

KENNY C. GUINN
Governor

STATE OF NEVADA

REPLY TO:

MEMBERS

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



RENO
9670 Gateway Drive, Suite 100
Reno, Nevada 89511
(775) 688-1141
Fax (775) 688-1271
Investigations (775) 688-1150

LAS VEGAS
4220 So. Maryland Parkway
Building D, Suite 800
Las Vegas, Nevada 89119
(702) 486-1100
Fax (702) 486-1190
Investigations (702) 486-1110

STATE CONTRACTORS' BOARD

MINUTES OF THE MEETING
MARCH 23, 1999

The meeting of the State Contractors' Board was called to order by Vice-Chairman Dennis Johnson at 8:50 a.m., Tuesday, March 23, 1999, State Contractors' Board, Las Vegas, Nevada. Exhibit A is the Meeting Agenda and Exhibit B is the Sign In Log.

BOARD MEMBERS PRESENT:

Mr. Dennis Johnson – Vice-Chairman
Mr. Doug Carson
Mr. John Lindell
Mr. Dennis Nelson

BOARD MEMBERS ABSENT:

Mr. Kim Gregory
Ms. Deborah Sheltra
Mr. Michael Zech

STAFF MEMBERS PRESENT:

Ms. Margi Grein, Executive Officer
Mr. Robert Griffy, Legal Counsel (Haney, Woloson & Mullins)
Mr. Dennis Haney, Legal Counsel (Haney, Woloson & Mullins) (Exited at 11:00 a.m.)
Ms. Nancy Mathias, Licensing Administrator
Ms. Pat Potter, Licensing Supervisor
Mr. Tom Knapp, Director of Investigations
Mr. George Lyford, Director of SIU
Mr. Rick Bertuzzi, Investigator
Mr. Linc Dante, Investigator
Mr. Bob Macke, Senior Investigator
Mr. Greg Mincheff, Investigator
Mr. Clark Thomas, Investigator
Ms. Betty Willis, Recording Secretary

OTHERS PRESENT:

Cari Inkenbrandt, Court Reporter, CSR Associates of Nevada; Roger Wiener, President, The Door King Inc.; Anthony Wiener, Secretary/Treasurer, The Door King Inc.; Lucky Miller, Owner, Lucky L. Miller; Alex Loglia, administrative assistant, Production Plumbing and Air Conditioning; Leon Benzer, Manager and Qualifier, Silver Lining Construction International; Mark Kulla, Manager, Silver Lining Construction International; Donald and Leslie Bausher, Members, Stanford Homes LLC; Carmelo La Delfa, Built-Rite Construction, Richard Wright, Built Wright Construction Inc.; Mary Sitter Toomin, Trade QE, The Cabinet Store; Brian Beitler, QE, Edison Source; Tom Mueller, Mueller Striping, and his wife Michelle Mueller; Patrick Murphy, Vice President, Paddock Pool Construction Co.; Ed Holdsworth, Vice President/QO, Ed Holdsworth; D K Industrial Services Corporation; Keith Gregory, Legal Counsel representing S R Construction Inc., Michael Smoody General Contractor, and X L A Group; Larry Webster, General Manager, Mack Electric; Brian Berman, Legal Counsel, Mack Electric; Daniel Wilson, P.E., Deputy Program Director/Project Manager/PBS&J, Steve Shroyer, Senior Technician II, PBS&J; Scott Hansen, Engineer, City of Boulder City; Jayne Brass, Pamela Lednicki and Jayne Brass; Frank Cabara, Denko; John Ogden, Denko; Darrell McClure, Homeowner, Patios II; Terry Dyess, Foundation for Fair Contracting; Tina Jones, Allen Drilling Incorporated; Richard Thornton, Las Vegas Pumping Service; and Robert Lutz, Compaction Plus Incorporated.

Ms. Grein stated, in compliance with the open meeting law, the agenda had been posted on March 17, 1999 by Clark Thomas, Investigator, at the Sawyer State Building, Clark County Library, and Las Vegas City Hall. Additionally, it had been posted in each office of the Board in Las Vegas and in Reno.

The amended agenda consisted of 25 items, each of an emergency nature.

MR. NELSON MOVED TO HEAR THE AMENDED AGENDA.

MR. CARSON SECONDED THE MOTION.

THE MOTION CARRIED.

Mr. Johnson called for a motion to approve the minutes of March 9, 1999.

MR. NELSON MOVED TO APPROVE THE MINUTES OF MARCH 9, 1999.

MR. LINDELL SECONDED THE MOTION.

THE MOTION CARRIED.

The following motion closed the meeting to the public.

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

MR. CARSON SECONDED THE MOTION.

THE MOTION CARRIED.

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

APPLICATIONS

THE DOOR KING INC. (C3A - Installation of Doors Only) NEW APPLICATION, BOARD DECISION

Roger Wiener, President, and Anthony Wiener, Secretary/Treasurer, were present for the action, which follows:

MR. NELSON MOVED TO APPROVE THE LICENSE APPLICATION FOR A LIMITED LICENSE, DESIGNATED C3A (Installation of Doors Only), WITH A LIMIT OF \$10,000, A \$1,000 BOND, AND TO WAIVE THE EXAM.

MR. CARSON SECONDED THE MOTION.

THE MOTION CARRIED.

LUCKY L. MILLER (B2 - Residential & Small Commercial) BOARD DECISION

Lucky Miller, Owner, was present. The background of the licensee was discussed. It was pointed out that three licenses Mr. Miller had held previously had been revoked in 1992, SIIS had never been paid, and an outstanding amount of \$24,000, owed to businesses, had been discharged in a bankruptcy..

Mr. Miller stated the three licenses had been revoked because he didn't attend the hearing. He had been out of state and sick at the time. the sickness that prevented him from attending the meeting was alcoholism. He said he hadn't had a drink in 6 years. He had been licensed in the state of Nevada since the mid-seventies and never really had any problems up until that time. Regarding SIIS, he said he had been on a Cost Plus project with a Chris Karamanis and there had been about a 100 employees. SIIS had been on his contractor's license but Chris Karamanis owed it. Unfortunately, Mr. Karamanis had elected to go to Mesquite and kill himself, leaving Mr. Miller holding all of the fees.

MR. NELSON MOVED TO DENY THE LICENSE APPLICATION BASED ON THE PRIOR

REVOCAION AND BANKRUPTCY.

MR. LINDELL SECONDED THE MOTION.

THE MOTION CARRIED.

PRODUCTION PLUMBING AND AIR CONDITIONING (CD – Plumbing) BOARD DECISION

Robert Kahre, Owner, was not present but Alex Loglia, his administrative assistant, represented him. Mr. Loglia was informed the license application had been approved with a license limit of \$250,000 and a \$25,000 bond.

SILVER LINING CONSTRUCTION INTERNATIONAL #37356 (C3 – Carpentry) OFFICER CHANGE

SILVER LINING CONSTRUCTION INTERNATIONAL #37357 (C15A – Roofing) OFFICER CHANGE

SILVER LINING CONSTRUCTION INTERNATIONAL (B2 – Residential & Small Commercial) NEW APPLICATION, BOARD DECISION, REQUEST WAIVER OF EXAMS

Leon Benzer, Manager, and Mark Kulla, Manager, were present. Ms. Mathias pointed out there were two separate requests to change the members and managers as well as a new application. The three items had been before the Board at the last Las Vegas meeting. At that time Mr. Benzer had been asked to take care of some of his past debt. It had been confirmed that the issue with the bonding company had been settled. They had been paid \$2,000 and had accepted the amount as full settlement. The judgment by A.C. Houston Lumber had also been satisfied.

Mr. Benzer then detailed what he had done and was doing to clear up his past debts. When questioned as to what kind of work he would be performing, Mr. Benzer said he would be primarily building homes but in the future he intended to perform small commercial projects.

Mr. Kulla spoke in favor of Mr. Benzer, attributing a lot of Mr. Benzer's financial past to youth. He believed Mr. Benzer had grown up a lot and had learned a lot in the process.

Mr. Nelson recommended approving the change of officer on license #37356 and #37357. Mr. Carson concurred.

MR. CARSON MOVED TO APPROVE THE LICENSE APPLICATION WITH A LICENSE LIMIT OF \$200,000, A \$30,000 BOND, AN FS IN 6 MONTHS AND UPON RENEWAL, AND NO WAIVER OF THE TRADE EXAM.

MR. NELSON SECONDED THE MOTION.

THE MOTION CARRIED. (MR. LINDELL WAS OPPOSED)

STANFORD HOMES LLC (B2 – Residential & Small Commercial) NEW APPLICATION, RECONSIDERATION, BOARD DECISION

Donald Bausher, Member, and Leslie Bausher, Member, were present for the reconsideration. Ms. Mathias said the application had been tabled for references and a resume. Those items had now been received. The applicant had indicated he had held a license in the state of Nevada some time ago. Those records were no longer available. Mr. Bausher had been asked if he could produce something to verify that licensure, but the only thing he had been able to provide was a copy of a building permit application, not a license certificate.

Mr. Bausher added he also had a letter, dated 1982, from the board stating that his application had been accepted provided he acquire a bond. When asked if he had acquired the bond, Mr. Bausher said yes, he had the license for three years.

MR. NELSON MOVED TO APPROVE THE LICENSE APPLICATION WITH A LIMIT OF \$2 MILLION, A \$20,000 BOND, AND WAIVE THE TEST.

MR. LINDELL SECONDED THE MOTION.

But in discussion of the motion, Mr. Lindell said he would prefer that Mr. Bausher take the test because of the length of time he had been away from the business. Mr. Bausher pointed out he had remained in the business working for another contractor for the bulk of the years he was not actually a licensed contractor and Leslie Bausher was on the license of American West as Secretary of the corporation.

THE MOTION CARRIED.

BUILT WRIGHT CONSTRUCTION INC. (B2 - Residential & Small Commercial) NEW APPLICATION, NAME SIMILARITY

Ms. Potter told the Board the application had been approved in January but a name similarity issue had emerged. The two licenses were pronounced identically although they were spelled differently. Both owners were present: Carmelo La Del fa, Bilt-Rite Construction, and Richard Wright, Built Wright Construction Inc.

Mr. La Del fa's concern was that there would be public confusion that would create problems for him in the area of phone calls and paper work pertaining to his licensure. Mr. Wright said he did not feel it was a problem because his license was 1) in a different classification and, 2) when he had held a previous license in the same name there had been no problems between he and Mr. La Del fa.

Mr. Nelson stated he had a problem with the issue. Defaulting to Mr. Haney for legal direction, Mr. Haney asked who was first. It was determined Mr. La Del fa had the name first and that neither of the two parties had a federal or a state trademark. Mr. Haney said both were entitled to use the name but due to the fact it caused confusion to the public it was typically the person who was first in time to use the name. Mr. Haney suggested Mr. Wright file a fictitious firm name and operate under a DBA which would allow him to use his corporate name but would resolve the name similarity issue. The Board concurred.

THE CABINET STORE (A10 - Commercial & Residential Pools) NEW APPLICATION

Mary Sitter Toomin, Trade QE, was present and explained she had been in the pool business for 13 years. Due to a recent divorce she was joining with The Cabinet Store as a place to start back in the business.

MR. LINDELL MOVED TO APPROVE THE LICENSE APPLICATION WITH A LIMIT OF \$50,000 AND A \$30,000 BOND.

MR. NELSON SECONDED THE MOTION.

THE MOTION CARRIED.

EDISON SOURCE (C21 - Refrigeration & Air Conditioning) NEW APPLICATION, NAME SIMILARITY

Brian Beitler, QE, was present and notified the license application had been approved with an unlimited limit and a \$50,000 bond. Mr. Beitler explained Edison Source was a subsidiary of Edison International, which was the parent to Edison Source and other Edison companies. They supplied electricity to customers in Southern California as Southern California Edison. They, as well as Edison Source, did not perform electrical contracting.

SURELINE STRIPING & SIGNAGE INC (A8 - Seal/Stripe Asphaltic Surfaces) NEW APPLICATION

No one was present to represent the applicant for licensure. Tom Mueller, Mueller Striping, and his wife Michele Mueller were present to object to the issuance of a license to the principals of record and to lodge a complaint against them. They were informed it would be necessary to submit their complaint in writing to the Board. Mr. Mueller said he had filed a complaint in writing with George Lyford, Director of SIU.

Mr. Lyford indicated he had received a complaint the previous week with specific allegations. Investigator Yarborough was now checking them out. One case had been resolved, the other had been opened as an Industry Regulation. There were other specific bids, which Mr. Mueller would have to initiate with Mr. Yarborough.

MR. LINDELL MOVED TO TABLE THE LICENSE APPLICATION OF SURELINE STRIPING AND SIGNAGE INC. UNTIL THE INVESTIGATION WAS COMPLETE.

MR. NELSON SECONDED THE MOTION.

More discussion followed regarding bid information.

THE MOTION CARRIED.

PADDOCK POOL CONSTRUCTION CO (A10 – Commercial & Residential Pools) VOLUNTARY SURRENDER

Patrick Murphy, Vice President, was present and notified the voluntary surrender was acceptable.

ADAMS TILE & PLASTER OF LAS VEGAS (A10 – Commercial & Residential Pools) NEW APPLICATION, BOARD DECISION ON BOND

Tony Adams, President, was present, along with Counsel. Mr. Adams was notified the license application had been approved with a license limit of \$300,000 and a \$50,000 bond.

D K INDUSTRIAL SERVICES CORPORATION (A14 – Steel Erection & Industrial Machinery) NEW APPLICATION, BOARD DECISION, WAIVER OF 30 DAYS

Ed Holdsworth, Vice President/QO, was present and informed the license application had been approved, contingent upon passing the exam, with a license limit of \$3.5 million, a \$30,000 bond, and waive the 30 days.

M E C CONTRACTING INC #47203 (C2 – Electrical Contracting) RAISE IN LIMIT

Dan Martin, President, was present for the following motion:

MR. NELSON MOVED THE ONE TIME RAISE IN LIMIT BE APPROVED FOR \$500,000 AND A \$15,000 BOND.

MR. LINDELL SECONDED THE MOTION.

THE MOTION CARRIED.

S R CONSTRUCTION INC #33080A (B2 – Residential & Small Commercial) ONE TIME RAISE IN LIMIT

Keith Gregory, Legal Counsel, was present and informed the one time raise in limit had been approved for \$8 million, payment and performance bonds if required.

MICHAEL SMOODY GENERAL CONTRACTOR #19628 B2 – Residential & Small Commercial) ONE TIME RAISE IN LIMIT, RECONSIDERATION

Ms. Mathias said there was an investigation pending on this particular project.

Mr. Bertuzzi said he had received a complaint dated February 24th, alleging that Mr. Smoody had significantly bid over his limit. It was alleged, but unconfirmed, that he bid approximately 3 times his limit. Mr. Smoody's current limit was \$500,000. It was alleged that in September of 1998 he had submitted a bid to Sunridge Village Plaza project of \$1.5 to \$1.7 million. Mr. Bertuzzi said he was trying to obtain the contract that had been submitted to that project to confirm whether that bid did, in fact, take place. A certified letter had been sent to Mr. Smoody requesting a copy of that contract, due no later than March 22nd. Mr. Smoody had not yet responded but had indicated by phone that he would supply those documents prior to this board hearing.

date. Mr. Gregory had also indicated to Mr. Bertuzzi that he would fax him some information relating to the case. In summary, Mr. Bertuzzi said the investigation was still open and he had yet to receive any contractual evidence to support or deny the claim.

Mr. Carson then disclosed his company had been one of the bidders and he, therefore, abstained.

Attorney Gregory admitted Mr. Smoody had bid the project and had been awarded the contract but he had since withdrawn it. Mike Maloy, Investigator, Reno had issued the letter indicating a complaint had been opened, therefore, Attorney Gregory had met with Mr. Maloy and Bob Kennedy two weeks ago. He had informed them both that the owner had pulled the contract and had walked away from it. A letter had then been sent to Mike Maloy with the owner confirming that. Mr. Gregory said he had the document in his office wherein the owner had signed voiding the contracts. He said that Mr. Maloy had indicated that if Attorney Gregory would send a letter to him confirming that the contract had been voided and that the parties had walked away, the matter would be closed. Attorney Gregory said he did just as he was asked to do. All of that was independent of Mr. Bertuzzi, but Attorney Gregory intended to send the letter to him nonetheless. He said he would also send a copy of the contract indicating it had been voided.

The general consensus of the Board was to deny the request for a one time raise in limit.

The following applications were reviewed and discussion occurred on the following: Nos. 2, 5, 6-7, 11-12, 14, 17, 19, 22, 30, 34, 37, 42, 44-45, 47, 52, 55, 60, 65, 69, 70, 72, 74. The remainder of the applications were reviewed later in the day as time permitted: Nos. 83-84, 87-94, 97, 102-104, 108-110, 112, 117, 121, 123, 130-134, 137, and 140-143. The Amended Agenda: Nos. 3-4, 6-8, 12-13, 16, 18, 21-22, and 24-25.

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

MR. CARSON SECONDED THE MOTION.

THE MOTION CARRIED.

A motion was made, seconded, and carried to approve all applications not discussed in closed session per staff recommendation.

RECONSIDERATION OF MACK ELECTRIC APPLICATION FOR ONE TIME RAISE IN LIMIT FROM 2/9/99

Mr. Haney explained he had been involved in a bid protest regarding the UMC hospital where several general contractors had been arguing over bid preference issues. At the temporary restraining order hearing, Judge Mark Gibbons had asked if Mr. Haney would request board staff to put the reconsideration of Mack Electric's one time raise back on the agenda. He had then written a letter to staff and asked if they would please do as the judge requested and they did. Since that time, the case he had been involved with had been settled but on different grounds. Nonetheless, that was how Mack Electric had gotten onto the agenda.

Mr. Nelson declared it was his firm who had filed the complaint with the board and he would, therefore, sit as part of the quorum but he would not vote.

Larry Webster, General Manager, and Brian Berman, Legal Counsel, were present for the reconsideration. Mr. Berman stated Mr. Webster had presented several letters to the Board from the owner of Mack Electric authorizing him to act on her behalf.

Mr. Griffy asked for the letters. Hereafter, Mr. Berman asked that the letters be made a part of the record. Additionally, Mr. Berman asked that the record reflect, that on no less than seven occasions, a letter authorizing Mr. Webster to act had been presented to the board.

Mr. Haney then recapped the project in question, indicating Hayden had been the apparent low bidder and had been awarded the project. Mr. Berman added Mack Electric was the electrical subcontractor contained within Hayden's bid.

When asked if the bid had gone through the bid depository, Mr. Webster responded the general contractor had submitted to the depository on Mack Electric's behalf. Mack Electric did not bid to the depository.

Mr. Berman opined the application for the one time increase had been timely as it had been filed prior to the submission of the bid. For the record, he indicated, to the extent that it made a difference in the Board's thinking, the original application for a one-time increase had been for \$1.2 million, which was the scope of the project anticipated at the time. Since then, the owner had directed that the contractor was not going to go forward with one portion of the project. Therefore, the actual amount that Mack Electric required today was \$800,000, not the \$1.2 million originally requested. The reason for the decrease was because alternate number three had not been accepted. When asked if the licensee had been licensed at the time of the bid, Mr. Berman responded Mack Electric had, in fact, been licensed at the time of the bid. He said it was his understanding that the reason why the one time raise in limit had been denied on the 9th of February was, in his opinion, due to an administrative error that had been made by the board. The license had come up for renewal in December and the application had been timely submitted in January. Mack Electric had left off the account number for their workers' compensation insurance, so the license application had been viewed as incomplete. Mr. Berman then maintained there had been an administrative error because he believed there was a portion of the Nevada Administrative Code (NAC) covering this point. Reading from NAC 624.630 he said: "That when you have a complete, when you have a timely but incomplete renewal, the board will conditionally renew the license pending receipt of the missing information."

When asked if there had been a qualified employee at the time of renewal, it was determined that the qualifying employee for Mack Electric was Homer Lee Gordy. There had been a pending application for Mr. Webster to become the qualified employee but that application had been denied, and a hearing requested. Mr. Berman said there was no pending disciplinary action or complaints against the license.

Mr. Lyford stated he had been conducting the investigation regarding the bidding over the limit and, as part of that investigation, he had subpoenaed the records from Hayden Construction. Referencing the packet the Board members had been given, Mr. Lyford said he had received a response back from Hayden Construction explaining the bidding process. The packet also contained copies of the one time bid and copies of the letters from Mack Electric signed by Larry Webster dated February 4th indicating what his bid was on one project and another dated February 5th indicating what his bid was on the UMC project. Additionally, Mr. Lyford had obtained the records from the bid depository. He noted there were differences in the dates and in the amount of bids submitted. When questioned about the one time request, he said it had been properly received in the board office.

It was then determined that Homer Lee Gordy was a 25% stockholder in the company, and, as far as Mr. Webster knew, played an active role. Mr. Webster said Mr. Gordy had been a stockholder in the company for well over a year. Mr. Webster then detailed why he had been listed as the OE, admitting he had never been the qualifying party for Mack Electric.

Discussion next focused on the figures on the bid, which had been prepared by the general contractor, and Mr. Webster explained how the bid had been prepared. It was pointed out to him the total amounted to \$1.9 million and was obviously bid stacking and clearly \$700,000 more than what the one time increase requested.

Mr. Webster disagreed. He was then asked to examine attachment 10, 15 and 16 of the packet the board was reviewing. In attachment 10, Mr. Webster was asked to explain what he meant by: "Note: your adders for material for base bid will be \$400,000 and \$100,000 for alternate 5." Mr. Webster said: "Basically, what I was saying to them is that above and beyond what my quote is, this is what they're going to have to purchase above and beyond what my quote is. That's what I intended to say." When asked whom it was they paid that amount to, Mr. Webster replied: "To the supplier." Again, it was

pointed out that was bid stacking. Referencing attachment 15 and 16, Mr. Webster was asked if he had prepared the documents. He said no, Hayden had prepared them. He was then asked if he knew why Hayden used the number \$1,913,000? Mr. Webster replied: "My understanding was when I gave them all the numbers that they were going to need as far as all the miscellaneous things above and beyond the labor costs, that I gave them a number that they can compare to the bid depository numbers as they came in, just so they could be sure that whatever my number was that it was a competitive number. That was the only reason for that, that I know of." Once again, it was pointed out to Mr. Webster that clearly he understood the \$1.9 million was over his one time raise. He answered: "I've heard that it was \$1.9 million since that bid but I didn't know that at the time. I knew that when everything was added together, yes, it would be over the \$1.2 million." Mr. Webster said he did not let Hayden know it was going to create a problem because he said he was not aware that it would. Attachment 16 was identical to attachment 15. Mr. Webster said: I only bid two contractors in the bidding process, Richardson and Hayden. I gave them both the same information."

The general consensus was that type of bidding was bid stacking. The terminology was then explained to Mr. Webster who said he was unfamiliar with the phrase. Further dialogue ensued, Lastly, it was learned that when Mr. Lyford had checked the corporate records with the Secretary of State, the corporation was presently in default.

MR. CARSON MOVED TO DENY THE RECONSIDERATION FOR THE ONE TIME RAISE IN LIMIT.

MR. LINDELL SECONDED THE MOTION.

THE MOTION CARRIED.

ADVISORY OPINIONS

1. CITY OF NORTH LAS VEGAS – KIEL RANCH EMERGENCY BRACING PROJECT, PROJECT NO. 51210 – This request was from Post, Buckley, Schue & Jernigan (PBS&J). It questioned what was the proper license required to perform the work outlined in the bid and what licenses would allow one contractor to complete the entire scope of work under one license. Daniel Wilson, P.E., Deputy Program Director/Project Manager/PBS&J, and Steve Shroyer, Senior Technician II, PBS&J, were present. The board opined the license holders that could perform this type of work were an AB, B, B2, or a C3.
2. CITY OF BOULDER CITY – CEMETERY EXPANSION LANDSCAPING – Scott Hansen, Engineer, City of Boulder City, was present. The question was could a classification "A" (General Engineering) contractor act as the prime contractor on the project which included installing the irrigation system & plant trees or did this work require a specialty license in addition to the classification A license. The Board opined the work could be performed by a classification A license holder who did not hold an additional C10 license because the work outlined in the bid was incidental. But the Board did add the work could also be performed by an AB or C10 license holder.
3. PAMELA LEDNICKY AND JAYNE BRASS – LICENSING FOR SWIMMING POOL REFERRAL BUSINESS – Jayne Brass was present for the advisory. Ms. Brass had asked whether or not a license would be required for a swimming pool referral business. After a lengthy discussion, the Board opined that if it was strictly a referral business a license was not needed. But, as a precautionary measure, it was suggested that if Ms. Brass intended to advertise, it would be wise to seek legal advise on the matter because she could not hold herself out as a contractor. It was also suggested she consider a sales agreement with any pool contractor of her choice.
4. COMMERCIAL ROOFERS, INC. – CLARK COUNTY HOUSING AUTHORITY - No one was present for the advisory opinion. The question was could commercial Roofers, Inc., with its C15 license, be the prime contractor on the project and subcontract HVAC and Electrical to licensed subcontractors, the scope of the work as follows: removal and replacement of built-up roofing and flashing, removal and replacement of roof curbs, remove and dispose of existing HVAC units, reinstalling new HVAC units, removal and replacement of roof mounted light fixtures, installation of GFI

outlets on roof. The Board opined the C15 license was fine as well as a full B, B2, AB, and C21 license as long as the licensee used licensed subs.

XLA GROUP #41026 & #41027 – STATUS UPDATE BY KEITH GREGORY, ESQUIRE

Attorney Gregory said he had spoken to the principals on the license, Rick Fradella and Richard Cuen, the previous day. He related Mirage Electric had been paid, he had a lien release from them. Dependable Glass had been paid as well as Red Mountain Ready Mix. A balance of \$2,100 remained to Ready Mix but it was owed, individually by Richard Cuen, not by XLA. An arrangement with Mr. Pearce was being worked out to pay the amount off. There was an outstanding balance of \$3,264.21 still owed to Dunn Edwards. Attorney Gregory said he had a fax from them indicating they were agreeable to work out an installment payment of \$544.03 monthly, payable in full by September. Regarding Denko, He indicated that Denko claimed it was owed \$4,343.68. Mr. Fradella and Mr. Cuen reviewed all of the invoices and believed they only owed \$138.30. An offer of \$2,000 had been tendered but it had been rejected. Attorney Gregory stated he was not aware of any other outstanding debts for XLA.

Clark Thomas offered he had spoken with Dependable Glass that morning and they maintained there was still an outstanding balance of \$130. Denko Drywall had provided Mr. Thomas with a list of open invoices, which had not been paid. All other items matched what attorney Gregory had presented.

Atty. Gregory then countered that Mr. Cuen had faxed to his office their version of the accounting on Denko. He was willing to provide that information to the Board.

Frank Kocvara and John Ogden, both from Denko, were present. Mr. Kocvara informed the Board that XLA had contacted Denko approximately two weeks ago. All accounting, information, invoicing and payment history, had been forwarded to them. Mr. Kocvara said, after that, he had never been contacted again and he had never been advised that XLA showed an outstanding balance different than Denko's. This was the first he had heard of it.

The matter was continued for another 30 days to the Las Vegas meeting to allow Attorney Gregory to meet with Denko to resolve the issues.

HEARINGS

CLAUDE EUGENE WOOLARD DBA PATIOS II #35548 – DISCIPLINARY HEARING

Claude Eugene Woolard, Owner, was not present for the hearing. Darrell McClure, Homeowner, Greg Mincheff, Investigator, and Bob Macke, Senior Investigator, were sworn in. the hearing notice had been sent certified mail on February 17, 1999. A return receipt had not been received. Service by hand delivery to the address of record had been attempted by Bob Macke but had been unsuccessful. The hearing was for possible violation of NRS 624.3017 (1), substandard workmanship; NRS 624.3012 (2), failure to pay for materials or services; NRS 624.301 (1) abandonment or failure to complete or prosecute diligently project for construction; NRS 624.3013 (5), failure to comply with law or regulations of the board as evidenced by violations of NAC 624.640 (3) (5), duties concerning licenses; and NRS 624.305, unlawful use, assignment or transfer of license. The hearing notice was entered into the record as EXHIBIT 1.

Under questioning by Tom Knapp, Mr. McClure testified that on or about April 27, 1997, he had accepted a proposal from Patios II to convert an existing patio cover to a balcony, for a contract price of \$4,512. On or about May 31, 1997, Patio II submitted a second proposal to add a metal spiral staircase for \$300, plus the cost of the staircase estimated to be between \$2,500 and \$2,800. Mr. McClure accepted the second proposal as well as the first. Patios II had been paid a total of \$7,400 toward the total contract price. No completion date had been provided, only an estimated time of approximately four months.

The work had been started approximately May 29, 1997. The last time anyone representing Patios II had performed any work on the project was prior to thanksgiving 1998. Claude Woolard reappeared after a one-year's absence from the project. He worked a couple of days and then disappeared again. Mr. McClure then detailed his attempts to contact Patios II to complete the project. Items A, C, & D on page 4 of the hearing notice remained incomplete. Mr. McClure was currently in the process of hiring another contractor to complete the project. He said he had not filed against the bond and he said a lien had been

filed against his property by Artistic Iron Works for the spiral staircase. It had been installed by them but they had not been paid by Claude Woolard. The lien was estimated to be \$2,000.

Bob Macke related that the Homeowner Donald Lewis had entered into a contract with Vegas Pools to build a patio and a swimming pool. Subsequently, the pool company subcontracted the patio to Patios II who pulled the building permit but failed to obtain any inspections on the permit. The Las Vegas building department had issued a correction notice stating the permit had expired and no footing inspections had been performed. Mr. Macke said he had information that Patios II has been operated by a Robert David Mouer. Efforts to contact Mr. Woolard had been unsuccessful. An administrative meeting had been set for June 10, 1998. Mr. Woolard failed to attend even though he had signed for the certified letter. At this time, the item had not been corrected. Someone would have to go out to the site and expose the footings so that the building department could see whether or not the work conformed to the requirements.

Mr. Knapp added that in the investigation, a document had surfaced. This document led him to believe Mr. Woolard had provided it to Mr. Mouer who had been running Patios II locally. Patios II was still advertising for business and the document indicated Mr. Woolard had formed a partnership with Mr. Mouer and transferred 99% of the ownership of Patios II to him. However, no documentation or information had been received by licensing to affect any type of change on the license.

MR. NELSON MOVED TO REFER THE MATTER TO FINDINGS OF FACT, CONCLUSIONS OF LAW AND TO SUMMARILY SUSPEND LICENSE #35538, PATIOS II.

MR. LINDELL SECONDED THE MOTION.

THE MOTION CARRIED.

Mr. Lindell questioned if the complaint could be turned over to the District Attorney and/or the Attorney General for unlawful diversion of funds. It was determined it would be appropriate to turn the matter over to them.

MR. LINDELL MOVED TO TURN THE MATTER OVER TO BOTH THE DISTRICT ATTORNEY AND THE ATTORNEY GENERAL TO PURSUE FOR UNLAWFUL DIVERSION OF FUNDS.

MR. NELSON SECONDED THE MOTION.

THE MOTION CARRIED.

RICHARD NORMAN KING III DBA KING CONCRETE #29675 – DISCIPLINARY HEARING (Continued from September 23, 1998)

Richard Norman King, Owner, was not present for the continued hearing and there was no one present to represent the homeowner.

The notice of hearing had been sent certified mail to Richard Norman King, the return receipt was dated February 24, 1999. Ms. Grein re-read the charges into the record and the hearing notice was entered into the record as EXHIBIT 1.

it was next determined the licensee had not complied with the corrective order issued by the Board at its September 23, 1998 board meeting, but the Dearborns, the homeowners had filed a claim against the licensee's bond and would now collect from it.

The evidentiary was closed.

MR. LINDELL MOVED TO REVOKE LICENSE #29675, KING CONCRETE, FOR NOT COMPLYING WITH THE CORRECTIVE ACTION ISSUED BY THE BOARD ON SEPTEMBER 23, 1998, AND TO RECOVER THE INVESTIGATIVE COSTS INCURRED BY THE CONTRACTORS' BOARD TO DATE.

MR. NELSON SECONDED THE MOTION.

THE MOTION CARRIED.

CONTINUE SUMMARY SUSPENSION HEARINGSHARRISON DEVELOPMENT CORP. #42348 – CONTINUE SUMMARY SUSPENSION HEARING

Mr. Knapp explained the Board had imposed a summary suspension on the license the previous month. He said he was asking that the Board continue the suspension until a formal notice of hearing would be sent to the licensee to appear before the Board at the April 27th meeting. As far as Mr. Knapp knew the company was no longer in the business or in the area. But there were other investigations being performed in conjunction with SIU that may tie the company in with other contractors, which the Board had taken action against in the past.

MR. NELSON MOVED TO CONTINUE THE SUMMARY SUSPENSION TO THE APRIL 27, 1999 BOARD MEETING IN LAS VEGAS.

MR. LINDELL SECONDED THE MOTION.

THE MOTION CARRIED.

TOUCHSTONE DEVELOPMENT CORP. #43469 – CONTINUE SUMMARY SUSPENSION HEARING

Once again, Mr. Knapp detailed the summary suspension the Board had acted upon in its previous monthly meeting in Las Vegas. Mr. Knapp requested that the suspension be continued until the April 27th Board meeting. He said the licensee had been officially noticed for that hearing.

MR. NELSON MOVED TO CONTINUE THE SUMMARY SUSPENSION TO THE APRIL 27, 1999 BOARD MEETING IN LAS VEGAS.

MR. LINDELL SECONDED THE MOTION

THE MOTION CARRIED.

DISCIPLINARY HEARINGPALACIOS CONCRETE CONSTRUCTION #40837A – DISCIPLINARY HEARING

The notice of hearing had been sent certified mail and returned unopened with a new forwarding address. The notice of hearing had then been resent certified mail to the new address. The return receipt was dated March 18, 1999. The hearing was for possible violation of NRS 624.3012 (2), failure to pay for material or services; NRS 624.3013 (3), failure to establish financial responsibility pursuant to NRS 624.220, 260, and 265, at the time of renewal of the license or at any other time when required by the board; NRS 624.3013 (5), as evidenced by violations of NAC 624.720, failure to comply with provisions of this chapter or regulations of the board; if the board believes that a licensee's financial responsibility is impaired or that he is in violation of chapter 624 of NRS or this chapter, the board will so notify the licensee; and NRS 624.3016 (1), any fraudulent or deceitful act of a contractor whereby substantial injury is sustained by another. Ms. Grein stated one charge of failure to pay had been paid. It had been resolved as of 2 days prior to the hearing. The notice of hearing was entered into the record as EXHIBIT 1.

Craig Sean Palacios, President, was not present for the hearing. Clark Thomas, Investigator; Terry Dyess, Foundation for Fair Contracting; Tina Jones, Allen Drilling Incorporated; Richard Thornton, Las Vegas Pumping Service; and Robert Lutz, Compaction Plus Incorporated; and Greg Mincheff, Investigator, were sworn in.

Mr. Knapp questioned Mr. Lutz and told the Board that on or about June, July and August of 1997 Palacios Concrete Construction had signed 4 rental agreements and purchased 3 pieces of equipment from him. Mr. Lutz said he believed they had received one small payment. Currently, Mr. Lutz was owed \$6,347.80 since August 15, 1997 for the items. He had repossessed 2 of the pieces, which had been credited back to Mr. Palacios. The current balance was \$4,769.80. Many phone calls had been made to collect from Palacios as well as in-person contact. Mr. Lutz had filed against Mr. Palacios' bond but Mr.

Palacios had filed for bankruptcy, which stopped Mr. Lutz from doing any further collection attempts. The bonding company had not paid Mr. Lutz because the bonding company had a list of creditors they intended to appropriate funds through. But, again, Mr. Lutz believed that all got held when Mr. Palacios filed for bankruptcy protection. Mr. Knapp added he believed the bond was going to interpleader as well.

Tina Jones told the Board Palacios Concrete Construction had requested the services of Allen Drilling Inc. on or about October 7, 1997. She said they had been called in September to do some drilling work for Palacios on an hourly basis at a couple of different locations. Allen Drilling had on file an approved credit application for Palacios. Two jobs had been performed simultaneously. One was paid, the other was not. Both jobs were invoiced on one invoice because the work had been called in together. Palacios then contacted Allen Drilling and said it was not acceptable, they needed two separate invoices. Allen Drilling then re-invoiced them because both jobs involved different general contractors. After quite a bit of collection efforts, one job was paid. A preliminary notice was put in on the unpaid job and a lien was filed on the project. The general contractor was then contacted. He assured Allen Drilling a joint check would be issued. In April of 1998, a joint check was issued but Palacios came into the office and asked Allen Drilling to accept their check because they said they needed the joint check for their records, to show payment from the general. Allen Drilling was asked to sign off on the joint check. Palacios provided their own check, which later bounced. Thereafter, Palacios filed bankruptcy. Ms. Jones next detailed Allen Drilling's attempts to collect the debt. A claim had not been filed on the bond because there were so many complaints against it and Allen Drilling would have to hire legal counsel to collect the \$765 owed them.

Richard Thornton had entered into an agreement with Palacios to provide pumping services on a credit basis. Those services had been provided between July 21, 1997 to November 24, 1997 at various construction sites. Palacios had received a credit approval on or about January 17, 1996 with Mr. Thornton's company. Mr. Thornton next described the process requesting his services and the method of billing after services were performed, the payment history, and his efforts to collect.

Mr. Knapp stated Palacios did file for bankruptcy but the bankruptcy court due to no assets rejected the filing. The attorney for Palacios had also not been paid. Questioning by the Board followed.

Terry Dyess stated that in the last 18 months, his organization had received 9 to 10 wage claims from employees who had worked for Palacios. They had not been paid. Not only were the general contractors being stuck with the bill for the supplies, they were getting hammered for the labor as well. The total amount owed in wages was approximately \$8,000. He had collected approximately \$4,000 from the general's. He said he had a list of the general's if it was needed.

The evidentiary was closed.

MR. CARSON MOVED TO REFER THE MATTER TO FINDINGS OF FACT, CONCLUSIONS OF LAW AND TO SUMMARILY SUSPEND LICENSE #40837A, PALACIOS CONCRETE CONSTRUCTION.

MR. NELSON SECONDED THE MOTION.

THE MOTION CARRIED.

MR. CARSON MOVED TO RECOVER INVESTIGATIVE CASE COSTS, NOT TO EXCEED \$4,000.

MR. LINDELL SECONDED THE MOTION.

THE MOTION CARRIED.

EXECUTIVE SESSION

LEGISLATIVE DISCUSSION

Ms. Grein provided the Board with a legislative update.

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 Vice-Chairman Johnson at 4:05 p.m.

Respectfully Submitted,

Betty Wills, Recording Secretary

APPROVED:

Margi Grein, Executive Officer

Dennis Johnson, Vice Chairman