken that morning. Factory Authorized Construction had contacted Camisa Masonry, who reviewed Mr. Torres' wall on January 8, 2000. It was their opinion that the wall needed to come down. As of yet, no corrective work had been attempted nor had there been any permits pulled.

MR. CARSON MOVED TO REVOKE LICENSE #46393, FACTORY AUTHORIZED CONSTRUCTION COMPANY INC, FOR LACK OF PROGRESS ON THE CORRECTIVE NOTICE AND FOR FAILING TO APPEAR AT THE HEARING.

MR. LINDELL SECONDED THE MOTION.

THE MOTION CARRIED.

MR. LINDELL MOVED FOR FULL RESTITUTION TO THE COMPLAINANT, AND TO RECOVER THE INVESTIGATIVE COST OF \$3619.16 PRIOR TO FURTHER ACTION ON THE LICENSE.

MR. CARSON SECONDED THE MOTION.

THE MOTION CARRIED.

ROBERT V. JONES CORP. #23498 – DISCIPLINARY HEARING (Continued from 12/22/99)

THE ROBERT V. JONES COMPANY #44321 - DISCIPLINARY HEARING (Continued from 12/22/99)

SUN VALLEY PLUMBING AND MECHANICAL #42529 - DISCIPLINARY HEARING

(Continued from 12/22/99)

R V J C ELECTRICAL #43827 - DISCIPLINARY HEARING (Continued from 12/22/99)

Linc Dante, NSCB Investigator, Robert V. Jones, President, Robert V. Jones Corp., Attorney James Kohl for Robert V. Jones Corp.; and Steven DiAngelo, Business Associate, Robert V. Jones, and Ed Pennewell, La Paz Ceramic Tile; and Robert & Patricia Campbell, Complainants, were present for the hearing.

Mr. Ramsey testified the Campbell complaint had been resolved, and the lien had been released from their home.

Regarding La Paz Ceramic Tile, Mr. Griffy said documents had been submitted to Linc Dante for review. Mr. Dante determined La Paz was still owed money. Mr. Griffy said that in one hearing, R V Jones had submitted documents indicating that La Paz owed them \$40,000. The La Paz recap, dated October 26, 1999, was now entered into the record as EXHIBIT 13, checks to La Paz were entered as EXHIBIT 14, and a second La Paz recap, dated January 11, 2000 was entered as EXHIBIT 15.

Ms. Mathias was asked to review the financial information.

Mr. Carson moved to continue the hearing to the next Las Vegas meeting, but withdrew the motion when Mr. Dante mentioned an agreement, which had been reached with Dan Bradley Glass but remained outstanding.

Daniel Bradley, President, Dan Bradley Glass, was sworn in, and testified he had provided materials to Robert V Jones Corp. for 18 years. The contract before the board was on or about November 25, 1995. Bradley Glass was owed approximately \$173,535.53. An agreement to pay had been reached on two occasions, two written agreements. As a result of the agreements, Robert V. Jones had not paid the moneys agreed to. Mr. Bradley was still owed \$116,000.

There had been a \$20,000 monthly payment arrangement thereafter. Mr. Jones said the payment arrangement had not been met due to his inability to pay at the time. He said he did not dispute that Bradley Glass was owed money.

Mr. Bradley said he had received a notarized document from Mr. Jones, dated January 10, 2000, acknowledging the amount owed. Mr. Jones had asked Mr. Bradley to wait until April when the entire amount would be paid off.

MR. CARSON MOVED TO KEEP ALL LICENSES IN A SUSPENDED STATE UNTIL THE NEXT LAS VEGAS MEETING.

MR. LINDELL SECONDED THE MOTION.

THE MOTION CARRIED.

CAPITAL PACIFIC HOMES INC. #21711 - DISCIPLINARY HEARING (Continued from 12/22/99)

Scott Coler, President, Capital Pacific Homes Inc. was not present.

Greg Mincheff, NSCB Investigator; Dean Anderson; and Arnie Carreon, were sworn in. Jay Young, Legal Counsel, was identified.

The Board record did not reflect either Dean Anderson or Arnie Carreon on the license.

Mr. Young explained there had been a change in the corporate officers. The resident agent had not filed the proper documents in a timely manner. Mr. Young said he had with him a Corporate Resolution, which indicated Mr. Anderson as an officer of the corporation.

Scott Coler was in New Zealand and would not be returning until January 13, 2000. Mr. Coler was the only remaining officer on the license. The corporation was in the process of assigning Mr. Carreon as the QE.

Mr. Mincheff advised there was no complainant present, and that all issues had been resolved.

The notice of hearing, dated November 18, 1999 and consisting of pages 1-13, had been sent certified mail. The return receipt had not been received.

The notice of continued hearing, dated December 30, 1999, had been sent certified mail. The return receipt was received January 5, 2000.

The hearing was for possible violation of NRS 624.3017 (1), workmanship which was not commensurate with standards of the trade in general or which was below the standards in the building or construction codes adopted by the city or county in which the work was performed; and NRS 624.3013 (5), as set forth in NAC 624.700 (3) (a), failure in any material respect to comply with the provisions of this chapter or the regulations of the board by failing to comply with the notice to correct.

The hearing notice was entered into the record as EXHIBIT 1.

Mr. Taylor said there were two causes of action. One relating to failure to patch and paint cracks in stucco of the home of Sherry Lee Meyer, the second to failure to comply with the notice to correct.

Mr. Mincheff testified he had validated the violations subsequent to a notice to correct. There was a notice to correct dated August 25, 1998, and a final notice dated June 4, 1999 and October 14, 1999. Those related to other issues on the same residence, which had been resolved. The last item on the notice to correct had been corrected within last week or two. The cracks in the stucco and patching and painting had been performed in December, 1999.

MR. CARSON MOVED TO CONTINUE THE HEARING TO FEBRUARY 8, 2000 RENO MEETING. THE LICENSE WAS TO BE AUTOMATICALLY SUSPENDED IF MR. COLER FAILED TO APPEAR AT THE RENO HEARING. ALL COMPLETED APPLICATIONS WERE TO BE BEFORE THE BOARD AT THE RENO MEETING.

MR. ZECH SECONDED THE MOTION.

THE MOTION CARRIED.

DONALD MICHAEL LONG D/B/A D M L CONSTRUCTION #33597 - DISCIPLINARY HEARING, Donald Michael Long, Owner (Continued from 11/22/99)

Donald Long, Owner, D M L Construction was present, as well as Bob Macke, NSCB Investigator, Keith Gregory, Legal Counsel, for D M L Construction, and Wendy Kelly, Complainant.

Mr. Taylor recapped what had occurred in the last hearing.

Mr. Macke testified he had performed a document review on January 7, 2000, along with Attorney Gregory and the CEO of D M I. A review of the complaint reflected no signatures by Donald Michael Long. All signatures were those of Brent Vaughn. Mr. Lyford had been briefed regarding other issues, which had been found. Apparently Brent Vaughn had signed as Vice President of Schulman, Las Vegas Watts, and D M L. He was also involved in Nevada Star, Emerald Development, and had some connection with Del Mar Mortgage. The CEO of D M I stated that she had never met Mr. Long. All of her involvement had

been with Brent Vaughn. All lien releases had been sent directly to voucher control on D M L's letterhead from Brent Vaughn's/Schulman's/etc. address at 2975 South Green Valley Parkway, which was a mailbox drop.

Attorney Gregory added D M L's accountants had reviewed all financial documents from 1996-1997. He had letters indicating that there had been no payments from D M L to subcontractors on the list he had been provided, and there had been no payments from Pinehurst to D M L. Attorney Gregory had attempted to contact the Henderson Building Inspectors on the Pinehurst project but had been unable to reach anyone, and no one had responded to his request. He was told that due to the length of time and the number of homes inspected, it was unlikely the inspectors would be able to remember anything about the project. Attorney Gregory provided that information in an affidavit. A second affidavit addressed the subcontractors he had contacted requesting copies of their preliminary lien notices. Attorney Gregory said nobody wanted to make that information available, preferring to defer to their attorneys. Granite World was the only one who responded, and his lien notice went to D M L in care of the Pinehurst address. Addressing the building permits, Attorney Gregory had originals, which showed D M L as the original contractor but all the addresses were pulled for 2756 North Green Valley Parkway, #370. That address was Pinehurst's Construction trailer. Attorney Gregory again acknowledged the three permits only.

For the record, Attorney Gregory stated an attorney, Mike Oaks, had contacted him the previous day on behalf of a prior principle of Pinehurst, indicating a desire to work with the homeowners.

Ms. Kelly testified that Mr. Oaks had told her that Mr. Long had called Frank Nielson and was very upset over the issue. Mr. Nielson, in turn, had sent Jimmy Roots to her home as well as several of her neighbor's homes to ask for a list of things to correct. Mr. Nielson offered to pay for the corrections because Mr. Long was upset.

Attorney Gregory said that Mr. Oaks had contacted him that morning, indicating that Frank Nielson was willing to pay \$2,500 to \$3,500 to each of the homeowners. This was offer that had been made before, but they wanted it to come through D M L. The alleged reason was because D M L was going to sue them.

Mike Oaks was a practicing attorney representing the debtor, Pinehurst, and apparently personal counsel for Frank Nielson, who was one of the principals of Pinehurst.

Ms. Kelly said Frank Nielson was the President, Brent Vaughn was the Vice President, and Jimmy Roots used to work for Frank Nielson as a handyman. Frank Nielson filed bankruptcy last January, and Eugene Rippe had ultimately bought the company. Mr. Macke commented he knew who Jimmy was. Mr. Macke had met him on two of the walk-throughs. Mr. Macke then described the forms, which had been used that were not valid forms.

Attorney Gregory's affidavits were entered into the record as follows: EXHIBIT 5, an Independent Accountant's Report from Farmer & Tompkins, CPA's, Ltd.; EXHIBIT 6, the affidavit of Steven Stuehser; and EXHIBIT 7, the City Henderson building permits.

The evidentiary was closed.

A discussion occurred regarding issuing subpoenas to all parties involved, and determining who the subcontractors were who actually built the houses.

MR. CARSON MOVED TO CONTINUE THE HEARING TO THE NEXT AVAILABLE LAS VEGAS MEETING; MR. MACKE WAS TO RESEARCH THE FILES TO SEGREGATE SUBCONTRACTORS ON INDIVIDUAL HOMES; AND TO SUBPOENA MR. NIELSON, MR. SCHULMAN, AND JIMMY ROOTS.

MR. LINDELL SECONDED THE MOTION.

THE MOTION CARRIED.

Before returning to the applications, the Board concluded State Drywall and Insulation.

APPLICATIONS

The following motion closed the meeting to the public.

MR. LINDELL MOVED TO CLOSE THE MEETING TO THE PUBLIC.

MR. CARSON SECONDED THE MOTION.

THE MOTION CARRIED.

The meeting was then closed to the public pursuant to NRS 241.030 to discuss financial and other data, which is confidential under NRS 624.110 (2).

STATE INSULATION AND DRYWALL #40491 (C3D- Insulation) CHANGE IN QUALIFIER

STATE INSULATION AND DRYWALL #40491 (C3D- Insulation) OFFICER CHANGE

STATE INSULATION AND DRYWALL #40492 (C4 – Painting & Decorating) CHANGE IN QUALIFIER

STATE INSULATION AND DRYWALL #40492 (C4 – Painting & Decorating) OFFICER CHANGE

MR. LINDELL MOVED TO APPROVE THE LICENSE APPLICATIONS, SUBJECT TO THE PROPER PAPER WORK BEING RECEIVED BY THE BOARD AND RECOVERY OF THE INVESTIGATIVE COSTS, AND WITH A LIMIT OF \$1 MILLION AND A \$30,000 BOND.

MR. ZECH SECONDED THE MOTION.

THE MOTION CARRIED.

The remainder of the applications on the agenda were reviewed and discussion occurred on the following: Nos. 3, 5, 8, 10-11, 17, 21-22, 34, 38, 45, 74, 75-78, 80, 84-87, 101-103, 105-107, 109-112, 115-116, 119, 121-123, 125, and 135; and on the amended agenda: Nos. 1-3, 7, 8, 11, 15, 18-20, 23-24, 28, and 32.

MR. ZECH MOVED TO REOPEN THE MEETING TO THE PUBLIC.

MR. LINDELL SECONDED THE MOTION.

THE MOTION CARRIED.

MR. LINDELL MOVED TO APPROVE ALL APPLICATIONS NOT SPECIFICALLY DISCUSSED IN CLOSED SESSION PER STAFF RECOMMENDATION.

MR. CARSON SECONDED THE MOTION.

THE MOTION CARRIED.

PUBLIC COMMENT

Stanley Perry, Legal Counsel, stated he had filed a complaint against State Insulation and Drywall. He informed the Board he was disappointed with the decision the Board had made regarding the matter, reflecting on his reasons why.

Mr. Perry was encouraged to file a complaint with the board for any possible violation that had not been part of today's hearing.

There being no further business to come before the Board, the meeting was adjourned by Chairman Gregory at 5:49 p.m.

Respectfully Submitted,

Betty Wills, Recording Secretary

APPROVED:

Margi Grein, Executive Officer

Kim Gregory, Chairman