

KENNY C. GUINN
Governor

STATE OF NEVADA

REPLY TO:

MEMBERS

KIM W. GREGORY
Chairman
DOUG CARSON
MARGARET CAVIN
JERRY HIGGINS
DENNIS K. JOHNSON
RANDY SCHAEFER
MICHAEL ZECH



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STATE CONTRACTORS' BOARD

**MINUTES OF THE MEETING
JUNE 5, 2001**

The meeting of the State Contractors' Board was called to order by Chairman Kim Gregory at 9:04 a.m., Tuesday, June 5, 2001, State Contractors' Board, Reno, 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
Ms. Margaret Cavin
Mr. Jerry Higgins
Mr. Randy Schaefer
Mr. Mike Zech

BOARD MEMBERS ABSENT:

Mr. Dennis Johnson

STAFF MEMBERS PRESENT:

Ms. Margi Grein, Executive Officer
Mr. Robert Griffy, Legal Counsel (Haney, Woloson & Mullins)
Mr. David Reese, Legal Counsel (Cooke, Roberts & Reese)
Ms. Nancy Mathias, Licensing Administrator
Mr. George Lyford, Director of Special Investigations
Mr. Frank Torres, Deputy Director of Investigations
Ms. Kathy Stewart, Licensing Supervisor
Ms. Diana Sippola, Licensing Analyst
Mr. Ron Carney, Investigator
Mr. Gary Hoid, Investigator
Mr. Gary Leonard, Investigator
Mr. John Sapp, Investigator
Ms. Betty Wills, Recording Secretary

OTHERS PRESENT:

Karen Yates, Court Reporter, Sierra Nevada Reporters; C. M. Murphy, Qualified Officer, Murphy Brothers Construction Co.; John Fritz, Owner, John Fritz Construction, Paul Georgeson, Legal Counsel, John Fritz Construction; Kathryn Singer, Complainant, Legal Assistant Bruce Cyra sitting in for Bob Maddox, Kathryn Singer's Attorney; Peter Beekhof, President, West Ridge Homes; Gail Willey, Owner, High Sierra Trees and High Sierra Trees & Landscaping, Attorney Jim Spoo for High Sierra Trees; Shirley Sunde, Complainant; Brian Dean; Bruce Bates, Former Foreman, High Sierra Trees; Attorney Michael Springer for Shirley Sunde; Jerry Lee Blades, Owner, Blades Construction; Regina Blades, Blades Construction; Jerry Blades; Complainants: Tammy and Soren Christopherson and Keith Kellison; Cheryl and Brian Mueller; Scott W. Reutner, President, Spur Development; Allan Stefka, Complainant; Michael Brodie Lewis, President, M B Lewis

Construction; Attorney Wally Stephens for M B Lewis; Robert and Jime Lee, Complainants; Robert Smith, Owner, The Rack Shop; Glen Hughes, Owner, Glen Hughes Construction; Ralph Gravalles, Owner, Ralph Gravalles; Brian Martin, Principal Engineer, City of North Las Vegas; Rick Kester, Director of Business Services, Douglas County School District; John Walton, President, Kenebec, Inc. Stephen Gueven, Vice President, Kenebec, Inc., Mark Donahue, General Manager Cedar Roofing, Inc.; Fred Dolven, President, Dolven Architectural Association; and Robb Smith, President Roofing Contractors' Association of Nevada; Cory Prunty, Owner, Mountain Masonry; Elroy DeVoll, Owner, Bizzy Buzzy; Mark Lenz, Attorney for Bizzy Buzzy; Brian Cuthill, Pastor Church of the Nazarene; Anthony Silva, Owner, A J S Construction; David & Teresa McClelland, Owner, McClelland Builders & Excavation; Linda Ribis, Owner, Floors To Go; David Deerman, Witness; Attorney Mark Wray, for Floors To Go; Gary Hoid, Owner, Valley Masonry; James Collins, Owner, Collins Construction; and Kent Whitehead, Manager, W C I LLC.

Ms. Grein stated that Ron Carney had posted the agenda in compliance with the open meeting law on May 30, 2001 at the Washoe County Court House, Washoe County Library, and Reno City Hall. In addition, it had been posted in both offices of the Board, Las Vegas and Reno, and on the Board's Internet web page.

It was learned there were 32 items on the amended agenda, each item of an emergency nature, and there had been one additional request for an advisory opinion by the Douglas County School District regarding a re-roofing project at Whittell High School.

MS. CAVIN MOVED TO HEAR THE AMENDED AGENDAS.

MR. ZECH SECONDED THE MOTION.

THE MOTION CARRIED.

Chairman Gregory called for a motion to approve the minutes of May 22, 2001.

Mr. Higgins commented that there were two items that needed to be corrected. One, Legal Counsel David Reese had been omitted under staff members present on page 1, and two, Mr. Zech had not participated in the voting of The Erection Company. He abstained.

MR. SCHAEFER MOVED TO APPROVE THE MINUTES OF MAY 22, 2001 WITH THE NOTED CORRECTIONS.

MR. CARSON SECONDED THE MOTION.

THE MOTION CARRIED.

LEGISLATIVE DISCUSSION

Postponed due to the late start of the meeting.

EXECUTIVE SESSION

Postponed.

DISCIPLINARY HEARINGS

MURPHY BROTHERS CONSTRUCTION CO. #7821 – DISCIPLINARY HEARING
(Continued from December 5, 2000 and March 6, 2001)

C. M. Murphy, Qualified Officer, Murphy Brothers Construction Co., was present.

Mr. Reese stated that the Board hearing of the matter had been concluded but the Board had requested the Respondent to provide a financial statement for the purpose of

substantiating the current license limit. Mr. Murphy had complied with the Board's request.

MS. CAVIN MOVED TO ACCEPT THE FINANCIAL STATEMENT IN SUPPORT OF THE \$2 MILLION LIMIT.

MR. ZECH SECONDED THE MOTION.

THE MOTION CARRIED.

JOHN FRITZ CONSTRUCTION #25966 -- DISCIPLINARY HEARING (Continued from January 9, 2001 and April 10, 2001)

John Fritz, Owner, John Fritz Construction, was present along with his attorney, Paul Georgeson. Also present were Kathryn Singer, Complainant, with Legal Assistant Bruce Cyra sitting in for Bob Maddox, and NSCB Investigator Gary Hoid.

Mr. Reese stated the matter had been heard and that there had been a motion to find the Respondent in violation of a workmanship charge and to dismiss NRS 624.3013 (5). The hearing had then been continued and the penalty phase stayed to allow the Respondent to bid the roof repair work to three independent contractors and to have the corrective work performed by a contractor that the homeowner and the Respondent could agree upon.

Investigator Hoid testified that he had received a copy of a letter to Mr. Georgeson on May 24, 2001 from Attorney Robert Maddox. The letter indicated that the Singers had all of the items repaired without using John Fritz Construction and that only a monetary issue remained.

Mr. Georgeson claimed that his client did not have an opportunity to acquire the bids or to perform the corrective work before the Singers had hired another contractor to make the repairs.

Mr. Cyra stated a letter had been sent to Mr. Georgeson in response to a letter he had sent to them wherein Mr. Georgeson referenced a settlement of all claims. The letter incorporated other bills.

Mr. Georgeson responded he had never seen the letter until now, and that he did not, in writing.

Mr. Georgeson asked the Board to consider the Respondent's record in determining any disciplinary action.

Ms. Singer commented that she had attempted to acquire bids as recommended by the Board. Only one person responded and that bid was rejected because it didn't fit the engineering plan. Because the repairs were required to be completed before the home was sold, they proceeded with a reputable, licensed contractor.

Chairman Gregory called for a motion on the penalty phase of the remaining charge of NRS 624.3017 (1).

MR. ZECH MOVED TO PLACE A ONE-YEAR LETTER OF REPRIMAND INTO LICENSE FILE #25966, JOHN FRITZ CONSTRUCTION, AND TO RECOVER THE INVESTIGATIVE COST OF \$5,612.63, PAYABLE WITHIN 180 DAYS OR THE LICENSE WAS TO BE AUTOMATICALLY SUSPENDED.

MR. CARSON SECONDED THE MOTION.

THE MOTION CARRIED. (MS. CAVIN WAS OPPOSED)

WEST RIDGE HOMES #25326 -- DISCIPLINARY HEARING (Continued from January 9 and April 10, 2001)

Peter Matthew Beekhof, President, West Ridge Homes, was present, along with NSCB Investigator Gary Hoid

Mr. Reese stated that the complainant Harry Stanley had called and said he had the flu and could not be present. Mr. Reese said the matter had been continued from April 10, 2001 by mutual agreement for 60 days to wait for weather that was warm enough to complete the painting work.

Investigator Hoid testified he had met with Mr. Beekhof and Mr. Stanley approximately 3 weeks ago. The garage door and slab had been taken care of but Mr. Stanley indeed wanted to wait until the temperature remained constant at 50° to complete the painting work. Mr. Beekhof was waiting for the go ahead from Mr. Stanley.

MR. CARSON MOVED TO CONTINUE THE HEARING TO THE NEXT RENO MEETING.

MS. CAVIN SECONDED THE MOTION.

THE MOTION CARRIED.

HIGH SIERRA TREES #28881 -- DISCIPLINARY HEARING (Continued from November 7, 2000 and January 9, 2001)

HIGH SIERRA TREES & LANDSCAPING #46825 – DISCIPLINARY HEARING (Continued from November 7, 2000 and January 9, 2001)

Gail Willey, Owner, High Sierra Trees and High Sierra Trees & Landscaping, was present, along with his new attorney, Jim Spoo, who had replaced Attorney J. Thomas Susich.

The Notice of Continued Hearing for the June 5, 2001 hearing, consisting of two pages, was mailed certified to the address of record on May 1, 2001. The certified mail receipt was returned to the Nevada State Contractors' Board (NSCB) on May 7, 2001.

The Notice of Continued Hearing for the January 9, 2001 hearing (time change), consisting of two pages was mailed certified to the address of record on January 2, 2001. The certified mail receipt was returned to NSCB on January 9, 2001.

The Notice of Continued Hearing for the January 9, 2001 hearing, consisting of two pages, was mailed certified to the address of record on November 17, 2000. The certified mail receipt was returned to NSCB on November 19, 2000.

A Notice of Continued Hearing for the November 7, 2000 hearing, consisting of 6 pages, was mailed certified to the address of record on October 10, 2000. The certified mail receipt was returned to NSCB on October 11, 2000.

The Amended Notice of Hearing and Complaint for the rescheduled October 17, 2000, hearing, consisting of pages 1-37, was mailed certified to the address of record on September 22, 2000. The certified mail receipt was returned to NSCB on August 25, 2000.

The Notice of Hearing and Complaint for the October 10, 2000 hearing, consisting of pages 1-37, was mailed certified to the address of record on August 21, 2000. The certified mail receipt was returned to NSCB on August 23, 2000.

The hearing was for possible violation of NRS 624.3011 (1) (a), willful and prejudicial departure from or disregard of plans or specifications without the consent of the owner; 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 order to correct, and each licensee shall include in all bids he submits or contracts he enters into for construction work within this state, the number of his license and any monetary limit placed upon his license;

and NRS 624.3014 (1) (a), acting in the capacity of a contractor under any license issued hereunder except in the name of the licensee as set forth upon the license.

Ms. Cavin disclosed that Attorney Michael Springer represented her company but added she did not feel it would affect her decision in this matter. There was no objection to Ms. Cavin hearing the case.

The hearing had been continued to facilitate a resolution between the two parties and to make arrangements for a third party to inspect the work.

The status of license #28882 was suspended, not renewed, and license #46825 was suspended for no bond.

Mr. Springer stated that he had received notice of a Chapter 11-bankruptcy filing by High Sierra Trees.

Mr. Spoo confirmed that High Sierra Trees & Landscaping, LLC was in a Chapter 11 bankruptcy. Attorney Allen Smith was handling it.

Gail Willey; Shirley Sunde, Complainant; NSCB Investigator Gary Hoid; Brian Dean; and Bruce Bates, Former Foreman, High Sierra Trees, were sworn in. Attorney Michael Springer was identified as the attorney representing Shirley Sunde.

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

Ms. Sunde testified that she had entered into a contract with the Respondent on or about July 20, 1989 for the construction of a driveway, landscaping and sprinkler system. Mr. Griffy amended the date to July 20, 1998. Continuing, Ms. Sunde stated she had paid the Respondent the full price of the contact, \$119,915. The plans called for the Respondent to construct the landscaping and driveway per the drawings that had been designed by Mr. Bates, but Mr. Willey deviated from the plans. She said she never received the plants agreed upon, nor was she allowed to pick them out as agreed to. She said Mr. Willey delivered plants to her that other clients Mr. Willey was performing work for did not want. All plants were to be two to three feet high and Ms. Sunde had specified many times that she did not care if half of the plants were planted if the height condition was met. She did not want gallon plants anywhere. What she got was gallon plants placed in five-gallon pots and none met the height requirement.

Mr. Spoo questioned the hearing process, indicating that Mr. Willey wanted to correct the problems although he did not totally agree with the Dean expert report. Arrangements had been made with an independent, duly licensed landscape contractor to make the repairs that Mr. Dean had suggested. Furthermore, Mr. Dean would supervise those corrections.

Chairman Gregory asked Mr. Spoo if he wanted to stipulate to the four charges contained in the hearing notice.

Mr. Spoo, on behalf of Mr. Willey, stipulated to all charges in the hearing notice. He said his client was willing to move forward with the Board's order to correct.

Mr. Springer objected on the basis that High Sierra Trees & Landscaping had a suspended license and was in bankruptcy.

Mr. Spoo pointed out that both licenses were currently suspended. Mr. Willey was taking the responsibility individually to fix the problems, not on the basis of the LLC license, and the arrangements to do so were already in place.

Ms. Mathias said a new license application was on the agenda this afternoon but added the financial documents had not been received.

Mr. Reese pointed out that under the LLC, Mr. Willey had committed acts that would permit disciplinary action against any individual license held.

Mr. Springer stated that the matter had lingered on now since 1998, recapping various activity. He did not want Mr. Willey to escape Board action.

Chairman Gregory stated that an unlicensed contractor would not be allowed to fix anything. Mr. Willey's offer to fix had to be performed by a duly licensed contractor, and that could be performed by any contractor who had the proper licenses and limit.

Again, Mr. Spoo stated that the Respondent was willing to stipulate to all four causes of action. He asked the Board to address the penalty phase.

MR. CARSON MOVED TO ACCEPT THE RESPONDENT'S STIPULATION TO THE CHARGES AGAINST LICENSE #28881 AND #46825, HIGH SIERRA TREES AND HIGH SIERRA TREES & LANDSCAPING, LLC, RESPECTIVELY.

MR. ZECH SECONDED THE MOTION.

THE MOTION CARRIED.

Chairman Gregory said that the Respondent could hire and pay another licensed contractor to perform the work as required.

Mr. Springer said he would not allow another licensee onto the property to commence improvements under which they could assert lien claims against his client's property. There would have to be clear escrow monies placed as assurances of payment performance by Mr. Willey or whomever before he or his client would allow any contractor to set foot on the property and be capable of asserting a lien for services rendered.

Chairman Gregory pointed out that Ms. Sunde could request a waiver of lien from the individual who would be performing the work as a condition of doing the work.

Mr. Springer stated he and his client would make that an express condition of any allowance to let someone set foot on the property.

Chairman Gregory concurred, saying that the licensee performing the work at the property would be doing so at his or her own risk.

Mr. Spoo requested Investigator Hoid's cooperation, and accepted the services of Attorney Haney's office, in facilitating the matter with all parties to completion.

MR. CARSON MOVED TO CONTINUE THE PENALTY PHASE OF THE HEARING FOR 60 DAYS TO THE AUGUST 7, 2001 RENO MEETING TO ALLOW CORRECTIVE ACTION TO BE PERFORMED.

MR. ZECH SECONDED THE MOTION.

THE MOTION CARRIED.

BLADES CONSTRUCTION #23397 – DISCIPLINARY HEARING

Jerry Lee Blades, Owner, Blades Construction, was present.

Regina Blades, Blades Construction; Jerry Blades; Complainants: Tammy Christopherson and Keith Kellison; NSCB Investigator Gary Hoid; Soren Christopherson; and Cheryl and Brian Mueller were sworn in.

An Amended Notice of Hearing for the June 5, 2001 hearing was mailed certified to the address of record on May 1, 2001. The certified receipt was returned to NSCB on May 8, 2001.

A Notice of Continued Hearing for the December 5, 2000 hearing was mailed certified to the address of record on November 3, 2000. The certified receipt was returned to NSCB on November 9, 2000.

A Notice of Continued Hearing for the November 7, 2000 hearing was mailed certified to the address of record on October 10, 2000. The certified receipt was returned to NSCB on October 17 2000.

An Amended Notice of Hearing and Complaint for the October 17, 2000 hearing was re-mailed certified to the address of record on October 18, 2000 at the request of the Respondent who wished to obtain exhibits. To date, the certified receipt has not been returned to NSCB.

An Amended Notice of Hearing and Complaint for the rescheduled October 17, 2000 hearing, consisting of pages 1 - 73, was mailed certified to the address of record on September 22, 2000. The certified mailing was returned to NSCB on October 13, 2000, marked "Unclaimed."

A Notice of Hearing and Complaint for the October 10, 2000 hearing, consisting of pages 1-73, was mailed certified to the address of record on August 21, 2000. The certified mailing was returned to NSCB on September 12, 2000, stamped "Unclaimed."

A Request for Continuance was filed by Respondent's attorney on September 28, 2000, and received at NSCB on October 2, 2000.

An Answer to the Amended Complaint was filed by Respondent's attorney on September 28, 2000, and received at NSCB on October 2, 2000.

The hearing was for possible violation of NRS 624.3017 (1), workmanship which is not commensurate with standards of the trade in general or which is below the standards in the building or construction codes adopted by the city or county in which the work is performed;

NRS 624.3013 (5), as set forth in NAC 624.700 (3) (a) and NAC 624.640 (5), 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, and by excluding the license number and the monetary limit on the contract; NRS 624.3011 (1) (a), willful and prejudicial departure from or disregard of plans of specifications without the consent of the owner; NRS 624.3015 (1), the Respondent acted in the capacity of a contractor beyond the scope of the license; NRS 624.3016 (6), as set forth in NRS 624.600, failure to provide in writing to the owner the names and license numbers of all subcontractors on the project; and NRS 624.3016 (1), commission of a fraudulent and deceitful act in the capacity of a contractor.

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

Ms. Christopherson testified that on or about September 20, 1999, she and her husband Soren had entered into a contract with the Respondent for remodeling and cabinetwork at their residence for a total contract price of \$17,563 minus \$1,150 for materials. A total of

\$13,224 had been paid to Mr. Blades, leaving an outstanding balance due of \$3,188.85. As a result of the installation performed by Blades Construction, workmanship problems soon became evident.

Mr. Griffy stated 82 items had originally been filed on the Christopherson complaint. Those items had been categorized and condensed into categories A-H. Ms. Christopherson agreed that the list Mr. Griffy was now showing her represented the 82 items she had submitted to the Board. Mr. Griffy entered the condensed itemized list into the record as EXHIBIT 2.

Ms. Christopherson described the general condition of the cabinets. She said her biggest concern was that they were not up to code. There were falling off the hinges and the stain had totally deteriorated. Overall, the cabinets were a mess. Her kitchen was falling apart. She provided many photographs to substantiate her testimony that were entered into the record as group EXHIBIT 3.

Investigator Hoid testified that he had viewed the cabinets in the Christopherson home. He said he issued a notice to correct on April 10, 2000 listing the items he had validated. There were 16 items or categories in all. During the course of the investigation there had been a follow-up investigation performed by Ed Arias, Owner, New Faces Cabinetry, hired by the Board as a cabinet expert on the case. Mr. Arias had sent Investigator Hoid a letter dated January 8, 2001 indicating what he had found wrong with the cabinets. Investigator Hoid said, overall, Mr. Arias' conclusions were the same as his. The letter was entered into the record as EXHIBIT 4.

Ms. Christopherson then spoke to the legal action taken against them by Blades Construction.

Investigator Hoid stated that Mr. Arias had prepared a Workmanship Allegation Report and a second Board Investigator, Chet Yekin, who had accompanied Investigator Hoid to the Christopherson home, had also prepared a Workmanship Allegation Report. Mr. Yekin's Workmanship Allegation Report was entered into the record as EXHIBIT 5. Investigator Hoid said once the complaint had been validated, he sent the Licensee a notice to correct, but the items had not been corrected.

Mr. Blades questioned Investigator Hoid regarding the 18 items that he had validated and asked him if he had agreed to fix those items. Investigator Hoid confirmed that Mr. Blades had made many requests to return to the property to perform the fixes but he had been denied access. He said the board had received a letter from Ms. Christopherson refusing Mr. Blade's request.

Mr. Griffy countered the access issue by recounting the numerous police reports filed by the Christophersons against Mr. Blades.

Mr. Christopherson testified, providing the reason why there was an access problem. It involved alleged insults, threats, assaults and harassment, leading up to the filing of the police reports.

Chairman Gregory pointed out that there would not have been a problem if the cabinets had been installed correctly.

Chairman Gregory then asked Investigator Hoid if he knew of any attempt to repair or of a repair made or of any animosity between the two parties. Investigator Hoid replied that nothing on his list had been corrected and that he was not aware of any animosity between the homeowner and the contractor. Both parties had been present at the job site and when arguments started, Investigator Hoid asked Mr. Blades to sit quietly and he did. Investigator Hoid added he had no knowledge of any activity involving the police.

Mr. Griffy questioned Mr. Kellison who testified that on or about December 14, 1998 he entered into a contractual agreement with the Respondent for the construction of a single-

family residence for a total price of \$654,240. Mr. Blades began construction on the project on or about January 28, 1999 and was last on the project on or about August 8, 2000. Mr. Griffy moved to correct the date to August 8, 1999. As a result of the work performed on the home there were numerous workmanship items.

Mr. Kellison stated his concerns, saying that Mr. Blades had not supervised his crew. The workmanship was performed so poorly it had to be redone most of the time. Mr. Kellison said that in order to get the project completed, he was required to get most of the issues resolved on his own. Focusing on the workmanship issues, he said the stairway had been built too narrow; the beams had not been cut out correctly; and the floor sagged. His cabinets were much like Ms. Christopherson described. The lacquer was coming off, they were delaminating, the hinges had sprayed on paint, fingerprints, and the doors were basically falling off. Mr. Kellison said Mr. Arias had also been to his home to inspect the cabinets, and he provided a description of what Mr. Arias found, which was written up in a letter dated December 28, 2000 addressed to Investigator Hoid. The letter was entered into the record as EXHIBIT 6. Mr. Kellison said he terminated the contract with the Respondent in early August. When asked if he would allow Mr. Blades back to the property to make corrections, Mr. Kellison responded: "Absolutely not." He too had the same problems with Blades Construction concerning civil litigation, police reports and alleged threats. Mr. Kellison presented a summary of his dealings with Mr. Blades for the last 1-½ years. The log was entered into the record as EXHIBIT 7, and Mr. Kellison's photographs were entered as EXHIBIT 8.

Investigator Hoid was questioned regarding electrical work that Blades had performed on the property, and for which he did not have the appropriate license. Mr. Hoid confirmed that was true and that the Licensee had not informed Mr. Kellison of all subcontractors used on the project. Lastly, Mr. Hoid confirmed that the Licensee issued checks to Scott Rummin, both of which were returned by the Respondent's bank for non-sufficient funds. Both checks were later made whole.

Mr. Blades questioned Investigator Hoid as to how many items he had fixed. Mr. Hoid said many. Chairman Gregory questioned Investigator Hoid as to EXHIBIT 7, Mr. Kellison's log. Investigator Hoid said there were numerous times that Mr. Blades failed to show up on the job site.

Mr. Blades countered that there was no time certain that he had to show up, and he added that he was not supposed to fix anything he did not put in, maintaining that Mr. Kellison hired his people after he was terminated. Mr. Blades then responded to all of the charges. He said he had not been paid \$710,000, only \$400,000. The rest had been paid to subcontractors, whom he did not hire. Mr. Kellison did. Mr. Blades then detailed what he specifically performed on the job.

Mr. Kellison said the house was less than 50% done when Mr. Blades was dismissed from the project. Mr. Blades said it was at least 60-70% completed. The court had ordered Mr. Blades to install the cabinets and the granite.

Ms. Blades testified that she was the one who had cleaned the cabinets and that the only ones that had not been cleaned were the ones Mr. Kellison had not cleared.

Chairman Gregory recapped that there were workmanship problems. The comment from the contractor was he could not get back in to finish things. The comments from both of the complainants were that they were harassed and threatened, and that they refused to allow the Respondent back in as a result of the threats. Each complainant offered copies of the police reports.

Mr. Griffy stated he was willing to introduce into the record police reports and the letter from the District Attorney's office. He said that when Mr. Christopherson was called as a witness against Mr. Blades, Mr. Blades had entered a nolocontendere plea. He was then ordered to go to anger management classes. When the classes were completed, the case

was dismissed. Chairman Gregory requested that all the evidentiary be entered into the file.

For the record, Investigator Hoid was asked if he had been a subcontractor for Blades Construction prior to coming to work for the Board. Mr. Hoid answered in the affirmative. He also confirmed that two other investigators had validated the workmanship complaints.

The evidentiary portion of the hearing was closed.

MR. ZECH MOVED TO FIND LICENSE # 23397, BLADES CONSTRUCTION, IN VIOLATION OF NRS 624.3017 (1), AND NRS 624.3013 (5) (CAUSES OF ACTION 1-5); AND TO DISMISS NRS 624.3013 (5), NRS 624.3011 (1) (A), NRS 624.3015 (1), NRS 624.3016 (6) NRS 624.3016 (1) (CAUSES OF ACTION 6-10).

MS. CAVIN SECONDED THE MOTION.

THE MOTION CARRIED. (MR. CARSON WAS OPPOSED)

MR. ZECH MOVED TO ORDER BLADES CONSTRUCTION TO RETAIN THE SERVICES OF ANOTHER DULY LICENSED CONTRACTOR TO CORRECT ALL OUTSTANDING ITEMS ON THE BOARD'S ORDER TO CORRECT IN BOTH MATTERS WITHIN 60 DAYS OR THE LICENSE WAS TO BE AUTOMATICALLY SUSPENDED, THE SELECTED CONTRACTOR TO BE APPROVED BY THE DEPUTY DIRECTOR OF INVESTIGATIONS AND THE WORK WAS TO BE ACCOMPLISHED TO THE STANDARDS OF THE TRADE IN GENERAL AND APPROVED BY THE BOARD'S INVESTIGATOR; AND TO STAY THE PENALTY PHASE AND INVESTIGATIVE COSTS TO THE AUGUST 7, 2001 RENO BOARD MEETING.

MS. CAVIN SECONDED THE MOTION.

THE MOTION CARRIED.

The Blades indicated they were not going to be in the area August 7, 2001. The Board made it known that only if all the corrections were completed, they would consider a continuance.

Access to both properties was to be coordinated through Reno investigative staff. The Board specifically noted that there was to be no contact between Blades Construction and the complainants.

SPUR DEVELOPMENT #40930 & #47691 – DISCIPLINARY HEARING

Scott W. Reutner, President, Spur Development, was present, along with Allan Stefka, Complainant, and NSCB Investigator Gary Leonard. Each was sworn in.

The Notice of Hearing for the June 5, 2001 hearing, consisting of two pages, was mailed certified to the address of record on May 4, 2001, return receipt received on May 9, 2001.

The Notice of Hearing and Complaint for the March 6, 2001 hearing, consisting of pages 1-34, was mailed certified to the Mail, Return Receipt Requested on March 12, 2001.

The hearing was for possible violations of NRS 624.3017 (1), workmanship which is not commensurate with standards of the trade in general or which is below the standards in the building or construction codes adopted by the city or county in which the work is performed; NRS 624.3013 (5), failure in any material respect to comply with the provisions of this chapter or the regulations of the board pursuant to NAC 624.700 (3) (a), and NAC 624.640 (5), 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, and by excluding

the license number and the monetary limit on the contract; and NRS 624.3018, certain persons prohibited from serving as officer, director, associate or partner of licensee.

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

Mr. Reese questioned Mr. Stefka, who testified that on or about September 20, 1999, he had entered into a contract with the Respondent for the purpose of constructing a single-family residence for a total contract price of \$230,423.00. Mr. Stefka had paid the total contract amount with the exception of \$2,500 being held by Title Company as retention. Additionally, the Respondent was paid another \$9,000 for extras in the home. Work started on or about July 1998 and the Respondent was last on the project on or about January 1, 1999. The project had since been completed. Providing his construction background, Mr. Stefka said he had formerly held a Nevada State Contractors' license, a C21 license, and his father before him had been a licensed California and Nevada contractor. He had worked on construction projects all of his life. Mr. Stefka then outlined the workmanship complaints that he had encountered. There were visible defects, cracks, texture, and paint problems throughout the house; the installation of the skylight was incomplete and had not been cleaned up; the interior basement wall was not straight, although interior walls must be straight and plumb; the first and second laminate countertop installation in the kitchen had been botched and remained so; the bearing walls in the basement contained a gap above header braces causing the shims to fall out; the doors did not open, close or lock properly; no trim had been installed at the bottom of the kitchen double oven, although Mr. Stefka had since corrected that item himself; the cabinet drawers and other operating parts in the kitchen and bathrooms were not level and stick and do not close properly; the faucets were loose and the sink stopper did not work properly in the master bath; the windows in the living room did not operate smoothly or with reasonable ease, in fact, they did not open; the window well anchor bolts were protruding from the basement wall; the closet shelf in the master bedroom sagged; there were oil stains on the carpet, which had been corrected; there were stains on the siding, resulting from the installation; the basement walls were not waterproofed to prevent leaks, which was a code violation; the paint did not adequately cover all areas in the kitchen, half bath, master, and near sky lights; and the carpet on the stairwell had been cut by the contractor's scaffolding.

NSCB Investigator Leonard testified that he had inspected each of the workmanship items and had validated them. On or about July 19, 2000 a notice to correct had been sent to the Respondent and on or about September 5, 2000, an amended notice to correct had been issued, containing additional items on it. However, the Respondent had failed to comply with either of the notices. The Respondent's contract with Mr. Stefka did not contain his monetary limit. At the time of the contract the Respondent only held one license.

Mr. Reutner testified that he had met with Investigator Leonard and Mr. Stefka. Because there was a civil lawsuit in process on the issue, Mr. Stefka's attorney advised Mr. Reutner he was not to be allowed into the house. He left and never went through the rest of the items. Mr. Reutner said he had made an offer to settle the matter.

Mr. Stefka countered Mr. Reutner's testimony as not being accurate. He said that in the first administrative meeting with Investigator Leonard and Mr. Reutner, halfway through the inspection Investigator Leonard indicated that there were a lot of valid issues on the list and he would have to allow Mr. Reutner 21 days to reasonably access the house. Mr. Stefka then alerted Mr. Leonard that his attorney had advised him not to enter into any agreements without consulting him first. Investigator Leonard understood and told Mr. Stefka to talk to his attorney and to get back with him with his decision. A couple of days later Mr. Stefka said he contacted Investigator Leonard and advised him that he was willing to have Mr. Reutner return to perform the corrective work. Investigator Leonard rescheduled the inspection and concluded it with Mr. Reutner present. Thereafter, Investigator Leonard said he prepared the second amended notice to correct.

Mr. Reutner said he did not understand the matter that way.

When asked if he was willing to allow Mr. Reutner back into the house to finish the items, Mr. Stefka said he would only as the last option.

When asked if the civil lawsuit had been filed before the complaint had been filed with the State Contractors' Board, Mr. Stefka replied that it had been filed at approximately the same time.

Mr. Reutner said the items needing correction were very minor things, and his subcontractors had all agreed to do their part. But he did not believe he could make the Stefkas happy no matter what he did. However, he said he was willing to make the corrections, although it was his belief that the Stefkas had no intent of paying him the final amount of money owed.

Mr. Zech pointed out that the corrections were to be made to the standards of the trade in general and approved by the Board's investigator. Mr. Reutner said he would do that.

Mr. Stefka stated he would prefer another duly licensed contractor to repair the items because many the items on the list had already had attempted fixes performed on them. He did not want Mr. Reutner or his superintendent back in to the house to fix it.

Investigator Leonard said that he had originally given Mr. Reutner 30 days to correct. He believed that the corrections could now be performed in the same time frame. Mr. Reutner agreed.

A discussion then focused on waterproofing the basement, which would require excavation. Investigator Leonard said he erred in his original verbiage. It needed to be damp-proofed not waterproofed. Per code, the basement needed to be damp-proofed.

The evidentiary portion of the hearing was closed.

MR. CARSON MOVED TO FIND LICENSE #40930 AND #47691, SPUR DEVELOPMENT, LTD., IN VIOLATION OF NRS 624.3017 (1), NRS 624.3013 (5) (CAUSES OF ACTION 1-3); AND TO DISMISS NRS 624.3018.

MR. HIGGINS SECONDED THE MOTION.

THE MOTION CARRIED.

MR. CARSON MOVED TO ORDER LICENSE #40930 AND #46791, SPUR DEVELOPMENT, LTD., TO COMPLY WITH THE LATEST NOTICE TO CORRECT TO THE STANDARDS OF THE TRADE IN GENERAL TO BE APPROVED BY THE BOARD'S INVESTIGATOR, AND, IF BY HOMEOWNER REQUEST, THE WORK WAS TO BE PERFORMED BY ANOTHER DULY LICENSED CONTRACTOR AT THE RESPONDENT'S EXPENSE, ALL COMMUNICATIONS BY BOTH PARTIES TO BE FACILITATED BY INVESTIGATOR LEONARD; AND TO CONTINUE THE PENALTY PHASE TO THE AUGUST 7, 2001 RENO BOARD MEETING.

MR. ZECH SECONDED THE MOTION.

THE MOTION CARRIED.

Mr. Leonard was charged with reviewing a list provided by the contractor to select an acceptable contractor to perform the work.

Michael Brodie Lewis, President, M B Lewis Construction, was present with his attorney, Wally Stephens.

Mr. Lewis, Robert Lee, Complainant; NSCB Investigator Gary Hoid; and Jime Lee were sworn in.

The Notice of Continued Hearing for the June 5, 2001 hearing, consisting of 2 pages, was sent by certified mail on May 1, 2001, return receipt received May 4, 2001.

The Notice of Continued Hearing for the March 6, 2001 hearing, consisting of two pages, was sent by Certified Mail, Return Receipt Requested to Respondent's address of record on February 2, 2001.

The Amended Notice of Hearing for the January 9, 2001 hearing, consisting of two pages, was sent by certified on November 17, 2000, return receipt was received on November 18, 2000.

The Notice of Hearing for the January 9, 2001 hearing, consisting of two pages, was sent by Certified Mail, Return Receipt Requested to Respondent's address of record on November 17, 2000. The Return Receipt was received by NSCB on November 20, 2000.

The Notice of Hearing and Complaint for the November 7, 2000 hearing, consisting of pages 1-14, was sent by certified mail, return receipt requested to Respondent's address of record on September 21, 2000. Return receipt was received by NSCB on September 28, 2000.

The hearing was for possible violation of NRS 624.3017 (1), workmanship which is not commensurate with standards of the trade in general or which is below the standards in the building or construction codes adopted by the city or county in which the work is performed; 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 order to correct, and each licensee shall include in all bids he submits or contracts he enters into for construction work within this state, the number of his license and any monetary limit placed upon his license; and NRS 624.3015 (1), performing work beyond the scope of the Respondent's B-2 license.

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

Mr. Reese questioned Mr. Lee, who testified that he had entered into a contract with the Respondent for the construction of a detached garage, concrete patio, porch addition and a re-roof on Mr. Lee's residence. Mr. Lee was to pay \$27,192 plus title to a mobile home to the Respondent for consideration of the work. Mr. Lee paid only \$21,000 plus title to the motor home toward the contract price. Mr. Lee cited problems with workmanship, specifically: plumbing, the stub outs for the sink and toilet were positioned too close together to allow side-by-side placement of the two fixtures; and the roof, the overhangs of both the garage and house have nails protruding through and the overhanging portion of the new porch roof where it intersects with the existing roof was not finished properly. Mr. Lee provided photographs that were given to Mr. Stephens for review.

Investigator Hoid testified that the work was not commensurate to the standard of the trade in general. On or about June 14 and July 19, 2000, correction notices were issued to correct these items. Thereafter, a final notice to correct was issued on or about August 16, 2000. None of the notices were complied with, although some of the repairs were performed. The Respondent's monetary limit was not on the contract. Investigator Hoid said that during the course of the construction, the Licensee performed electrical work on the project by installing various receptacles and light fixtures. That type of work required the Licensee to have a C2 license. He could not do the work with his B2 license.

Mr. Stephens objected to certain photographs Mr. Lee provided as irrelevant but accepted 8 of them as relevant. The 8 photographs were entered into the record as group EXHIBIT 2.

Mr. Stephens questioned Mr. Lee who agreed that the contract did not call for a toilet in the garage. It only called for a stub out for a cold water sink and a stub out for the drain for the sink. Both sub outs were in place. Much questioning followed regarding the roof because the nails protruded through the sheeting and were unsightly. Mr. Lewis had indicated a willingness to clip the nails to a length to comply with code and the manufacturer's requirements but Mr. Lee had not allowed the nails to be clipped but, rather, preferred to have the eaves soffit.

Mr. Lee explained that his reason for the soffit request was because some of the nails protruded through, in some cases, over an inch. It had been specifically written into the contract that the nails were not to protrude through the soffit and they could not now be clipped, because that had already been tried, nor could they be covered by paint.

Mr. Stephens spoke to the nail protrusion and said the notice to correct said that the item had to be corrected by appropriate means. The appropriate means would be to clip the nails, which the code allowed. He said Mr. Lewis was prepared to have all the issues corrected and an agreement had been made with D & D Roofing to correct the nail problem at a cost of \$3,687. Mr. Lewis recognized his responsibility to pay for that repair, but it still would not totally rectify the fact that some nails would continue to protrude. He said Mr. Lee had rejected that proposal and had taken the position that he wanted the entire house and garage soffit. Mr. Stephens then detailed what D & D Roofing was prepared to do for Mr. Lee. He said there was also a proposal to soffit the roof but it added an additional \$6,263 to Mr. Lewis' cost, for a total of \$9,800. That was \$1,800 more than the balance remaining due on the Lee contract. He said the matter could be resolved if Mr. Lee agreed to pay the balance of the contract.

Chairman Gregory asked for a signed copy of the entire contract including revisions. It was entered into the record as EXHIBIT 3. After reviewing the contract, Chairman Gregory pointed out that Mr. Lewis' contract with Mr. Lee stated that no nails were to protrude through the soffit, therefore, the work not only failed to meet the standard of the industry, but also failed to comply with the terms of the contract.

Mr. Reese asked Mr. Lee if Mr. Lewis' proposal to install the soffit was acceptable. He replied yes. When asked if he would pay Mr. Lewis when the work was completed, Ms. Lee said no. Mr. Lee added that there were other things that Mr. Lewis had not performed. He would pay Mr. Lewis just as soon as he completed everything.

Ms. Lee spoke to on-going litigation that involved other issues and these issues as well.

The Board explained they could only address the items listed in the current complaint. Any other issues needed to be addressed in a subsequent complaint that the Lee's were encouraged to file.

The evidentiary portion of the hearing was closed.

MR. ZECH MOVED TO FIND LICENSE #39667A, M B LEWIS CONSTRUCTION, INC., IN VIOLATION OF ALL CHARGES.

MR. CARSON SECONDED THE MOTION.

THE MOTION CARRIED.

MR. ZECH MOVED TO REVOKE LICENSE #39667A, M B LEWIS CONSTRUCTION, INC.

MS. CAVIN SECONDED THE MOTION.

THE MOTION CARRIED.

APPLICATION HEARINGS

THE RACK SHOP (C14B, C – Structural Steel; Ornamental Metal) APPLICATION HEARING

Robert Allen Smith, Owner, The Rack Shop, was present. Mr. Smith and Kathy Stewart, Licensing Supervisor, were sworn in.

The notice of Hearing & Complaint, dated May 3, 2001, consisting of pages 1-49, had been sent certified mail to the address of record. The return receipt was dated May 7, 2001.

The hearing was for denial of Respondent's application for a C14B, C (Structural Steel, Ornamental Metal) license pursuant to NRS 624.263, failure to establish financial responsibility and NRS 624.3013 (2), misrepresentation of a material fact.

On or about September 26, 2000, the Board denied the Respondent's application, and Attorney Reese stated the matter was before the Board as an intent to deny an application for a license.

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

Ms. Stewart testified that she had contacted the United States Bankruptcy Court and had been unable to find a bankruptcy filing by either the case number or social number as represented on Mr. Smith's credit report.

Mr. Smith testified that he had never filed a Chapter 7 bankruptcy. He had only filed a Chapter 13. That filing had a plan that had been complied with and the creditor's had been paid off.

Ms. Stewart stated she had contacted the Surety Company with respect to Mr. Smith's prior license bond. The surety reported they had paid a claim of \$345.57 on March 20, 1995, of which the surety did not notify the Board.

Chairman Gregory informed Mr. Smith that the financial statement did not support the limit he had requested.

Mr. Smith said he had reduced his limit request to \$1,000, and Ms. Stewart confirmed that request.

MR. CARSON MOVED TO APPROVE THE LICENSE APPLICATION WITH A LIMIT OF \$5,000, A \$2,000 BOND, AND A FINANCIAL REVIEW UPON RENEWAL.

MS. CAVIN SECONDED THE MOTION.

THE MOTION CARRIED.

GLEN HUGHES CONSTRUCTION (B2 – Residential & Small Commercial) APPLICATION HEARING

Glen A. Hughes, Owner, Glen Hughes Construction, was present. He, along with Kathy Stewart, Licensing Supervisor, was sworn in.

Mr. Hughes was told he had the right to close the meeting to the public because financial statement was going to be discussed but Mr. Hughes did not object to his witnesses being present.

The Notice of Continued Hearing, dated May 3, 2001, had been sent certified mail to the address of record. The return receipt was dated May 16, 2001.

The Notice of Hearing & Complaint, dated March 9, 2001, consisting of pages 1-111, had been sent certified mail to the address of record. The return receipt was dated March 21, 2001.

The hearing was for denial of Respondent's application for a B2 (Residential & Small Commercial) license pursuant to NRS 624.263, failure to establish financial responsibility.

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

On or about November 7, 2000, the Board denied Respondent's application, and Attorney Reese stated the matter was before the Board as an intent to deny an application for a license. He noted two Chapter 7 bankruptcies had been filed by Mr. Hughes, one personal and one business, which had been discharged; and that a new financial statement had been provided.

Ms. Stewart testified regarding the information contained in the new financial statement.

When asked what he intended to do with his license, Mr. Hughes replied that he wanted to perform residential remodeling and small tenant improvements, but only in the future. He had requested a \$1,000 limit because he was currently a resident of Arizona and did not intend to return to Nevada for a year. His purpose for moving to Arizona was to get back on his feet after experiencing financial turmoil. He only wanted the license application approved and then to keep the license on inactive status.

It was learned Mr. Hughes maintained an inactive license in California.

MR. ZECH MOVED TO APPROVE THE LICENSE APPLICATION WITH A LIMIT OF \$1,000 AND A \$1,000 BOND, CONDITIONED UPON AN APPLICATION TO PLACE THE LICENSE ON INACTIVE STATUS ONCE ISSUED.

MR. CARSON SECONDED THE MOTION.

THE MOTION CARRIED.

RALPH GRAVALLESE (C20 – Tiling) APPLICATION HEARING

Ralph Gravallese, Owner, Ralph Gravallese, was present. Mr. Gravallese and Kathy Stewart, Licensing Supervisor, were sworn in.

The notice of Hearing & Complaint, dated May 3, 2001, consisting of pages 1-11, had been sent certified mail to the address of record. The return receipt was dated May 17, 2001.

The hearing was for the denial of Respondent's application for a C20 (Tiling) license pursuant to NRS 624.263, failure to establish financial responsibility.

On or about December 20, 2000, the Board denied Respondent's application, and Attorney Reese stated the matter was before the Board as an intent to deny an application for a license.

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

Ms. Stewart testified to the problems encountered with the financial responsibility of the applicant. There were outstanding medical bills that Mr. Gravallese had agreed to pay as his current income would allow but he had not provided a specific payment plan; and, in addition, Mr. Gravallese had not provided a new financial statement nor had there been any changes to the credit report.

Mr. Gravallese agreed that nothing had changed financially. He then spoke in his behalf, stating his circumstances and providing reasons why he believed he should have a license. When asked if he knew anybody, who would indemnify the license, he replied no.

MR. ZECH MOVED TO DENY THE LICENSE APPLICATION.

MS. CAVIN SECONDED THE MOTION.

THE MOTION CARRIED.

ADVISORY OPINIONS

1. **JOSHUA TREE CONSTRUCTION INC.** – License Requirements for Non-Structural Tenant Improvements Located Above the Third Floor

No one was present for the advisory opinion.

Joshua Tree Construction Inc. held a B2 license and desired to perform non-structural tenant improvement work on structures that exceeded three stories.

The Board opined that the proper license to perform that type of work was a full B license pursuant to NAC 624.160. The B2 category was limited to the construction and remodeling of houses and other structures which support, shelter or enclose persons or animals or other chattels, and which do not extend more than three stories above the ground and one story below the ground.

2. **CITY OF NORTH LAS VEGAS** – BID NO. 1104 – License Requirements for Mature Parks Renovation Project, Phase I
3. **CITY OF NORTH LAS VEGAS** – BID NO. 1105 – License Requirements for Mature Parks Renovation Project, Phase II

Brian Martin, Principal Engineer, City of North Las Vegas, was present for the advisory opinion.

The Board opined that the proper license classification to act as a prime contractor on this project was an A, AB, B, or B2 license.

Mr. Martin questioned what license classification could act as the prime contractor if the project was limited to only shade shelters and anti graffiti coating. Again, the Board opined it was an A, AB, B, or B2 license, adding if there were no structures involved B license holders could not act as the prime contractor.

Taking his question one step further, Mr. Martin said that in evaluating the bids, he noticed that some of the B and B2 license holders did not list subcontractors for landscape work, concrete work or earth work. The Board opined that they could perform the concrete work, however, a B or B2 license would be required to hire a properly licensed subcontractor to perform the landscaping and earthwork required on the project.

4. **DOUGLAS COUNTY SCHOOL DISTRICT** – License Requirement to Remove Metal Roof and Install New Metal Roof and Felt

Rick Kester, Director of Business Services, Douglas County School District was present for the advisory opinion along with John Walton, President, Kenebec, Inc. Stephen Gueven, Vice President, Kenebec, Inc., Mark Donahue, General Manager Cedar Roofing, Inc.; Fred Dolven, President, Dolven Architectural Association; and Robb Smith, President Roofing Contractors' Association of Nevada.

The project pertained to the re-roofing of Whittell High School's metal roof. The current metal roof was to be removed and a new metal roof was to be installed. The question was whether or not a C14 contractor could perform the work or did it require a C15 license?

The Board opined that a C15, a C21 or a C1 license holder could act as the prime contractor on the project.

APPLICATION HEARINGS (Continued)

MOUNTAIN MASONRY (C18 – Masonry) APPLICATION HEARING

Cory R. Prunty, Owner, Mountain Masonry, was present. He, along with Kathy Stewart, Licensing Supervisor, was sworn in.

The notice of Hearing & Complaint, dated May 3, 2001, consisting of pages 1-10, had been sent certified mail to the address of record. The return receipt was dated May 14, 2001.

The hearing was for the denial of Respondent's application for a C18 (Masonry) license pursuant to NRS 624.263, failure to establish financial responsibility.

On or about December 19, 2000, the Board denied Respondent's application, and Attorney Reese stated the matter was before the Board as an intent to deny an application for a license.

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

Ms. Stewart testified to the problems encountered with the financial responsibility of the applicant, adding that Mr. Prunty had since furnished a new financial statement, dated May 31, 2001. She then testified to the information contained on the new financial statement.

MR. ZECH MOVED TO APPROVE THE LICENSE APPLICATION WITH A LIMIT OF \$100,000 AND A \$10,000 BOND.

MR. SCHAEFER SECONDED THE MOTION.

THE MOTION CARRIED.

BIZZY BUZZY (C4A– Painting) APPLICATION HEARING

Elroy B. DeVoll, Owner, Bizzy Buzzy, was present with his attorney Mark Lenz. Mr. DeVoll and Kathy Stewart, Licensing Supervisor, were sworn in. Also sworn was Brian Cuthill, Pastor, Church of the Nazarene.

The notice of Hearing & Complaint, dated May 3, 2001, consisting of pages 1-111, had been sent certified mail to the address of record. The return receipt was dated May 9, 2001.

The hearing was for the denial of Respondent's application for a C4A (Painting) license pursuant to NRS 624.263, failure to establish financial responsibility, and NRS 624.265, failure to demonstrate good character.

On or about August 22, 2000, the Board denied Respondent's application, and Attorney Reese stated the matter was before the Board as an intent to deny an application for a license.

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

Ms. Stewart testified regarding two felony counts of lewdness with a minor under the age of fourteen. Mr. DeVoll had been placed on probation for 5 years, during which time Mr. DeVoll was not to be alone with children. The Respondent had been discharged from probation on January 25, 1999. On January 22, 1999 the Respondent had registered with the Carson City Sheriff Department as a sex offender. Previous license applications had been denied based on lack of moral character. Ms. Stewart then testified to the lack of financial strength on the financial statement submitted with the application. A new financial statement had been provided and the credit report listed all accounts as current. A prior bankruptcy had been filed and discharged.

Mr. DeVoll testified that he had been discharged from probation two years ago. His marriage counseling ended at the same time. He worked for two different companies, doing whatever he could to earn a living. He said evaluation letters had been given to the probation department but he did not have any copies of them.

Mr. Lenz stated that Pastor Brain Cuthill was present to testify as to Mr. DeVoll's character as he had known him for many years. Mr. DeVoll had met all terms of his probation, which had ended. Mr. DeVoll's wife was also present. She had stayed with Mr. DeVoll through all of the problems. Mr. Lenz said the particular problem was a marriage problem rather than a sexual predator problem. He stated that there was no societal risk in granting Mr. DeVoll a license. He was currently performing voluntary work as a painter for those in need.

Chairman Gregory said the financial matter was not the issue. Discussion then focused on Mr. DeVoll performing new construction or work on unoccupied homes rather than on occupied homes.

Mr. Reese suggested granting a conditional license without putting it on the license.

Pastor Cuthill testified as to Mr. DeVoll's character and to the volunteer projects he had performed work on. When asked if, in his professional opinion, was Mr. DeVoll a threat to public safety, he replied no.

MR. CARSON MOVED TO APPROVE THE LICENSE APPLICATION FOR A C4A LICENSE WITH A LIMIT OF \$100,000 AND A \$10,000 BOND, THE PROBATION STATUS WOULD BE REVIEWED AFTER ONE YEAR.

MS. CAVIN SECONDED THE MOTION.

THE MOTION CARRIED.

A J S CONSTRUCTION (B2 – Residential & Small Commercial) APPLICATION HEARING

Anthony J. Silva, Owner, A J S Construction, was present. He, along with Kathy Stewart, Licensing Supervisor, and Diana Sippola, License Analyst, were sworn in.

The notice of Hearing & Complaint, dated May 3, 2001, consisting of pages 1-14, had been sent certified mail to the address of record. The return receipt was dated May 11, 2001.

The hearing was for the denial of Respondent's application for a B2 (Residential & Small Commercial) license pursuant to NRS 624.263, failure to demonstrate the requisite experience of an applicant for a residential and small commercial building license; and NRS 624.263, failure to establish financial responsibility.

On or about December 5, 2000, the Board denied Respondent's application, and Attorney Reese stated the matter was before the Board as an intent to deny an application for a license.

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

Chairman Gregory questioned if the applicant had been allowed to test. Ms. Stewart replied that he had not because he had not demonstrated the necessary experience required by law.

Ms. Sippola said that the Respondent's primary employment between 1993 to the present was with UPS as a maintenance mechanic. His experience was limited to the construction of one home. He built his own personal residence; he helped to perform a bedroom remodel; he helped in the construction of one additional home and two detached garages. Friends with whom he assisted in owner/builder projects had completed two of the references. No specific project had been cited in a third reference and his fourth reference cited experience as a field inspector for a residential designer.

A Mr. Ainsworth of Associated Residential Designs said Mr. Silva had worked for him since 1995 as a Field Liaison but not as a full time employee. Payment of work had been made in trade for Mr. Silva's plans.

MR. ZECH MOVED TO ALLOW THE APPLICANT TO TAKE THE TRADE EXAMINATION.

MR. CARSON SECONDED THE MOTION.

THE MOTION CARRIED.

Mr. Silva was requested to provide a current financial statement if he passed the test.

McCLELLAND BUILDERS & EXCAVATION (B2 – Residential & Small Commercial) APPLICATION HEARING

David B. McClelland, Owner, McClelland Builders & Excavation, was present. He, along with Kathy Stewart, Licensing Supervisor; Teresa McClelland; and Diana Sippola, Licensing Supervisor, were sworn in.

The notice of Hearing & Complaint, dated May 3, 2001, consisting of pages 1-28, had been sent certified mail to the address of record. The return receipt was dated May 8, 2001.

The hearing was for the denial of Respondent's application for a B2 (Residential & Small Commercial) license pursuant to NRS 624.265 (1), (C) failure to demonstrate good character: been found guilty of, or convicted of a crime; NRS 624.265 (1), (D) failure to

demonstrate good character: had a license revoked for reasons that would preclude the granting of a license for which the application has been made; NRS 624.263, failure to establish financial responsibility; and NRS 624.3013 (2), misrepresentation of a material fact in connection with the application.

On or about November 7, 2000, the Board denied Respondent's application, and Attorney Reese stated the matter was before the Board as an intent to deny an application for a license.

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

Ms. Stewart testified that a new financial statement, dated June 5, 2001, had been provided. She then spoke to the information contained in the financial statement. She said there had been no change to the credit report. In addition, Mr. McClelland's prior contractor's license had been revoked for failure to pay, and according to Board records, the complaint remained unresolved.

Mr. McClelland explained why he had run into financial difficulties. He said it had been a big learning lesson for him. His IRS payment toward his outstanding debt had been set at \$450 per month in an offer and compromise. He said he wanted to perform both general building and excavation work.

He was informed that his financial statement did not support the issuance of a license.

When asked if J & R Painting had been paid, Mr. McClelland responded no.

MS. CAVIN MOVED TO DENY THE LICENSE APPLICATION BASED ON THE PREVIOUS LICENSE AND FINANCIAL HISTORY.

MR. ZECH SECONDED THE MOTION.

THE MOTION CARRIED.

FLOORS TO GO (C16A & D – Covering Floors; Laying Carpet) APPLICATION HEARING

Linda D. Ribis, Owner, Floors To Go, was present with her attorney, Mark Wray. Ms. Ribis, along with John Sapp, NSCB Investigator; Kathy Stewart, Licensing Supervisor; and David Deerman, were sworn in.

The notice of Amended Hearing & Complaint, dated May 3, 2001 had been sent certified mail to the address of record. The return receipt was dated May 8, 2001.

The notice of Hearing & Complaint, dated February 28, 2001, consisting of pages 1-44, had been sent certified mail to the address of record. The return receipt was dated March 5, 2001.

The hearing was for the denial of Respondent's application for a C16A & D (Covering Floors; Laying Carpet) license pursuant to NRS 624.265 (1), (C) failure to demonstrate good character. Been found guilty of, or convicted of a crime, related to activities of such person in such a manner as to demonstrate his unfitness to act as a contractor; NRS 624.265 (1), (A) and NRS 624.302 (5), failure to demonstrate good character: committed any act which would be grounds for denial, suspension or revocation of contractor's license, and failure or refusal to cooperate in the investigation of a complaint; and NRS 624.263, failure to establish financial responsibility.

On or about October 17, 2000, the Board denied Respondent's application, and Attorney Reese stated the matter was before the Board as an intent to deny an application for a license.

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

Ms. Stewart testified that on September 30, 1994, Ms. Ribis had been convicted of destruction of property, conspiracy to commit crime of destruction of property, first-degree arson and burning property with intent to defraud insurer. Under special terms of probation, she was to pay restitution to the victim in the amount of \$54,851.77. On November 16, 1999, Ms. Ribis was dishonorably discharged from probation based on not paying full restitution, leaving an unpaid balance of \$20,875.85.

Investigator Sapp testified to the second cause of action, saying that, in connection with the investigation of a case, he had attempted to serve a Subpoena Duces Tecum to acquire certain information but Ms. Ribis had not provided the information to the Board.

When asked what type of work Floors To Go did now, it was learned it was a retail facility.

As the financial statement submitted with the application was dated December 31, 1999, a new financial statement had been requested but had not been provided.

Mr. Wray said he had brought with him exhibits to show cause and a new financial statement. A binder of exhibits was entered into the record as EXHIBIT A.

In discussion regarding the second cause of action, Chairman Gregory asked how installations were currently being handled. Mr. Wray said they contracted with installers, such as Mr. Deerman or others like him to install the carpet.

Ms. Ribis said she had been mistakenly under the impression that she was operating legally by using licensed people.

A financial discussion then followed. Ms. Stewart pointed out the financial statement received with the application was a business statement, not a personal one. It did not list two civil judgments, a federal tax lien from 1994, or three collection accounts listed on the credit report.

Mr. Wray then spoke to the felony conviction. He said exhibit 11 of EXHIBIT A was an order honorably terminating probation. His client did indeed pay her portion of the restitution in the amount of ½ of the amount imposed. Judge Steinhiemer, who originally ordered probation, had a hearing on the matter and had entered the order. The order showed that Ms. Ribis was honorably terminated from her probation in that matter. In addition, Mr. Wray said he had a letter dated with today's date from Mr. Cornell, the attorney who represented Linda Ribis in her appeal of her criminal conviction. Mr. Cornell indicated that, although he was owed \$3,800 for the work he had performed on behalf of Linda Ribis and that the amount had to be assigned for collection, he fully supported Ms. Ribis' attempt to become or maintain the status of a licensed contractor in the State of Nevada. It was Mr. Cornell's personal opinion that Ms. Ribis was innocent of the charge and had been wrongly convicted.

Ms. Ribis testified to Mr. Zech's question regarding page 7 of EXHIBIT 1, the assessed IRS tax.

Ms. Mathias pointed out that the Respondent's EXHIBIT A included a Profit and Loss statement only. A CPA prepared financial statement had not been provided.

The stipulation was signed.

MR. CARSON MOVED TO CONTINUE THE HEARING FOR 30 DAYS TO ALLOW THE RESPONDENT TO PROVIDE A CURRENT CPA PREPARED FINANCIAL STATEMENT.

MR. ZECH SECONDED THE MOTION.

THE MOTION CARRIED.

APPLICATIONS

The following motion closed the meeting to the public.

MR. ZECH 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).

VALLEY MASONRY #24644 (C18 – Masonry) INACTIVE STATUS

Gary Hoid, Owner, Valley Masonry, was present.

Mr. Hoid had applied to place his license on inactive status in accord with Section 5 of Regulation 022-01.

Ms. Grein requested that a letter be placed into the employment file of Gary Hoid, NSCB Investigator, indicating that should Mr. Hoid ever leave the employment of the NSCB, that his license would return to active status without Mr. Hoid having to provide a new financial statement since the action was taken as a condition of employment.

When asked why it was necessary to do that. Ms. Grein explained that the regulations did not allow NSCB investigators to hold an active contracting license.

The Board granted Ms. Grein's request.

COLLINS CONSTRUCTION (B2 – Residential & Small Commercial) NEW APPLICATION

James Collins, Owner, was present.

Ms. Stewart said that in 1990 Mr. Collins was convicted for vehicular manslaughter, and in June of 2000, he was convicted of trespassing.

Mr. Collins said he had gotten himself into trouble regarding his ex-wife. A brawl started and he was later convicted for trespassing.

The general consensus was to approve the license application with a limit of \$250,000 and a \$20,000 bond.

W C I LLC (C40 – Fiberglass Reinforced Gypsum, Plastics & Plaster for Architectural Finishes, Moldings, Partitions, Wall Panels & Domes) NEW APPLICATION, RECONSIDERATION

Kent Whitehead, Manager, W C I LLC, was present.

Ms. Stewart said W C I had originally applied for a C40, Fiberglass, Reinforced Gypsum, Plastic and Plaster for Architectural Finishes, Molding, Partitions, Wall Panels and Stones

Chairman Gregory explained why the Board had granted his company a C4 and a C17 license.

Mr. Whitehead said his company only installed finished material. He requested the application be approved as a C40 license because of the exam requirements. He had taken the law portion of the exam but not the trade exams for the C4 and C17.

The Board waived the C4 and the C17 license requirement, contingent upon the additional application and fee.

CENTURY ELEVATOR OF NEVADA LLC #43225 (C7A, B, D – Elevator & Dumbwaiter; Escalator & Conveyor; Moving Walkway) EXTENSION TO REPLACE QUALIFIER

Attorney Kirby Gruchow, Jr., was present to represent the Licensee. He was notified that the Board had granted an additional, but final, 45-day extension to replace the Qualified Employee.

The remainder of the applications on the agenda was reviewed and discussion occurred on the following: Nos. 2-7, 10, 15-16, 19, 21, 30-31, 34, 38, 43, 50-51, 54, 60-66, 72-73, 78, 82-83, 106-107, 112, 114-115, 117-119, 121, and 123; and on the amended agenda: Nos. 1-2, 5, 9, 11, 13-15, 17, 19, 22, 25, and 30.

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

MS. CAVIN SECONDED THE MOTION.

THE MOTION CARRIED.

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

MS. CAVIN SECONDED THE MOTION.

THE MOTION CARRIED.

PUBLIC COMMENT

No one from the general public was present to speak for or against any items on the agenda.

There being no further business to come before the Board, the meeting was adjourned by Chairman Gregory at 4:28 p.m.

Respectfully Submitted,

Betty Wills, Recording Secretary

APPROVED:

Margi Grein, Executive Officer

Kim Gregory, Chairman