

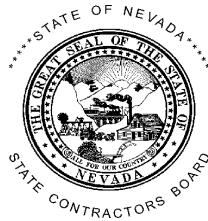
KENNY C. GUINN
Governor

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
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STATE CONTRACTORS' BOARD

MINUTES OF THE MEETING
June 8, 1999

The meeting of the State Contractors' Board was called to order by Chairman Kim Gregory at 8:38 a.m., Tuesday, June 8, 1999, 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
Mr. Dennis Johnson
Mr. John Lindell
Ms. Deborah Sheltra
Mr. Michael Zech

BOARD MEMBERS ABSENT:

Mr. Dennis Nelson

STAFF MEMBERS PRESENT:

Ms. Margi Grein, Executive Officer
Mr. Dennis Haney, Legal Counsel (Haney, Woloson & Mullins)
Ms. Nancy Mathias, Licensing Administrator
Mr. Rick Bertuzzi, Director of Investigations
Mr. George Lyford, Director of SIU
Mr. Bill Rizzo, Director of Investigations
Ms. Kathy Stewart, Licensing Supervisor
Mr. Jack Edstrom, Investigator
Mr. Gary Leonard, Investigator
Ms. Betty Willis, Recording Secretary

OTHERS PRESENT:

Leslie Clarkson, Court Reporter, Sierra Nevada Reporters; Donald Dittmore, President, Sierra Insulation Co Inc; Sierra Insulation Co Inc; Gloria Riley, Partner, and John Riley, Partner, Riley Painting; Keith Gregory, Legal Counsel, S R Construction Inc; Kevin Fanning, Owner, Fanning Construction; Senator Randolph Townsend; Scott Young, Senior Policy Analyst, Legislative Counsel Bureau; Fred Hillerby; Legislative Representative, NSCB; Cheryl Blomstrom, Director of Government Relations, AGC; Jeanette Belz, Director of Government Relations, Wadhams & Akridge; Richard Eaton, Owner, Rick Eaton Construction; Bill Phillips, Copeland Lumber; Richard and Judy Sheldrew, Complainants; James Rhodes, President; Rhodes Homes; Rob Deville, Chief Financial Officer, Rhodes Homes; Don Purdue, Customer Service Representative, Rhodes Homes; Owen Nitz, Attorney for Rhodes Homes; David N. Anderson, Vice President, D N Anderson; Wesley Smith, D N Anderson; Denise Colwell, Project Coordinator, Clark County, Department of Aviation; Golden Welch, Las Vegas Paving; and William Stoddard, Legal Counsel, D N Anderson.

Ms. Grein stated the agenda had been posted in compliance with the open meeting law, on June 2, 1999, by Ron Carney, Investigator, 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.

It was learned there were 19 items on the amended agenda, each item of an emergency nature.

MS. SHELTRA MOVED TO HEAR THE AMENDED AGENDA.

MR. JOHNSON SECONDED THE MOTION.

THE MOTION CARRIED.

Mr. Gregory called for a motion to approve the minutes of May 25, 1999.

MR. CARSON MOVED TO APPROVE THE MINUTES OF MAY 25, 1999.

MR. LINDELL SECONDED THE MOTION.

THE MOTION CARRIED.

The following motion closed the meeting to the public.

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

MR. LINDELL SECONDED THE MOTION.

THE MOTION CARRIED.

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

APPLICATIONS

QUALITY CONTROL SYSTEMS INC (C21 – Refrigeration & Air Conditioning) NEW APPLICATION

QUALITY CONTROL SYSTEMS INC #22761A (C2A, C, G – Electrical Wiring; fire detection; residential wiring) RAISE IN LIMIT

Carl Keller, President, was present and notified the C21 license application had been approved with a license limit of \$250,000 and a \$15,000 bond, and the raise in limit for license #22761A had been approved for \$1 million and a \$15,000 bond.

SIERRA INSULATION CO INC

Donald Dittmore, President, was present. Ms. Stewart explained the application had originally been submitted with a self-prepared personal financial statement and Mr. Dittmore had completed an indemnify agreement. It had then been approved on February 23, 1999 conditioned upon Mr. Dittmore providing a CPA prepared personal statement. Mr. Dittmore wanted to discuss the matter with the Board as it was his desire not to fulfill the Board's request. It was explained in length to Mr. Dittmore that it was the law. It did not have to be an audited statement but it had to be CPA or PA prepared.

MR. ZECH MOVED TO TABLE THE APPLICATION FOR A COMPILED CPA OR PA PREPARED FINANCIAL STATEMENT.

MS. SHELTRA SECONDED THE MOTION.

THE MOTION CARRIED.

SILVER STAGE RAIN GUTTERS (C13 – Seamless Rain Gutters) NEW APPLICATION

Donald Hudgins, Owner, was present and informed the license application had been approved with a limit of \$10,000 and a \$2,000 bond.

TIB THOMSEN (C10A, B – Landscaping; Landscape Irrigation) NEW APPLICATION

Ronald Tib Thomsen, Owner, was present and notified the license application had been approved with a \$10,000 limit, a \$2,000 bond, and a bid letter.

PALMER ELECTRIC INC #32705A (C2 – Electrical Contracting) RAISE IN LIMIT

Phillip Palmer, President, was present and informed the raise in limit had been approved for \$1 million with a \$10,000 bond.

HOWARD DWAIN KENNEMER (B2 – Residential and Small Commercial) NEW APPLICATION, RECONSIDERATION, BOARD DECISION

Howard Kennemer, Owner, was present and notified the license application had been approved with a license limit of \$100,000, a \$10,000 bond, and an FS upon renewal.

RILEY PAINTING (C4 – Painting & Decorating) NEW APPLICATION, RECONSIDERATION, BOARD DECISION

Gloria Riley, Partner, and John Riley, Partner, were present. The application had been denied on May 11, 1999 for failure to establish financial responsibility. Mr. Gregory explained the Board's concerns to the Rileys. Mr. Riley said he did the work himself, they did not have employees. He said he was only a trim painter. He painted trims and sides of houses. He said the largest job he would do at any given time was \$1,000 to \$1,500. Ms. Riley added they paid cash for their supplies, they did not charge them.

MR. JOHNSON MOVED TO APPROVE THE LICENSE APPLICATION WITH A LIMIT OF \$10,000, A \$2,000 BOND, AND AN FS UPON RENEWAL.

MR. ZECH SECONDED THE MOTION.

THE MOTION CARRIED.

S R CONSTRUCTION INC #33080A (B2 – Residential & Small Commercial) BROADENING OF CLASSIFICATION

Keith Gregory, Legal Counsel, was present. He was informed the application to broaden the license classification to a full B, General Building, had been approved.

The remainder of the applications on the agenda were reviewed and discussion occurred on the following: Nos. #1-9, 11, 18, 23-25, 27, 29-31, 33, 36-40, 42-46, 48-51, 53-54, 56-57, 60, 68-69, 87-89, 99, and 106. The amended agenda: Nos. 1, 6-7, 9, 11, 14, and 16-19.

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

MR. ZECH SECONDED THE MOTION.

THE MOTION CARRIED.

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

MR. ZECH SECONDED THE MOTION.

THE MOTION CARRIED.

ADVISORY OPINION

CLARK COUNTY SCHOOL DISTRICT – Licensing Requirement

No one was present for the advisory opinion. The scope of work consisted of replacing buckling concrete and installing a concrete curb ramp. The Board opined a C5 license, not a B license, was needed to do the concrete work.

EXECUTIVE SESSION

REVIEW INSURANCE BENEFIT PROPOSAL

Mr. Gregory indicated the proposal looked very competitive. He suggested moving forward on the matter.

The Executive Officer's Report and Executive Session was postponed until later in the day.

HEARING

FANNING CONSTRUCTION (B2 – Residential & Small Commercial) APPLICATION HEARING

Kevin Fanning, Owner, and Kathy Stewart, Licensing Supervisor, were sworn in. The hearing was for possible violation of NRS 624.263, failure to establish financial responsibility; and NRS 624.3013 (2), misrepresentation. The hearing notice was entered into the record as EXHIBIT 1 and the stipulation was signed.

The license application had been denied on November 17, 1998 for failure to establish financial responsibility. The allegation was evidenced by the filing of a personal chapter 7 bankruptcy by Kevin & Rhonda Fanning on February 13, 1991. It had been discharged on June 12, 1991. The bankruptcy reflected a priority debt to the IRS for approximately \$175,000; to California Employment Development Department for \$90,000; a secured debt for \$525,660; and an unsecured debt for \$338,944. Currently, there were four judgments against Mr. Fanning totaling approximately \$9000.

The applicant had not provided the board with a personal financial statement only the statement for Brelle West Construction Management Corporation. Kevin Fanning was the president of Brelle West and the corporation had completed an indemnity agreement.

Mr. Fanning was associated with 3 California licenses. One of those, Fanning Construction, was inactive and under dual suspension involving 2 unsatisfied judgments. One was to the California Employment Development Department (EDD), to whom Mr. Fanning had submitted an offer of compromise for the amount of \$15,000 against a liability of \$104,092. The current status of the offer was unknown.

The allegation of misrepresentation was evidenced by the fact that Mr. Fanning answered "no" to question #4 regarding suspension of a license in Nevada or any other state, although the California license for Fanning Construction was under dual suspension. He also answered "no" to question #7 regarding unpaid past due bills; liens suits or judgments pending, filed or recorded. Currently, Mr. Fanning appeared to have the unresolved liability with the California Employment Development Department, a judgment filed by Pacific Coast Building Products, and approximately \$1,129,604 of debt discharged in bankruptcy.

Mr. Fanning provided the Board with copies of documents indicating that all judgments against Brelle West had been paid off. He stated that when he began the licensing process he had prepared the original license application as Brelle West Construction. Thereafter, he had been told that it would be cheaper to put the license under Fanning Construction instead of the corporation. This was after the testing and the indemnification had been completed. So when he prepared the second application, he did not base his answers on his own personal liabilities, which were not under the corporation, because he did not feel he needed to put that information down.

For the record, Ms. Stewart was asked to read question 7 of the license application. She read: "Are there now any unpaid past due bills for materials, services rendered, or labor? Are there now any liens, suits or judgments pending or recorded against you, or against any firm in which you, or any of you were interested in at the time such indebtedness was created, or against any property involved under any of your contracts arising out of your, or any of your previous operation either in Nevada or elsewhere? (For the purpose of this question an obligation is not satisfied by a discharge in bankruptcy or the bar of the Statute of Limitations.)" Mr. Fanning countered he was figuring Brelle West was a different entity than Kevin Fanning. When it was pointed out that the question was very clear, Mr. Fanning admitted he was wrong.

Mr. Fanning then detailed the events surrounding the filing of his chapter 7 bankruptcy. He said the \$175,000 originally owed to the IRS had been paid. He was currently working on the EDD debt. He had paid them \$27,000 of the original debt of \$41,000. The \$104,000 amount consisted mainly of penalty and interest. To date, he had been unable to pay them. He said Brelle West was doing very well. The bills were all paid and the corporation was having a good year. It was then learned the corporation was not registered to do business in Nevada. Basically, the type of projects Mr. Fanning did was mini-self-storages. Mr. Fanning was then asked why he did not apply with his corporate statement. If he decided to do so, it would be necessary for him to answer the questions on the application correctly, and the corporation would have to be registered with the Secretary of State.

MS. SHELTRA MOVED TO DENY THE LICENSE APPLICATION OF FANNING CONSTRUCTION.

MR. CARSON SECONDED THE MOTION.

THE MOTION CARRIED.

ROUND TABLE DISCUSSION WITH GUEST LEGISLATORS

Senator Randolph Townsend; Scott Young, Senior Policy Analyst, Legislative Counsel Bureau; Fred Hillerby; Legislative Representative, NSCB; Cheryl Blomstrom, Director of Government Relations, AGC; and Jeanette Belz, Director of Government Relations, Wadhams & Akridge, Representing Southern Nevada Home Builders, were present for the discussion with the Board and staff.

Senator Townsend attributed the success and passage of board related legislation to Ms. Grein's hard work, Mr. Hillerby's representation and the Board's participation at the committee hearings.

The issues that now needed to be addressed or readied for the 2001 legislative session were: Keep Senator Townsend and Senate Commerce Committee members abreast of progress: test the new laws and regulations to find out what worked or didn't work, what was helpful or not, and to let the Senators know what they needed to do to get ready for the next session; address possible bill draft requests such as lien laws, the filing of valid liens only; adopting uniform building codes statewide; and enlisting the help of the various District Attorneys.

Mr. Townsend suggested that he and possibly two colleagues meet with the Board, possibly with the Board of Architecture and Board of Engineers and the Building Departments in attendance, to develop potential solutions to building code disparities; that NRS 598 was a broad statute that could be used to prosecute if existing legislation was too narrow; and that the Board make a list so that he could send the District Attorneys a letter advising them that it was their job to assist the Contractors' Board.

In closing, Mr. Townsend requested that if the Board intended to submit bill draft requests for the next legislative session, all items should be contained in one bill draft because it was easier to track one large bill rather than several small ones. He also noted that the proposed legislation needed to be submitted to him by July, 2000. This would provide him with ample time to have the bill draft drawn up, reviewed, and finalized prior to introduction in the 2001 Legislative Session.

EXECUTIVE SESSION (Continued)

EXECUTIVE OFFICER'S REPORT – March 31, 1999

Ms. Sheltra pointed out she had asked for a monthly update regarding complaints over 90 days old. Ms. Grein asked if the investigative portion could be postponed to the next Las Vegas meeting. Ms. Sheltra clarified she wanted to see an update of the Reno complaints and how old each was at each Reno meeting and the same for the Las Vegas office and meeting.

MS. SHELTRA MOVED TO ACCEPT THE EXECUTIVE OFFICER'S REPORT

MR. ZECH SECONDED THE MOTION.

THE MOTION CARRIED.

NATIONAL CONTRACTOR CREDENTIALING – Discussion

The National Association of State Contractors' Licensing Agencies (NASCLA) was attempting to establish an examination that could be used on a nationwide basis for testing. The matter was optional.

Ms. Grein asked the Board to endorse the study of the appropriateness of a national test.

MS. SHELTRA MOVED TO ENDORSE NASCLA IN ITS STUDY OF THE APPROPRIATENESS OF A NATIONAL TEST BASED UPON GEOGRAPHICAL CORRECTNESS.

MR. ZECH SECONDED THE MOTION.

THE MOTION CARRIED.

LEGISLATIVE REPORT

Ms. Grein provided the Board with the Legislative Tracking Report of the 70th session of the Nevada Legislature.

RICK EATON CONSTRUCTION #36199 – DISCIPLINARY HEARING

Richard Eaton, Owner, Bill Phillips, Copeland Lumber; Richard and Judy Sheldrew, Complainants; Jack Edstrom, Investigator; Gary Leonard, Investigator; Sylvester Weekley, Assistant Manager, Carson Masonry; and Mike Farley, Carson Masonry, were sworn in.

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 or comply with the law or the regulations of the board; NRS 624.3017 (1), substandard workmanship; and NRS 624.3013 (5), as evidenced by violations of NAC 624.700, (3) (A), failure in any material respect to comply with the law or regulations of the board, and complaints against licensees. The hearing notice was entered into the record as EXHIBIT 1 and the stipulation was signed.

COPELAND LUMBER - Under questioning by Mr. Rizzo, Mr. Phillips divulged he was the owner of the Gardnerville office of Copeland Lumber. A letter had been received from Copeland Lumber on January 6, 1999 requesting that a formal complaint be opened against Rick Eaton Construction regarding money owed for materials. The amount in question was listed as \$38,839. Copeland Lumber thereafter notified the board that 2 payments had been made reducing the balance to \$12,006.85. One payment, per cashier's check in the amount of \$24,627.45, had been paid by Al Messer for a release of lien on the Buckwheat job. The lien had then been released. A second payment, which was a partial payment of \$2,319.96 for the Rabbit Brush job had also been received. Since that time, Copeland Lumber had received the balance payment for Rabbit Brush. Mr. Rizzo next referenced an agreement between Copeland Lumber and Rick Eaton, wherein Mr. Eaton agreed to pay \$11,800 in full to Copeland Lumber. Mr. Phillips said Copeland Lumber would have closed their books on the matter had the money been received, but Mr. Eaton never made the payment. To date, Copeland Lumber was owed approximately \$2,440, excluding late charges and attorney's fees. Mr. Phillips noted his last contact with Eaton had been on the 15th of February when he received the payment from Al Messer and Mr. Eaton had not been in contact with anyone in the Gardnerville office. Mr. Phillips was not aware of any specific disputes Mr. Eaton may have. He said there had never been a materials dispute.

Mr. Eaton countered he had been working with Copeland Lumber's attorney because that was how he had been advised. He disputed the \$4,020, which included interest and attorneys fees. But if he owed Copeland Lumber \$2,440, he would pay it, he did not dispute it. The problem was Copeland Lumber had overcharged him in the past, so he needed to review his books to see how much he really owed them. Mr. Eaton added that when he had talked to Copeland Lumber's attorney, the amount he paid them via cashier's check was supposed to be the final amount he owed. Unfortunately, they could not find an attorney to sign off on it, verifying the amount of the check was all he owed. Mr. Eaton then confirmed he did not bring a financial statement with him because he was at first told he had to have one, then told he didn't have to have one and then told again he needed one. It had been during tax season and there had been no time to get it done.

Mr. Edstrom reported he had contacted Copeland Lumber's offices in Oregon. They had provided him with the amount of \$1,073.50 on the shop account and \$399.29 owing on a Rabbit Brush address. Upon interviewing the homeowner and a bank officer, he had been able to determine Mr. Eaton had been paid all but a line item for his profit at the end. Mr. Edstrom said he had personally told Mr. Eaton he needed a financial statement on the day he inspected the Sheldrew residence. Mr. Eaton had also been notified of that fact in a letter two days later. The letter was dated April 7, 1999.

CARSON MASONRY - Mr. Weekley, responding to Mr. Rizzo's questions, stated that Carson Masonry had submitted a complaint regarding moneys owed and then requested that the board postpone further action because Mr. Eaton had contacted them regarding his delinquent account and agreed to make payments of \$1,000 each month until the outstanding amount was paid off. Thereafter, the complaint had been reopened because Mr. Eaton had failed to make timely payments as agreed to. The current outstanding balance for

construction materials was \$7,996.59. Mr. Eaton had never disputed the outstanding amount owed.

Mr. Eaton countered he did not dispute the bill, adding he had been paid for the projects the bill covered.

RICHARD AND JUDY SHELDREW – Mr. Sheldrew stated he had purchased his home from Rick Eaton in May of 1996. Shortly after moving in, problems with the concrete began to surface. There was severe cracking as demonstrated in the photographs found in the hearing file. The cracking continued to worsen so Mr. Eaton was requested to do something about it. That year, he replaced one section and then told the Sheldrews the rest of the cracking was not severe enough to warrant any kind of replacement. As the cracking continued, Mr. Eaton was again asked to take a look at it because it started deflecting vertically by up to ¼ to 3/16 of an inch and the concrete was separating away from the house. In the first part of 1997, Mr. Sheldrew had his brother-in-law, an inspector for the Public Works Board and a contractor, look at the concrete. He recommended that the Sheldrews contact the board for resolution because it was his opinion the information Mr. Eaton had provided the Sheldrews was not accurate and that the concrete should be replaced. Mr. Sheldrew then detailed other items, which were beginning to happen as a result of the cracking concrete. He said the only thing he was interested in was resolution of the matter. Mr. Sheldrew then described the corrective work performed by Mr. Eaton.

Mr. Eaton said the footings were exactly to the engineer's specifications and had been inspected by Douglas County prior to the concrete being poured.

Mr. Sheldrew said he had been told by a soils engineer who had looked at the problem that it was caused by expansive soil. More discussion followed.

Mr. Eaton said one board investigator had looked at the problem and informed him the complaint had been closed. Mr. Rizzo asked for a copy of that letter. Mr. Eaton said he had not brought the letter with him. Mr. Rizzo added the only letter he had was the letter requesting Mr. Eaton to fix the problem. When asked the date of the letter, Mr. Eaton said it was over a year ago. Mr. Eaton added the Sheldrews still owed him money but he did not know how things could be worked out.

Mr. Edstrom reported he had inspected the Sheldrew residence on March 5, 1999. He detailed what he had found, validating Mr. Sheldrew's testimony. A notice to correct, dated March 16, 1999, had been sent to Rick Eaton. Mr. Edstrom confirmed Mr. Eaton had not contacted the Sheldrews, but he had called another investigator and told him he was not going to take care of the issue. He followed directly with a statement that he would.

Mr. Eaton clarified he had agreed to patch it but not tear the whole thing out. The lawn was in and it would be a battle to tear it all out. Mr. Eaton said he had been unable to contact the Sheldrews but he had talked to Mr. Edstrom regarding what he would be willing to do. Mr. Sheldrew said he did not have any difficulty with allowing Mr. Eaton on his property to fix the problem. More dialogue ensued.

The evidentiary was closed.

MR. ZECH MOVED TO FIND LICENSE #36199 IN VIOLATION OF NRS 624.3012 (2).

MR. LINDELL SECONDED THE MOTION.

THE MOTION CARRIED.

MR. ZECH MOVED TO FIND LICENSE #36199 IN VIOLATION OF NRS 624.3017 (1).

MS. SHELTRA SECONDED THE MOTION.

THE MOTION CARRIED.

MR. ZECH MOVED TO FIND LICENSE #36199 IN VIOLATION OF NRS 624.3013 (3).

MS. SHELTRA SECONDED THE MOTION.

THE MOTION CARRIED.

Penal ty

MR. ZECH MOVED TO CONDITION LICENSE #36199, RICK EATON CONSTRUCTION. THE LICENSE WAS TO REMAIN IN A SUSPENDED STATE UNTIL THE REPAIRS WERE PERFORMED TO THE STANDARD OF THE TRADE IN GENERAL AND VERIFIED BY THE BOARD'S INVESTIGATOR, AND UNTIL ALL MONEY OWING COMPLAINTS WERE SATISFIED. ADDITIONALLY, A FINANCIAL STATEMENT WAS TO BE PROVIDED AND ACCEPTED BY THE BOARD AS SUPPORTING THE LICENSE LIMIT PRIOR TO RENEWAL.

MR. LINDELL SECONDED THE MOTION.

Discussion occurred regarding recovery of investigative costs.

THE MOTION CARRIED.

MS. SHELTRA MOVED TO CONSIDER THE RECOVERY OF INVESTIGATIVE COSTS AT THE TIME OF RENEWAL.

MR. CARSON SECONDED THE MOTION.

THE MOTION DID NOT CARRY.

It was pointed out to those present that the contractor had a \$10,000 bond in place.

RHODES HOMES #28530 – PROBATION & FINANCIAL REVIEW

James Rhodes, President; Rhodes Homes; Rob Deville, Chief Financial Officer, Rhodes Homes; Don Purdue, Customer Service Representative, Rhodes Homes; and Owen Nitz, Attorney for Rhodes Homes, were present for the review.

Mr. Zech abstained.

Mr. Nitz presented the Board with graphs and summarized where Rhodes Homes stood in handling the open complaints. He addressed which items had closed, which ones were waiting for final inspection and the new complaints, which had been opened. A question and answer period followed.

MR. JOHNSON 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).

The financial statement, as prepared, was not accepted by the Board because it included 35 other entities. Mr. Gregory clarified that the Board needed to see only the financial statement of Rhodes Design and Development Corporation. Mr. Deville stated that the audited financial statement for Rhodes Design and Development Corporation would be ready at the end of the month. After a lengthy discussion, Mr. Rhodes offered to personally indemnify the license of Rhodes Design and Development Corporation dba Rhodes Homes. The indemnity form was presented to Mr. Rhodes and he signed it.

Mr. Gregory asked that the matter be continued for 45 days to the July 27th meeting in Las Vegas unless serious issues manifested themselves before that time. The financial statement could be forwarded to the board as soon as it was prepared and the Board would review it at its next scheduled board meeting. Staff was asked to prepare a report pertaining to the complaints and to submit it at the next Las Vegas meeting.

A motion was made, seconded, and carried to reopen the meeting to the public.

D N ANDERSON #27759 – DISCIPLINARY HEARING

David N. Anderson, Vice President, Wesley Smith, D N Anderson; Denise Colwell, Project Coordinator, Clark County, Department of Aviation; Golden Welch, Las Vegas Paving; and Rick Bertuzzi, Director of Investigations, were sworn in. William Stoddard, Legal Counsel for D N Anderson, identified himself.

The 30-day notice of hearing had been waived. The hearing was for possible violation of NRS 624.3015 (1), acting in the capacity of a contractor beyond the scope of the license. The hearing notice was entered into the record as EXHIBIT 1. Mr. Stoddard waived the written notice of findings of fact and conclusions of law. A stipulation was to be prepared for Mr. Anderson to sign.

Mr. Bertuzzi reported the item had been reviewed in the May 25, 1999 board meeting as an advisory opinion request. It had been learned that the work had been awarded and construction started. At that time, Mr. Bertuzzi had been directed to investigate the matter and bring it before the board. Upon contacting the necessary people at the Department of Aviation at McCarran Airport, Mr. Bertuzzi had learned that on December 1, 1998 the board had granted license #27759, D N Anderson, a one time raise in limit, from \$4.5 million to \$8 million for a bid to the Clark County Department of Aviation and Construction and Engineering Department, McCarran Airport. This had been for the construction of a project known as the East Baggage Claim Elevators. On February 11, 1999, the licensee had entered into the contract with the Department of Aviation for the construction of this project for a contract price of \$5,025,000. The contract required the licensee to install 3 new 7-stop elevators, spanning approximately 106.2 vertical feet. The construction included the new electrical substation, utility relocation, installation debris shield construction, excavation, foundation, structural steel, elevator concrete slabs, lighting, HVAC, mechanical equipment systems, and communications and life and safety systems, as well as interior and exterior architectural finishes. In questioning, Mr. Bertuzzi said the project was more than three stories.

The issue was whether the work required the licensee to hold a B2 or a full B license. D N Anderson held a B2 license. Mr. Stoddard then presented an argument based on his understanding of the statutes, NAC 624.170 (2) versus NAC 624.215 (3). He believed the question was: "Were we building a building?" He then described the work involved and stated a building was not being rebuilt or remodeled.

Mr. Carson stated he did not have a problem with Mr. Anderson bidding the

project unknowingly, and there may be some dispute as to whether the work should be done with a B or B2 license, but he opined the work should be performed by a B license rather than a B2 license. Other Board members opined it could also be done with an A, AB or B license. Mr. Gregory clarified that any work, remodel or building under three stories, fell into the B2 classification. Any work, constructing, remodeling or work in a building over three stories fell into the B classification.

After further discussion, the evidentiary was closed.

MR. JOHNSON MOVED TO FIND LICENSE #27759, D N ANDERSON, IN VIOLATION OF NRS 624.3015 (1) AND TO PLACE A ONE-YEAR LETTER OF REPRIMAND INTO THE LICENSE FILE.

MR. LINDELL SECONDED THE MOTION.

THE MOTION CARRIED.

TAHOE SHEET METAL #34882 FINDINGS OF FACT, CONCLUSIONS OF LAW, & DECISION

The item was continued to the next meeting in Las Vegas.

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 3:25 p.m.

Respectfully Submitted,

Betty Wills, Recording Secretary

APPROVED:

Margi Grein, Executive Officer

Kim Gregory, Chairman