

KENNY C. GUINN
Governor

STATE OF NEVADA

REPLY TO:

LAS VEGAS
2310 Corporate Circle
Suite 200
Henderson, Nevada 89074
(702) 486-1100
Fax (702) 486-1190
Investigations (702) 486-1110

www.nscb.state.nv.us

RENO
9670 Gateway Drive, Suite 100
Reno, Nevada 89521
(775) 688-1141
Fax (775) 688-1271
Investigations (775) 688-1150



STATE CONTRACTORS BOARD

**MINUTES OF THE MEETING
September 21, 2004**

MEMBERS
RANDALL SCHAEFER
Chairman
MARGARET CAVIN
Vice Chair
DAVID W. CLARK
SPIRIDON FILIOS
JERRY HIGGINS
J. BRIAN SCROGGINS
MICHAEL ZECH

1. CALL TO ORDER:

Chairman Randy Schaefer called the meeting of the State Contractors Board to order at 8:15a.m., Tuesday, September 21, 2004, State Contractors Board, Henderson and Reno, Nevada. Exhibit A is the Meeting Agenda and Exhibit B is the Sign In Log.

BOARD MEMBERS PRESENT:

Mr. Randy Schaefer - Chairman
Mr. David Clark
Mr. Spiridon G. Filios
Mr. Jerry Higgins
Mr. J. Brian Scroggins
Mr. Michael Zech

STAFF MEMBERS PRESENT:

Ms. Margi Grein, Executive Officer
Ms. Nancy Mathias, Licensing Administrator
Mr. George Lyford, Director of Investigations
Mr. Chris Denning, Deputy Director of Investigations
Mr. Daniel Hammack, Chief of Enforcement

BOARD MEMBERS ABSENT:

Ms. Margaret Cavin, Vice Chair

LEGAL COUNSEL PRESENT:

Mr. Bruce Robb, Esq., Legal Counsel
Ms. Laura Browning, Esq., Legal Counsel

It was moved and seconded to amend the agenda, adding applications 1 - 10. MOTION CARRIED.

2. APPROVAL OF MINUTES: September 8, 2004

It was moved and seconded to approve the minutes of September 8, 2004. MOTION CARRIED.

3. APPLICATIONS:

a. APPLICATIONS: (CLOSED MEETING PURSUANT TO NRS 241.030)

It was moved and seconded to close the meeting to the public in accordance with NRS 241.030 to discuss financial matters. MOTION CARRIED.

ALL INCLUSIVE CONSTRUCTION, LLC, (B-2 RESIDENTIAL & SMALL COMMERCIAL) NEW APPLICATION, RECONSIDERATION

Applicant was present.

It was moved and seconded to approve the license application. MOTION CARRIED.

LENNAR FAMILY OF BUILDERS LIMITED PARTNERS, (B-2 RESIDENTIAL & SMALL COMMERCIAL)
ADDITIONAL QUALIFIER, BOARD DECISION

Licensee was not present.

It was moved and seconded to deny the additional qualifier application. MOTION CARRIED.

M S & S L LLC, (A-7, 12, 13 EXCAVATE/GRADE/TRENCH/SURFACE; WRECKING BUILDINGS) NEW
APPLICATION, RECONSIDERATION

Applicant was present.

It was moved and seconded to approve the license application. MOTION CARRIED.

SIEMENS WESTINGHOUSE POWER CORPORATION, (A-GENERAL ENGINEERING) NEW
APPLICATION, REQUEST WAIVER OF TRADE EXAM

Applicant was present.

It was moved and seconded to approve the license application. MOTION CARRIED.

EXPRESS BUILDING AND DEVELOPMENT SZ CORP, (B-2 RESIDENTIAL & SMALL COMMERCIAL)
NEW APPLICATION, RECONSIDERATION

Applicant was present.

The Board declined to reconsider their previous decision.

BIG PICTURE MURALS (THE), (C-6 ERECTING SIGNS) NEW APPLICATION

Applicant was present.

It was moved and seconded to approve the license application. MOTION CARRIED.

IC F COMMUNICATION SOLUTIONS, INC., (C-2D, E AMPLIFYING SYSTEMS; SIGNAL SYSTEMS) NEW
APPLICATION

Applicant was present.

It was moved and seconded to approve the license application. MOTION CARRIED.

SILVER STATE CONSTRUCTION, (B-2, B-5 RESIDENTIAL & SMALL COMMERCIAL; PREFAB STEEL
STRUCTURES) F/S ON RENEWAL, BOARD DECISION

Licensee was present.

It was moved and seconded to approve the renewal application. MOTION CARRIED.

SILVER STATE CONSTRUCTION, (B-2, B-5 RESIDENTIAL & SMALL COMMERCIAL; PREFAB STEEL
STRUCTURES) RAISE IN LIMIT

Licensee was present.

It was moved and seconded to approve the raise in limit application. MOTION CARRIED.

FLOORING MASTERS, (C-3B FINISH CARPENTRY) NEW APPLICATION

Applicant was present.

It was moved and seconded to approve the license application. MOTION CARRIED.

K W M CONSTRUCTION, (B-2 RESIDENTIAL & SMALL COMMERCIAL) ONE TIME RAISE IN LIMIT

Licensee was not present.

It was moved and seconded to approve the one time raise in limit application contingent upon the licensee submitting the license renewal application within 30 days. MOTION CARRIED.

D B A CONTRACTING, (B-2 RESIDENTIAL & SMALL COMMERCIAL) ONE TIME RAISE IN LIMIT, BOARD DECISION

Licensee was present.

It was moved and seconded to approve the one time raise in limit application. MOTION CARRIED.

D B A CONTRACTING, (B-2 RESIDENTIAL & SMALL COMMERCIAL) RAISE IN LIMIT, BOARD DECISION

Licensee was present.

It was moved and seconded to approve the raise in limit application. MOTION CARRIED.

4. SUBCOMMITTEE REPORTS:

EXECUTIVE SUBCOMMITTEE

Ms. Grein recommended the Board change its regularly scheduled meetings to Thursday and to meet every three weeks. Ms. Grein will propose an agenda schedule for the next fiscal year at the next scheduled meeting.

RECOVERY FUND SUBCOMMITTEE

Mr. Lyford provided a status report of the Residential Recovery Fund and a summary of the claims filed against Curtis Construction and other standard cases.

5. EXECUTIVE SESSION:

b. DISCUSSION OF 2005 LEGISLATIVE SESSION AND PROPOSED LEGISLATION:

Ms Grein disclosed that the Board's Bill Draft Request (BDR) was forwarded to the Legislative Counsel Bureau and that all proposed changes would be included in one BDR.

c. DISCUSSION OF PROPOSED CONTRACT WITH AMERICAN STRATEGIES, INC.:

Ms. Grein will provide an update at the Reno Board Meeting on October 5, 2004.

d. REVIEW AND DISCUSSION OF SOLARI AND STURMER LLC MANAGEMENT POINT LETTER:

Ms. Grein presented the Solari and Sturmer, LLC management letter and reported on the procedural changes.

e. LEGAL REPORTS:

Ms. Browning and Mr. Robb provided status reports on pending litigation.

f. DISCUSSION OF ORDER DISMISSING APPEAL OF VISION CRAFT HOMES, INC. AND DANIEL BERG:

Ms. Browning provided status of the order dismissing appeal of Vision Craft Homes, Inc. and Daniel Berg.

g. DEPARTMENTAL REPORTS:

Ms. Grein will provide updates at the Reno Board Meeting, October 5, 2004.

6. APPLICATION DENIAL HEARING:

KENNETH JONES., DBA CELEBRITY PATIO

Applicant was present.

The following Agency Exhibits were entered:

Exhibit 1 – Board Hearing File.

It was moved and seconded to approve the license application (C-40 Designated for Alumawood Patio Covers) with a monetary limit of \$10,000.00 and bond of \$2,000.00. MOTION CARRIED.

7. APPLICATION DENIAL HEARING:

FIRST CLASS CONSTRUCTION

Applicant was present.

The following Agency Exhibits were entered:

Exhibit 1 – Board Hearing File.

It was moved and seconded to approve the license application (C-3 Carpentry) with a monetary limit of \$10,000.00 and bond of \$1,000.00. MOTION CARRIED.

8. FINANCIAL REVIEW HEARING:

INTEGRITY POOLS, INC., LICENSE NO. 41217

Licensee was present with Counsel Harry Hinderliter, Esq.

The following Agency Exhibits were entered:

Exhibit 1 – Board Hearing File.

It was moved and seconded to approve the financial review and increase the monetary limit to \$250,000.00 with the bond to remain at \$20,000.00. This approval is contingent upon the licensee providing documentation on the Line of Credit, completing a raise in limit application and providing personal indemnification. MOTON CARRIED.

9. RAISE IN MONETARY LIMIT APPLICATION INTERVIEW:

EBENISTE, INC., LICENSE NO. 51859

Licensee was present.

The following Agency Exhibits were entered:

Exhibit 1 – Board Hearing File.

It was moved and seconded to approve the raise in limit application with a monetary limit of \$650,000.00 with the bond to remain at \$10,000.00. This approval is contingent upon evidence of subordination of the note payable to stockholder. MOTION CARRIED

The Board reviewed the remainder of the applications on the agenda.

It was moved and seconded to reopen the meeting to the public. MOTION CARRIED.

b. RATIFICATION OF LICENSE APPLICATIONS, CHANGES OF LICENSURE, REINSTATEMENTS OF LICENSURE:

It was moved and seconded to ratify all applications not specifically discussed in closed session as recommended by staff. MOTION CARRIED.

PUBLIC COMMENT:

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

ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned by Chairman Schaefer at 10:23 p.m.

Respectfully Submitted,

Traci Greenlee, Recording Secretary

APPROVED:

Margi Grein, Executive Officer

Randall Schaefer, Chairman

ADJUDICATING BOARD MEMBER: MICHAEL ZECH

10. DISCIPLINARY HEARING:

SORENSENS CONSTRUCTION, INC., LICENSE NOS. 43540, 47671

Licensee was present with Counsel William Heaton, Esq.

The following Agency Exhibits were entered:

Exhibit 1 – Board Hearing File.

The following Respondent Exhibits were entered:

Exhibit A – Documents prepared by Respondents Counsel on behalf of Sorensens Construction, Inc.
Subcontract between Flagship Construction Co., LLC and Sorensens Construction, Inc. dated September 9, 20, 2003.
Change orders dated July 22, 2004.
Letter from Sorensens Construction, Inc. to Western Slope Iron dated September 8, 2003.
Purchase order from Sorensens Construction, Inc. dated September 25, 2003.
Revised purchase orders dated December 4, 2003 and April 9, 2004.
Cost variance report dated September 20, 2004.
Letter from Flagship Construction Co., LLC to Sorensen Construction, Inc. dated April 2, 2004.
Back charges from Sorensen Construction, Inc.
Change order request from Sorensens Construction, Inc. dated December 3, 3003.
Letters from Sorensen Construction, Inc. dated October 14, 2003, October 15, 2003 and October 23, 2003.
Email from David Sams to Randy Zlomke dated November 5, 2003.
Letter from Sorensen to Flagship Construction Co., LLC dated November 14, 2003.
Revised change order request dated September 9, 2003.

Hearing Officer Zech dismissed the complaint.

11. DISCIPLINARY HEARING:

DISTINCTIVE GENERAL CONTRACTING, LICENSE NOS. 45304, 51595

Licensee was not present but was represented by Counsel Andrew Smith, Esq.

The following Agency Exhibits were entered:

Exhibit 1 – Board Hearing File.

Exhibit 2 – Copy of certified mail receipt dated March 31, 2004 for notice of meeting.

Exhibit 3 – Copies of wire transfers for payments on residence.

Exhibit 4 – Three estimates of the cost to repair the residence.

Exhibit 5 – Email from Mr. Gremore to Ms. Newberry dated January 17, 2004.

Hearing Officer Zech found Respondent Distinctive General, Jerry Gremore, President, license numbers 45304 and 51595 guilty of violation of NRS 624.3013(3) failure to establish financial responsibility; NRS 624.302(5) failure to cooperate in an investigation; NRS 624.302(6) failure to comply with a written request from the Board for information or records; NRS 624.301(2) abandonment; NRS 624.3018(2) association of any act or omission constituting a cause for disciplinary action. The Fifth and Sixth Causes of Action were dismissed. License numbers 45304 and 51595, Distinctive General Contracting were Revoked. Mr. Gremore was ordered to reimburse the

Board for Investigative costs of \$2,637.00 and any expenses that may be paid out of the Recovery Fund prior to consideration of future licensure.

12. DISCIPLINARY HEARING:

EMPIRE PLUMBING, INC., LICENSE NO. 51461

Licensee was present.

The following Agency Exhibits were entered:

Exhibit 1 – Board Hearing File.

Exhibit 2 – Fax from Empire Plumbing, Inc. to Mr. Athari regarding the cost of new fixtures.

Hearing Officer Zech found Respondent Empire Plumbing, Inc., Randy Perry, President, license number 51461 guilty of Two (2) violations of NRS 624.3017(1) substandard workmanship; NRS 624.3013(3) failure to establish financial responsibility; NRS 624.3013(5), as set forth in NRS 624.520(1) failure to provide Residential Recovery Fund notice to owner; NRS 624.302(5) failure to cooperate in an investigation; NRS 624.302(6) failure to comply with a written request from the Board for information or records. Mr. Perry was assessed a fine of \$1,000.00 for the First and Third Causes of Action, a fine of \$2,000.00 for the Fifth Cause of Action for a total fine of \$4,000.00. Investigative costs were assessed in the amount of \$3,125.00. Fines and Costs are to be paid within 90 days from September 21, 2004 or license number 51461 Empire Plumbing, Inc. will automatically be Suspended. A Permanent letter of Reprimand will be placed in the Respondent's file for the Fifth, Sixth, Seventh and Eighth Causes of Action. The Respondent is ordered to submit to a Business Review within 60 days from September 21, 2004. The result of the Business Review will be presented to the Executive Officer. The Respondent will be provided a billing and will reimburse the Board for the cost of the Business Review within 10 days of receipt of the billing. Failure to submit to the Business Review or reimburse the Board the investigative cost will result in the Suspension of the license.

13. DISCIPLINARY HEARING:

CREATIVE POOL DESIGN, INC., LICENSE NO. 32964A

Licensee was present with Counsel Brent Carson, Esq.

The following Agency Exhibits were entered:

Exhibit 1 – Board Hearing File.

Exhibit 2 – Agreement from Creative Pools dated January 6, 2003.

Exhibit 3 – Letter from Chris Denning granting an extension of time to provide a financial statement.

The following Respondent Exhibits were entered:

Exhibit A – Documents prepared by Respondents Counsel on behalf of Creative Pool Design, Inc.
Notice of Hearing.
Contract dated July 9, 2003.
Letter from Dimitri Dalacas, Esq. to Creative Pool Design, Inc.
Release of Mechanics Lien dated August 27, 2004.
Unconditional Lien Waiver dated August 26, 2004.
Fax from Mr. and Mrs. McGrew to Creative Pool Design.
Inspection report dated November 11, 2003.
Fax from Creative Pool Design, Inc. to Mr. and Mrs. McGrew.
Preliminary Notice dated November 19, 2003.
Letter from Creative Pool Design, Inc. to Mr. and Mrs. McGrew dated November 19, 2003.

Lien Notice dated December 9, 2003.

Letter from Greg Welch to Creative Pool Design, Inc. dated January 26, 2004.

Notice to Correct dated February 13, 2004.

Fax from Dimitri Dalacas, Esq. to Creative Pool Design, Inc. dated February 27, 2004.

Letter from Creative Pool Design, Inc. to Dimitri Dalacas, Esq. dated February 27, 2004.

Letter from Creative Pool Design, Inc. to Greg Welch dated February 27, 2004.

Hearing Officer Zech found Respondent Creative Pool Design, Inc., Julian Eusebio, President, license number 32964A guilty of violation of NRS 624.3017(1) substandard workmanship; NRS 624.3013(5), as set forth in NAC 624.700(3)(a) failure to comply with Notice to Correct; NRS 624.3013(3) failure to establish financial responsibility; NRS 624.3013(5), as set forth in NRS 624.520(1) failure to provide Recovery Fund notice to owner; NRS 624.3016(5), as set forth in NRS 597.719(2)(d) and NAC 624.6958(2)(d) failure to provide the estimated date of completion pursuant to the contract; NRS 624.3016(5), as set forth in NAC 624.6964(3) failure to comply with the schedule of payment by receiving payments in excess of 100 percent of the contracted amount for any stage or phase of the work performed; NRS 624.3016(5), as set forth in NRS 597.719(3)(b)(1) failure to provide a notice stating that the owner may contact the Board if assistance is needed to clarify any of the provisions of the contract that the owner does not fully understand; NRS 624.3016(5), as set forth in NRS 597.716(5) failure to provide written statement explaining the rights of the customer under NRS 597.713 to 597.7198, inclusive, and other relevant statutes; NRS 624.3016(5), as set forth in NRS 597.719(2)(h) failure to provide the owner with the notice and information form required by NRS 624.600; NRS 624.3016(5), as set forth in NRS 624.600 an informational form, whose contents must be prescribed by the Board, regarding mechanics and materialmen's liens pursuant to chapter 108 of NRS. Mr. Eusebio was assessed a fine of \$1,000.00 for the First, Second, Sixth, Seventh and Ninth Causes of Action a fine of \$2,000.00 for the Tenth, Eleventh, Twelfth and Thirteenth Causes of Action for a total fine of \$13,000.00. Investigative costs were assessed in the amount of \$2,014.00. Fines and Costs are to be paid within 90 days from September 21, 2004 or license number 32964A, Creative Pool Design, Inc. will automatically be Suspended. A Permanent letter of Reprimand will be placed in the Respondent's file for the Sixth, Seventh, Ninth, Tenth, Eleventh, Twelfth and Thirteenth Causes of Action. Mr. Eusebio is to retake the Management Exam within 90 days from September 21, 2004 or license number 32964A, Creative Pool Design, Inc. will automatically be Suspended. The Respondent is ordered to submit to a Business Review within 60 days from September 21, 2004. The result of the Business Review will be presented to the Executive Officer. The Respondent will be provided a billing and will reimburse the Board for the cost of the Business Review within 10 days of receipt of the billing. Failure to submit to the Business Review or reimburse the Board the investigative cost will result in the Suspension of the license.

14. DISCIPLINARY HEARING:

D B A CONTRACTING, LICENSE NO. 48787

Licensee was present.

The following Agency Exhibits were entered:

Exhibit 1 – Board Hearing File.

Hearing Officer Zech continued this matter for 30 days to allow Respondent to make the repairs at the Reyes residence. The Respondent is to coordinate the repairs and list of subcontractors with the Board's Investigator Gordon LaPointe.

15. DISCIPLINARY HEARING:

WESTERN AIR MECHANICAL, LICENSE NO. 46458

Licensee was not present but represented by Counsel Mike Welker, Esq.

The following Agency Exhibits were entered:

Exhibit 1 – Board Hearing File.

Hearing Officer Zech found Respondent Donald Kroll, dba Western Air Mechanical, license numbers 46458 and 46457 guilty of violation of NRS 624.3012(2) failure to pay for materials or services rendered; NRS 624.3013(3) failure to establish financial responsibility; NRS 624.302(5) failure to cooperate in an investigation; NRS 624.3013(4) failure to keep in force the bond or cash deposit pursuant to NRS 624.270 for the full period required by the Board. License numbers 46458 and 46457 Western Air Mechanical were Revoked. Mr. Kroll was ordered to pay full restitution to the damaged parties and reimburse the Board for Investigative costs of \$1,623.00 and any expenses that may be paid out of the Residential Recovery Fund prior to consideration of future licensure.

16. ROYAL QUALITY, INC., LICENSE NO. 53698

Licensee was present.

The following Agency Exhibits were entered:

Exhibit 1 – Board Hearing File.

Hearing Officer Zech continued this matter for 30 days to allow Respondent to make restitution to Mr. Haitt in the amount of \$4,000.00. The First, Second, Third, Fourth, Fifth, Sixth, Seventh and Eighth Causes of Action were dismissed.

17. PENNINGTON DEVELOPMENT, INC., LICENSE NO. 45675A

Licensee was present with Counsel Mark Kulla, Esq.

The following Agency Exhibits were entered:

Exhibit 1 – Board Hearing File.

Exhibit 2 – Notice to Correct dated November 5, 2003.

Exhibit 3 –Letter from Frank Gansburg to Mark Kulla dated May 20, 2004.

Hearing Officer Zech continued this matter for 30 days to allow Respondent the opportunity to make the repairs at the Godrov and Jannotta residences. The Respondent is to coordinate the schedule and list of subcontractors with the Board's Investigator Paul Easton.

18. DISCIPLINARY HEARINGS – DEFAULT ORDERS:

a. LA PAZ CERAMIC TILE, INC., LICENSE NO. 46486

Licensee was not present.

The following Agency Exhibits were entered:

Exhibit 1 – Board Hearing File.

Hearing Officer Zech found Respondent La Paz Ceramic Tile, Inc., Edward Mathew Pennewell, President, license number 46486, in default and adopted the Findings of Fact and Conclusions of Law as set forth in the Administrative complaint. Mr. Pennewell was found guilty of violation of NRS 624.3017(1) substandard workmanship; NRS 624.3013(5), as set forth in NAC 624.700(3)(a) failure to comply with Notice to Correct; NRS 624.3015(3) knowingly entering into a contract with a contractor whole that contractor is not licensed or in excess of his limit or beyond the scope of his license; NRS 624.303(5), as set forth in NAC 624.640(5) failure to include license number and monetary limit on contracts; NRS 624.3012(2) failure to pay for materials or services rendered; NRS 624.3013(3) failure to establish financial responsibility; NRS 624.3013(4) failure to keep in force the bond or cash deposit

pursuant to NRS 624.270 for the full period required by the Board; NRS 624.3013(5), as set forth in NAC 640(3) failure to notify the Board of change in address or personnel within 30 days after the change occurs; NRS 624.302(5) failure to cooperate in an investigation; NRS 624.3018(2) association of any act or omission constituting a cause for disciplinary action. License number 46486, La Paz Ceramic Tile, Inc., was Revoked. Mr. Pennewell is required to pay full restitution to the damaged parties and reimburse the Board for Investigative costs of \$2,284.00 and any expenses that may be paid out of the Residential Recovery Fund.

b. CITADEL DESIGN CONSTRUCTION, LP, LICENSE NO. 50637 AND

CITADEL DESIGN CONSTRUCTION, INC., LICENSE NO. 36070

Licensee was not present.

The following Agency Exhibits were entered:

Exhibit 1 – Board Hearing File.

Hearing Officer Zech found Respondent Citadel Design Construction, LP, Thomas E. Howard, Jr., Manager, license number 50637 and Citadel Design Construction, Inc., Richard A. Cashen, President, license number 36070, in default and adopted the Findings of Fact and Conclusions of Law as set forth in the Administrative complaint. Mr. Howard, Jr. and Mr. Cashen was found guilty of violation of NRS 624.3013(3) failure to establish financial responsibility; NRS 624.302(6) failure to comply with a written request from the Board for information or records; NRS 624.3013(5), as set forth in NAC 624.640(3) failure to notify the Board of changes in address or personnel within 30 days after the change occurs. License number 50637, Citadel Design Construction, LP was Revoked. License number 36070, Citadel Design Construction, Inc. was Revoked. Mr. Howard, Jr. and Mr. Cahen is required to pay full restitution to the damaged parties and reimburse the Board for Investigative Costs of \$2,094.00 and any expenses that may be paid out of the Residential Recovery Fund.

c. BAKSPIN ASSOCIATES, LLP, LICENSE NO. 49123

Licensee was not present.

The following Agency Exhibits were entered:

Exhibit 1 – Board Hearing File.

Hearing Officer Zech found Respondent Bakspin Associates, LLP, Aaron Michael Phillips, Partner and Kurt Henry Lauer, Partner, license number 49123, in default and adopted the Findings of Fact and Conclusions of Law as set forth in the Administrative complaint. Mr. Phillips and Mr. Lauer were found guilty of violation of NRS 624.3017(1) substandard workmanship; NRS 624.3013(5), as set forth in NAC 624.700(3)(a) failure to comply with Notice to Correct; NRS 624.3013(3) failure to establish financial responsibility; NRS 624.302(6) failure to comply with a written request from the Board for information or records; NRS 624.302(5) failure to cooperate in an investigation; NRS 624.3013(5), as set forth in NAC 624.640(3) failure to notify the Board of changes in address or personnel with 30 days after the changes occurs. License number 49123, Bakspin Associates, LLP was Revoked. Mr. Phillips and Mr. Lauer is required to pay full restitution to the damaged parties and reimburse the Board for Investigative Costs of \$1,193.00 and any expenses that may be paid out of the Residential Recovery Fund.

