

KENNY C. GUINN  
Governor

## STATE OF NEVADA

REPLY TO:

### MEMBERS

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



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## STATE CONTRACTORS' BOARD

### MINUTES OF THE MEETING SEPTEMBER 23, 1999

The meeting of the State Contractors' Board was called to order by Chairman Kim Gregory at 9:01 a.m., Thursday, September 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. Kim Gregory – Chairman  
Mr. Doug Carson (Arrived at 10:18 a.m.)  
Mr. John Lindell  
Ms. Deborah Sheltra  
Mr. Michael Zech

#### BOARD MEMBERS ABSENT:

Mr. Dennis Johnson  
Mr. Dennis Nelson

#### STAFF MEMBERS PRESENT:

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

#### OTHERS PRESENT:

Cari Inkenbrandt, Court Reporter, CSR Associates of Nevada; Jack Casper, Controller, Clark Pacific; Jack Pate, President, American Framing Systems; Kelly Sagona, Owner, Blue Lagoon Pools Contractors; Nancy Sagona, QE, Blue Lagoon Pools Contractors; Keith Gregory, Legal Counsel, Blue Lagoon Pools Contractors, Jetstream Construction Inc, and Fradella Iron Works; Melanie Adams, Aguirre Building Systems Inc; Donald Fagan, President, Dolphin Plumbing; Tom Davis, Legal Counsel, H N Transportation Management; Merlin J. Hardy, Owner, M J Hardy Const; Chris Denning, Owner, Hardy Construction; Robert Phillips, Partner, Prime Stucco Lath & Plastering; Jesus Chanez, Partner, Prime Stucco Lath & Plastering; James Leavitt, Legal Counsel, Sudden Impact Inc; Harry Vasconcellos, President, Sudden Impact Inc; Grizel Herhold, Owner, Artistic Expressions; Michael Roberts, Vice President and Qualified Officer, R M I; Gregory Park, Owner, Southern Hawk; Phil Bozeman, President, Expert Air Conditioning and Heating Inc; D. Brian Boggess, Legal Counsel; Larry Slife, Complainant; Doug Malan, Legal Counsel, Southern Hawk; Scott Bugbee, General Contractor; Dave

Aegerter, President, J A Vay and Sons Inc.; Chuck Snell, President, Value Fence, Inc; Robert V. Jones, President, Robert V Jones Corp; Barney Ales, Legal Counsel for Mr. Jones; Tom Hantges, Business Associate, Robert V. Jones Corp; Complainants: Robert & Patricia Campbell, Joe Licari, Ed Pennewell, La Paz Ceramic Tile; Danny Brown, Owner, Rite-Way Stucco & Drywall System; Joe Brown, Step Father, Rite-Way Stucco & Drywall System; Kevin Lee Robinson, Owner, Yukon Air; Jeffrey & Susan Schyman, Complainants; Gary F. Barton, Owner, Designer Rugs Plus; Donald Purdue, President, Aegis Contracting Inc.; Gerri Shat, Complainant; Pete Aguilar, President, Fradella Iron Works; Rick Fradella, Fradella Iron Works; Lee Christensen, Owner, C & C Contractors; Richard Forbes, President, Efficient Energy Inc; Gerri Rhae Sillonis, Manager/Member, Fairchild Group LLC; Charles Fairchild, Member, Fairchild Group LLC; Howard Ostfeld, Qualified Employee, Fairchild Group LLC; Gary Cochran, President, I & S Insulation Inc; Harry Rogers, Trade Qualifier, I & S Insulation Inc; and David Collings, President, Collings Incorporated of Nevada.

Ms. Grein stated that Michael Perko had posted the agenda in compliance with the open meeting law on September 17, 1999, at the Sawyer State Building, Clark County Library, and Las Vegas City Hall. Additionally, the agenda had been posted in each office of the Board, Las Vegas and Reno, and on the Board's Internet web site.

It was learned there were 35 items on the amended agenda, each item of an emergency nature.

MR. LINDELL MOVED TO HEAR THE AMENDED AGENDA.

MR. ZECH SECONDED THE MOTION.

THE MOTION CARRIED.

Mr. Gregory called for a motion to approve the minutes of September 7, 1999.

MR. LINDELL MOVED TO APPROVE THE MINUTES OF SEPTEMBER 7, 1999.

MR. ZECH 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. ZECH 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

### FALCON ROOFING COMPANY #35379 (C15 – Roofing & Siding) RENEWAL OF EXPIRED LICENSE

Mike Lazovich, President, and Waldo Castroverde, Vice President, were present and informed of the following action.

MR. LINDELL MOVED TO APPROVE A CONDITIONAL LICENSE FOR 60 DAYS. DURING THAT TIME, A PROPERLY PREPARED FINANCIAL STATEMENT WAS TO BE SUBMITTED AND ALL COMPLAINTS RESOLVED. THE LICENSE WAS TO AUTOMATICALLY SUSPEND AFTER 60 DAYS IF THE STATED CONDITIONS

WERE NOT MET.

MR. ZECH SECONDED THE MOTION.

THE MOTION CARRIED.

Mr. Lazovich indicated that the complaints had been resolved. The information had been supplied to Mike Maloy, Investigator, Reno.

**CLARK PACIFIC** (B – General Building) NEW APPLICATION

Jack Casper, Chief Financial Officer and Controller, was present. He was informed that the financial statement did not warrant an unlimited license limit. It was then explained to Mr. Jasper what was required for an unlimited license. The indemnification and the one time raise in limit procedure were explained to Mr. Jasper.

MR. ZECH MOVED TO APPROVE THE LICENSE APPLICATION WITH A LIMIT OF \$2 MILLION AND A \$50,000 BOND.

MR. LINDELL SECONDED THE MOTION.

THE MOTION CARRIED.

**AMERICAN FRAMING SYSTEMS** #43829 (B2 – Residential & Small Commercial) CHANGE IN QUALIFIER, REQUEST TO WAIVE TRADE EXAMINATION, 90 DAY EXTENSION

Jack Pattee, President, was present and he was notified that he had been approved to act as the qualifier on the license and that the trade examination had been waived.

**BLUE LAGOON POOLS CONTRACTORS** #46481 (A10E – Maintenance/Repair of Pools & Spas) FINANCIAL STATEMENT ON RENEWAL, RECONSIDERATION

Kelly Sagona, Owner, Nancy Sagona, Qualified Employee, and Keith Gregory, Legal Counsel, were present. It was learned that in its initial review by the Board, the license application had been tabled because of insufficient bankruptcy information. The required information had since been received. There were no valid complaints pending against the license. Regarding the personal debts of Kelly Sagona, one debt was in dispute and a judgment remained unpaid because the statute of limitation had expired.

MR. ZECH MOVED TO APPROVE THE LICENSE APPLICATION WITH A LIMIT OF \$15,000, A \$10,000 BOND, AND A FINANCIAL STATEMENT ON RENEWAL.

MR. LINDELL SECONDED THE MOTION.

THE MOTION CARRIED.

**JETSTREAM CONSTRUCTION INC** #43791 (C3 – Carpentry) ONE TIME RAISE IN LIMIT

Attorney Keith Gregory was present for the applicant. He was notified that the one time raise in limit had been approved in the amount of \$6 million for project conditioned on payment and performance bonds.

**AGUIRRE BUILDING SYSTEMS INC** (B2 – Residential and Small Commercial) NEW APPLICATION

Melanie Adams was present for the applicant. She was notified the license application had been approved with a limit of \$6 Million, a \$50,000 bond, and a financial review at time of

renewal in 2000.

**DOLPHIN PLUMBING** (C1D – Plumbing) NEW APPLICATION, RECONSIDERATION

The license application had been denied on April 14, 1999 for a lack of financial responsibility. Donald Fagan, President, was present and informed the license application had been approved with a license limit of \$150,000, and a \$20,000 bond.

**H N TRANSPORTATION MANAGEMENT** (A22 – Railroad Construction & Repairs) NEW APPLICATION, WAIVER OF EXAM

Tom Davis, Legal Counsel, was present to represent the applicant. When asked by the Board the nature of the applicant's business, Mr. Davis replied the company intended to install a private railroad switching yard for companies in the Henderson area, initially for Pioneer Chlor Alkali Company. They were hoping to expand their service to other companies as well. They would be moving cars and performing light repair work. Canac Inc. was the guarantor and the indemnitor.

MR. LINDELL MOVED TO APPROVE THE LICENSE APPLICATION WITH A LIMIT OF \$2 MILLION, WITH A \$50,000 BOND, A FINANCIAL REVIEW ON RENEWAL IN 2000. THE APPROVAL WAS CONTINGENT UPON PASSING THE MANAGEMENT EXAMINATION.

MR. ZECH SECONDED THE MOTION.

THE MOTION CARRIED.

**M J HARDY CONST** #26060 (B2 – Residential & Small Commercial) NAME CHANGE-SIMILARITY

Merlin J. Hardy, Owner, M J Hardy Const, and Chris Denning, Owner, Hardy Construction, were present. Pat Potter, Licensing Supervisor, explained that M J Hardy had to change his name to Hardy Development. An investigation of name use had prompted the request. Ms. Potter explained that the licensee had originally applied as Hardy Const, however, the name had not been approved based on name similarity with Hardy Construction. To resolve the issue, Mr. Hardy said he wanted to change his name to Hardy Development.

MR. LINDELL MOVED TO ACCEPT THE NAME CHANGE REQUEST OF M J HARDY CONST TO HARDY DEVELOPMENT.

MR. ZECH SECONDED THE MOTION.

THE MOTION CARRIED.

**PRIME STUCCO LATH & PLASTERING** (C17 – Lathing & Plastering) NEW APPLICATION, RECONSIDERATION

Robert Phillips, Partner, and Jesus Chanez, Partner, were present. The license application had been denied on August 24, 1999 for failure to show financial responsibility. The financial data remained the same. Mr. Phillips explained he and his partner had paid off the majority of their credit card debts. He explained what remained and advised payments were current. When asked what type of work they intended to perform, Mr. Phillips said block walls and small addition remodels. He said a block wall could average \$3,500. They would perform stucco work only, with room additions averaging \$1,000 to \$5,000.

MR. LINDELL MOVED TO APPROVE THE LICENSE APPLICATION WITH A LIMIT OF \$25,000, A \$5,000 BOND, REQUIRING A FINANCIAL REVIEW IN 6 MONTHS.

MR. ZECH SECONDED THE MOTION.

THE MOTION CARRIED.

**SUDDEN IMPACT INC** (A12 – Excavating, Grading, Trenching, Surfacing) NEW APPLICATION, BOARD DECISION

James Leavitt, Legal Counsel representing Sudden Impact Inc; Harry Vasconcellos, President, Sudden Impact Inc; and Ron Schuster, NSCB Investigator, were present. Mr. Zech questioned why licensing staff had not received answers to questions regarding a civil judgment and bankruptcy documents. Ms. Potter, Licensing Supervisor, stated that staff had been unable to verify that certain accounts had been dismissed as the applicant had failed to supply the requested documents.

Mr. Leavitt stated he had a copy of a motion to dismiss, adding that Mr. Vasconcellos had filed a bankruptcy but, unfortunately, all of the bankruptcy records from 1996 and prior had been archived. Those records had been ordered. He indicated that the copy he had in his possession simply dismissed the bankruptcy, it was not the actual order of the judge.

Mr. Schuster said the Special Investigative Unit of the board had been investigating the matter for 1 year and 4 months. Six complaints had been opened against Sudden Impact Inc, all involved contracting without a license. Additionally, one of the six involved obtaining money under false pretenses and another for deceptive trade practices. Regarding the latter, a bench warrant had been issued for Mr. Vasconcellos' arrest. The sixth complaint had just been received and was in the process of being prepared.

Mr. Vasconcellos indicated he had an SIIS account and that he had applied for a contractors' license on July 22, 1998. Mr. Leavitt interjected that Mr. Turner was assisting Mr. Vasconcellos with the license application. When the application had been submitted there had been a qualified employee (QE). That person subsequently withdrew and was partially responsible for the delay. Mr. Vasconcellos had since refiled.

Mr. Schuster confirmed that there had been a problem regarding the QE. Numerous calls to Mr. Vasconcellos had been made to have him come into the office but Mr. Vasconcellos had refused. He also refused to come to the job site when his employees were cited.

Chairman Gregory explained the status of an unlicensed contractor in the state of Nevada. Mr. Leavitt replied that several of the citations were to be heard in court but it was his contention that it was unclear to counsel that the violations were clear violations.

It was then clarified that some of the requested documentation had been received that morning but not the bankruptcy documents.

MR. LINDELL MOVED TO DENY THE LICENSE APPLICATION.

MS. SHELTRA SECONDED THE MOTION.

THE MOTION CARRIED.

Chairman Gregory instructed Ms. Grein to have staff prepare the case for a formal board hearing.

**ARTISTIC EXPRESSIONS** (C4A – Painting) NEW APPLICATION, RECONSIDERATION

Grizel Herhold, Owner, was present. The license application had been denied on July 27, 1999 for failure to establish financial responsibility. Ms. Herhold told the Board she specialized in murals and she performed her own work. The largest job ranged in the area of \$12,000.

MR. LINDELL MOVED TO APPROVE THE LICENSE APPLICATION WITH A LIMIT OF \$15,000, AND A \$5,000 BOND.

MR. ZECH SECONDED THE MOTION.

THE MOTION CARRIED.

Mr. Carson arrived at 10:18 a.m.

#### **R M I #38458 (C18 – Masonry) ONE TIME RAISE IN LIMIT**

Michael Roberts, Vice President and Qualified Officer, was present. he was informed that the company's two one time raise in limits had been approved. The New Inpatient Hospital in Sparks had been approved with a limit of \$750,000, payment and performance bonds if required; and the Regional Justice Center had been approved with a limit of \$4 million, payment and performance bonds required.

The rest of the license applications were postponed until later in the day.

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

MR. ZECH SECONDED THE MOTION.

THE MOTION CARRIED.

#### **DISCIPLINARY HEARINGS**

##### **SOUTHERN HAWK #29292 & #29377 - SUMMARY SUSPENSION HEARING**

Gregory Park, Owner, Southern Hawk, Phil Bozeman, President, Expert Air Conditioning and Heating Inc; D. Brian Boggess, Legal Counsel; Larry Slife, Complainant, and Greg Mincheff, Investigator, were sworn in.

Mr. Carson abstained based on a conflict of interest.

The notice of hearing, dated July 21, 1999, consisting of pages 1-18, had been sent certified mail. The return receipt was dated July 26, 1999. The notice of continued hearing, dated September 13, 1999, had been sent certified mail and the return receipt was dated September 14, 1999.

The hearing was for possible violation of NRS 624.3017 (1), substandard workmanship; NRS 624.3011 (1) (a), disregard of plans, specifications, laws or regulations, willful and prejudicial departure from or disregard of plans or specifications in any material respect; NRS 624.3011 (1c) (1), disregard of plans, specifications, laws or regulations, and willful or deliberate violation of the building laws of the state or any political subdivision thereof; NRS 624.3013 (2), misrepresentation; NRS 624.3013 (5) as set forth in NRS 624.260 (3), and NAC 624.640 (3) and (4), failure to comply with law or regulations of the board: the natural person qualifying on behalf of another natural person or firm must prove that he is a bona fide member or employee of that person or firm, if any change occurs in a licensee's address or personnel which affects the accuracy of the statements in the application, he shall report the change in writing to the board within 30 days, if a license issued by the board was based in part on the employment of a particularly qualified person, the licensee must continue to employ such a person; and NRS 624.260, financial responsibility. The hearing notice was entered into the record as EXHIBIT 1 and the stipulation was signed.

Under questioning by Mr. Griffy, Greg Mincheff, NSCB Investigator, testified that during his site visit he had found an incomplete project and several items had not been performed according to the engineering plan. No one from Southern Hawk had been present at the



time. Mr. Mincheff said he had been out to the Slife project twice. On the second occasion, the engineer of record and a county official had been present to determine specifically which elements had not been adhered to. Mr. Slife had been present on that occasion.

The charge of misrepresentation surrounded the Qualified Employee, Mark Hall, who had not been present at any of the work being performed by Southern Hawk. It appeared that the licensee had not employed Mr. Hall for several years, possibly as many as nine. This had been learned in an interview conducted with Mr. Park on March 12, 1999. At that time, Mr. Park had made statements that Mr. Hall had not been involved with Southern Hawk since 1995. Thereafter, Mr. Mincheff had reviewed the notarized signature of Mark Hall with the renewal application notices of the last few years (EXHIBITS 28-36 of the hearing notice) and it appeared there was a discrepancy in the signatures on the renewal applications and that of the certified signature of Mark Hall. Mr. Mincheff noted he had spoken with Mr. Hall one time. In that conversation, Mr. Hall had acknowledged he would respond to questions, including those pertaining to his signature, in a formal written request prepared by board staff. Thereafter, no response had been received from Mr. Hall and no further contact had been made with him.

Doug Malan, Legal Counsel for Southern Hawk, asked Mr. Mincheff who had called for the inspections. Mr. Mincheff replied that the board had requested the first inspection and the second had been a plan inspection with the engineer and the county inspector.

Larry Slife, Complainant, testified that he had entered into a contract with Southern Hawk to build a custom, single family residence for \$152,000. The contract had been entered into specifically with Mr. Park. The licensee was to build a house according to the plans Mr. Slife had provided him with. The plans had been reviewed with Mr. Park several times and Mr. Park assured Mr. Slife that he had the ability to build the project. Once the project began, Mr. Slife pointed out differences in the framing stage to Mr. Park who had assured him that he would make the necessary adjustments. Mr. Slife said he had then asked Mr. Park not to proceed with the project until those items had been corrected, admitting that the two of them each had differences of opinion regarding the work. At this point, Mr. Park went out of town for two weeks. During this time, Mr. Slife prepared a punch list wherein he requested a detailed explanation from Mr. Park regarding how he intended to repair the items, and asked for a schedule of completion. He also invited Mr. Park to bring in a third party if there were further discrepancies. Mr. Slife then confirmed that the items under discussion were those found on page 22 of the hearing notice. Mr. Slife next provided the board with photographs, which were later entered into the record.

Mr. Gregory pointed out that several of the items were building code violations, and asked if those items had been corrected? Mr. Slife said some of the items had been corrected. Others had been covered up behind sheet rock or shear panel, contrary to the approved plans. After debating with the building department regarding the differences in the work to the plans, two building department inspectors admitted they had signed off in error. There were now eight or nine items that the building department listed as inadequate and in need of correction. Mr. Slife said, to date, those items were still incomplete. Pursuant to the building department letter, the inspection was revoked and the permit expired. The plans now needed to be updated to the new code and a new permit issued. Mr. Slife's photographs were entered into the record as EXHIBIT 2. Mr. Slife then spoke to several of the correction issues indicating that it would cost him approximately \$61,000 to complete the project.

Mr. Malan then questioned Mr. Slife regarding the punch list and Mr. Slife provided him with a copy.

Scott Bugbee, General Contractor, was sworn in and confirmed the quality of the work as testified to by Mr. Mincheff and Mr. Slife. It was his opinion that the work had not been performed in accordance with the plans. He said that, prior to the installation of the drywall,

he had made a video tape of the deficiencies for Mr. Slife.

Mr. Gregory disclosed past business relationships with Mr. Bugbee. Mr. Malan responded he had no objection to Mr. Gregory's participation in the hearing. Mr. Malan then asked Mr. Bugbee on what it was that he based his statement that the job was out of control. Mr. Bugbee replied that there were things being started before other things were being completed. He said that in construction there was a sequential order but, on this project, things were being covered up that should not have been.

It was learned that Mr. Slife and Mr. Park were in active litigation. The status was pending and no court date had been set.

Mr. Park, when questioned by Mr. Malan, testified that there were inconsistencies between the architectural drawings and the engineering drawings. Mr. Park said he had held meetings with Mr. Slife's engineer, whom he, himself, had engaged. Mr. Park next described the problems he had encountered between the architectural and engineering plans. Mr. Park said he had not been notified of the inspection held in August of 1997 with the engineer of record and the Clark County Building Department.

Mr. Park then addressed the items on page 20 of the hearing notice, saying Ace Engineering, the engineer of record, had given him direction in a letter dated August 15, 1997 on how to address the problems and the inconsistencies between the architectural plans and the engineer's plans. The letter was entered into the record as EXHIBIT A. A second letter, dated August 28, 1997, with accompanying attachments from Ace Engineering, was entered into the record as EXHIBIT B. A third letter, dated October 2, 1997, from Southwest Geotechnical Consultants, was entered into the record as EXHIBIT C. Mr. Malan asked the Board if he could submit the fix letter regarding the shear walls when it was obtained from the engineer.

Mr. Malan asked the HVAC subcontractor, Phil Bozeman, if the condensate lines had been properly terminated. Mr. Bozeman said he was not sure what was meant by 'properly terminated' but the lines were run and passed inspection. He said his set of plans did not show make-up air. This sparked further discussion regarding combustion air versus make up air. It was determined item 22 of page 20 of the hearing notice remained uncorrected.

Mr. Gregory asked Mr. Slife if his contract specifically required work to be performed 'per plans and specifications.' Mr. Slife replied yes, adding it also said to the owner's satisfaction. When asked if the letters from the engineer of record had been submitted to plan check for approval, it was learned they had not. Mr. Park countered that they did not have to be submitted. Mr. Gregory informed him it was required. Mr. Park conceded the plans had not been submitted prior to proceeding with the work.

Mr. Park said Mark Hall had been his original Qualified Employee but Mr. Hall had been in and out of town all of the time. Mr. Park admitted he had just never changed the Qualified Employee. He could have qualified for his own license, saying he had no excuse. When asked who had signed the applications, Mr. Park admitted to the charge by answering: "office personnel."

The evidentiary was closed.

MR. ZECH MOVED TO FIND LICENSE #29292 & 29377, SOUTHERN HAWK, IN VIOLATION OF NRS 624.3017.

MS. SHELTRA SECOND THE MOTION.

THE MOTION CARRIED.

MR. ZECH MOVED TO FIND LICENSE #29292 & 29377, SOUTHERN HAWK, IN



VIOLATION OF THE 2 CHARGES OF NRS 624.3011.

MS. SHELTRA SECONDED THE MOTION.

THE MOTION CARRIED.

MR. ZECH MOVED TO FIND LICENSE #29292 & 29377, SOUTHERN HAWK, IN VIOLATION OF NRS 624.3013.

MS. SHELTRA SECONDED THE MOTION.

THE MOTION CARRIED.

MR. ZECH MOVED TO FIND LICENSE #29292 & 29377, SOUTHERN HAWK, IN VIOLATION OF NRS 624.260.

MS. SHELTRA SECONDED THE MOTION.

THE MOTION CARRIED.

MR. ZECH MOVED TO FIND LICENSE #29292 & 29377, SOUTHERN HAWK, IN VIOLATION OF NAC 624.640.

MS. SHELTRA SECONDED THE MOTION.

THE MOTION CARRIED.

Penalty phase.

MR. ZECH MOVED TO ASSESS A FINE OF \$1,000 PER VIOLATION, TO PLACE A PERMANENT LETTER OF REPRIMAND INTO THE LICENSE FILE OF SOUTHERN HAWK, #29292 AND #29377, TO PLACE BOTH LICENSES ON PROBATION FOR A PERIOD OF ONE YEAR, AND TO RECOVER THE INVESTIGATIVE COST OF \$2,555.16. THE FINE AND THE INVESTIGATIVE COST WAS TO BE PAID WITHIN 60 DAYS OR THE LICENSE WOULD AUTOMATICALLY SUSPEND.

MS. SHELTRA SECONDED THE MOTION.

Mr. Lindell pointed out that the license was currently suspended for no qualified employee. Ms. Mathias advised that a new qualifier had been approved in July.

THE MOTION CARRIED. (MR. CARSON ABSTAINED)

### **ADVISORY OPINIONS**

#### **CLARK COUNTY SCHOOL DISTRICT, Project #'s BO7631, BO6731, BO7431, BO7331, AND BO7531: J. A. Vay and Sons Inc. – LICENSE REQUIREMENT**

Dave Aegerter, President, J. A. Vay and Sons Inc., was present for the advisory opinion. The bulk of the work was HVAC consisting of rooftop air handlers and chilled water piping. However, electrical, masonry, concrete and structural steel were also involved. Jeff Wagner, Project Coordinator, had indicated that HVAC contractors could bid this project as the prime contractor, but that the electrical, steel and concrete needed to be subcontracted to the proper licensee.

The Board opined that a full C21 license holder could act as the prime contractor. It was noted that the awarding authority could establish more stringent requirements.

**VALUE FENCE, INC.**, Project CL068 (Cotton & Taylor) - SCOPE OF WORK FOR A-21 LICENSE

Value Fence had requested an advisory opinion regarding the CL068 project, and whether or not the work would fall within the scope of their A21 license.

Chuck Snell, President, Value Fence, Inc., was present and told the Board that he had attempted to acquire a permit for this project and a county official had told him he could only perform fence installations along a highway or a playground.

It was the opinion of the Board that the A21, Fencing and Guardrails, and C25, Fencing and Equipping Playgrounds, categories were almost equal in nature, and would permit the licensee to install any type of fencing. The Board explained that the county had the authority to be more stringent, and could require specific licenses.

**DISCIPLINARY HEARING****ROBERT V. JONES CORP.** #23498 & #44321 – DISCIPLINARY HEARING**R V J C ELECTRICAL** #43827 – DISCIPLINARY HEARING**SUN VALLEY PLUMBING AND MECHANICAL** #42529 - DISCIPLINARY HEARING  
(Continued from 8/25/99)

Robert V. Jones, President, Robert V Jones Corp; Barney Ales, Legal Counsel for Mr. Jones; Tom Hantges, Business Associate, Robert V. Jones; Tom Tucker, Investigator, Greg Mincheff, Investigator, Ron Ramsey, Investigator, Linc Dante, Investigator; Bob Macke, Investigator, Robert & Patricia Campbell, Complainants; Joe Licari, Complainant; and Ed Pennewell, President, La Paz Ceramic Tile were sworn in.

The notice of hearing, dated July 23, 1999, consisting of pages 1-97, had been sent certified mail. The return receipt was dated 7/26/99. An amended notice of hearing, dated August 5, 1999, consisting of pages 1-10, had been sent certified mail, and the return receipt was dated August 6, 1999. The notice of continued hearing, dated September 13, 1999, had been sent certified mail and the return receipt was dated September 14, 1999.

The hearing was for possible violation of NRS 624.3017 (1), workmanship which is not commensurate with standards of the trade in general, or which is below the standards in the building or construction codes adopted by the city or county in which the work is performed; NRS 624.3012 (2), willful or deliberate failure by any licensee or agent or officer thereof to pay any moneys when due for any materials or services rendered in connection with his operations as a contractor; NRS 624.3013 (3), failure to establish financial responsibility as set forth in NRS 624.220, 624.260, 624.263 and 624.265 at the time of renewal of the license or at any other time when required by the board; NRS 624.3013 (5), as set forth in NAC 624.700 (3) (a), failure to comply with the provisions of this chapter or the regulations of the board, failure to respond to the notice to correct; and NRS 624.3018 (2), the performance by any partnership, corporation, firm or association of any act or omission, constituting a cause for disciplinary action, likewise constitutes a cause for disciplinary action against any licensee who is a member, officer, director, or associate of such partnership, corporation, firm or association.

The hearing notice was entered into the record as EXHIBIT 1. Letters had been received from two of the complainants, were entered into the record. One, from Masonry Builders of Nevada, dated September 17, 1999, stated they had been contacted. There was a check ready for them to pick up in the amount of \$2,174, and they wanted to release their complaint. Their letter was entered into the record as EXHIBIT A. The second letter, dated September 22, 1999, was from Dan Bradley Glass Shop. They too indicated they wished

to withdraw their complaint because they had received a substantial payment toward the debt that was owed to them. Their letter was entered into the record as EXHIBIT B.

Mr. Zech disclosed he had been involved in litigation wherein Mr. Ales had been the opposing attorney, although Mr. Ales was no longer on the case. There was no objection to Mr. Zech's involvement in the hearing. Mr. Gregory disclosed he had had past dealings with Tom Hangis in other matters. Again there was no objection. The stipulation was then signed.

Mr. Macke advised the Board that he had contacted Lawrence Hancock early in September and had been informed that his problem had been resolved and he no longer wanted to pursue his complaint. Mr. Gregory asked Mr. Macke to confirm his verbal conversation with Mr. Hancock in writing.

A letter from Joe Licari was then entered into the record as EXHIBIT C, and a second letter from Masonry Builders of Nevada was entered into the record as EXHIBIT D. The licensee's financial statement was entered into the record as EXHIBIT E.

Mr. Griffy questioned Robert and Patricia Campbell regarding their complaint. It was learned that on or about March 19, 1998 the Campbells had entered into a contract with the licensee to build a residential home for \$263,456. An additional \$31,098 of upgrades and options had been purchased through the builder, as well as other improvements from other contractors. The licensee had been paid the total amount. After the Campbells had taken possession of the home, workmanship issues immediately became manifest. Mr. Campbell described the problems he had in getting the contractor to correct the issues. The Campbells had attempted to live in the house as their previous house had sold but they soon learned the house was uninhabitable. The windows fell out when touched; the stucco still showed chicken wire on the outside of the house; the doors didn't fit; and ultimately the fireplace ceased to work because the gas valve inside the fire box had been installed one inch from the gas logs. Thereafter, as there was still no response from the licensee, the board had been notified and civil action pursued. Mr. Campbell then identified Mr. Blanche as his attorney in that action and he verified that the items on pages 3-4, items a-p, of the hearing notice, as the workmanship items directed to the licensee. To date, none had been corrected.

Mr. Ramsey stated he had validated 16 items on Mr. Campbell's list. He had been to Mr. Campbell's home on two occasions. On the first occasion, Bob Stein, representing the licensee, and a second person identifying himself only as Lenny, had been present. Mr. Ramsey had explained to them the items he felt were below the standards of the industry. He said he believed they both took notes but neither had stated whether the items would be corrected. The baseboards and the french doors had been discussed but both men had indicated they were under the impression that those items had been ordered by the homeowner and installed by another contractor. Two notices to correct had been sent to the licensee. The licensee's representatives had made it clear that they did not feel the concrete floor, and the doors and baseboards were their responsibility. They accepted only the responsibility for the first six minor items. However, they had made no effort to correct them.

Mr. Ales asked Mr. Campbell if, since the filing of his civil suit, he had been instructed by anyone to not allow the homebuilder further opportunities to fix the items needing correction. Mr. Campbell responded that his attorney had requested that all inquiries from Robert V Jones be directed to him. When asked if he would allow the homebuilder to return to the home to make the necessary corrections, Mr. Campbell deferred to his attorney.

Mr. Blanche confirmed that litigation had been entered into two weeks prior to the hearing. He said a request had been received from the licensee to go back into the house to review the items. Mr. Gregory asked if the licensee would be allowed to complete the

workmanship items under the direction of the Board's investigative staff. Mr. Blanche replied yes.

When the licensee was asked why he had not corrected the items, Mr. Ales said it was his understanding that Mr. Jones had left this responsibility in the hands of those he employed. It was apparent the work had not been done in a timely fashion, either to the satisfaction of the board or to the homeowner, but Mr. Jones intended to address the issues and to remedy them. Mr. Jones said he had not seen any of the letters from the board until ten days prior to the hearing.

Joe Licari was questioned and told the board he had entered into a contract with the licensee to build a single family residence for a contract price of \$184,430. The contract had been paid in full. Mr. Licari said there were many workmanship problems with the home. He verified the items on pages 5-6 of the hearing notice as the items at issue, but said it was his understanding that after the August meeting with the board there was going to be some changes made to include additional items. He said he had not seen the revised notice. He confirmed his situation was similar to the Campbells. There were serious workmanship items at hand, highlighted by an electrical issue. Wires had been incorrectly stripped, resulting in many burn outs of electrical appliances. The seriousness of the matter was highlighted on the night his family moved into the house and flipped on the kitchen light. It caught on fire. His wife, who is disabled, could not vacate the premises quickly. This had been pointed out to the licensee many times. Mr. Licari said he believed the furnace was the wrong type for the home; there was no insulation in the ceiling; and the flooring was incorrect because he had paid \$4,000 to upgrade the carpet but he had received only basic carpet. This was also true of the appliances. He had received only basic appliances even though he had paid \$1,954 to upgrade his stove, microwave, and dishwasher. When the house closed, there had been no appliances for at least two weeks. The stove he now had did not work and had only three legs.

Mr. Mincheff validated all of the issues as identified in the hearing notice as well as the electrical problems.

Mr. Ales asked Mr. Licari if anyone from the Jones Corp. had attempted to meet with him to address his concerns prior to his contacting the contractors' board. Mr. Licari said the supervisor, someone by the name of Arnold had visited his home. It was established that Mr. Licari would have allowed the workmen into the home when he was not there provided he was given notice and the workmen provided proper identification. He had recently been approached by phone by one Rodney Valensky, who had asked if he could come in to the home and see what needed to be repaired. After a one-hour discussion, both men had decided to not proceed as there was only five days preceding the hearing. When asked if he would allow the homebuilder to fix the problems, Mr. Licari said it would under certain conditions. Mr. Jones had no credibility with him and he preferred that a performance bond be placed and licensed contractors perform the work, again with notice as to when they would be there. He stated he had a life safety issue with his wife.

Mr. Gregory clarified that the investigator would arrange the schedule with the licensee and the homeowner for the repairs and they would be performed to the standard of the trade in general to be verified by the Board's investigator. The investigator would work with Mr. Licari to ensure that the repairs were done properly. Mr. Licari agreed,

Mr. Ales then provided the board with a letter dated April 30, 1999 from Robert V Jones to the board. It indicated Mr. Licari would not allow the licensee to go into his home unless they met certain conditions. The letter was entered into the record as EXHIBIT F. Mr. Licari gave his opinion as to what may have prompted the letter, noting he had not been made aware of it.

Tom Tucker, Investigator, reported on the Abdulsayed complaint. He did not know if the matter had been resolved or not. Mr. Gregory asked Mr. Tucker to contact Mr. Abdulsayed

at his earliest convenience and to report back to the Board the status of the complaint. Mr. Tucker stated he had validated that the work had not been performed properly. Mr. Jones stated that according to his maintenance people, the Abdulsayed matter had been completed.

Ed Pennewell said he had performed work for Robert V Jones and had not been paid. This had occurred over a period of one year. Robert V Jones had then signed an agreement with him to pay back the moneys due and to make monthly payments of \$25,000. He said he had received one payment of \$25,000 and one payment of \$5,000. Thereafter, the payments stopped. To date, Mr. Pennewell said he was owed \$174,000. He had performed work in various tracts and he had never been told that the quality of his work was unsatisfactory.

Mr. Ales clarified that the agreement with Mr. Pennewell stated Robert V Jones would make a payment and then perform a reconciliation of Mr. Pennewell's accounts. A discussion ensued regarding what that statement meant and the fact that the amount was never disputed until the Friday preceding the board meeting. Mr. Carson commented that it looked to him as if money was owed to Mr. Pennewell from December, 1997 until the Friday preceding the hearing. It was learned that Robert V Jones had had 3 separate controllers during that time period.

Mr. Ales submitted a copy of an affidavit from Jarrod Raseloff regarding the reconciliation of the La Paz Ceramic Tile account. Mr. Hantges then spoke to Mr. Pennewell's statements. He said that in attempting to reconcile Mr. Pennewell's account, Robert V Jones had found discrepancies, but they were ready, willing and able to sit down with him to work those out and to figure out a way to get him paid. Nonetheless, there were some very real discrepancies regarding the amount owed. The affidavit was entered into the record as EXHIBIT G.

Mr. Gregory asked Mr. Pennewell to provide his billing records to the board in order to facilitate the matter.

Mr. Jones admitted that he had tried to function as an absentee owner. He had counted on qualified people to represent him. He too was ready, willing and able to solve the issues immediately.

MR. CARSON MOVED TO SUMMARILY SUSPEND THE LICENSE FOR 60 DAYS AND TO TABLE THE HEARING TO ALLOW RESOLUTION OF ALL THE ITEMS PRESENTED. THE LICENSE WAS TO BE AUTOMATICALLY REVOKED IN 60 DAYS IF ALL THE ITEMS WERE NOT RESOLVED.

MS. SHELTRA SECONDED THE MOTION.

THE MOTION CARRIED.

For the record, Ms. Sheltra added that there were 57 complaints on record with the board against R V Jones Corp. Mr. Jones was informed that if the complaints were resolved sooner, the matter would be returned to the Board as soon as possible.

### **RITE-WAY STUCCO & DRYWALL SYSTEMS #39740 - DISCIPLINARY HEARING**

The notice of hearing, dated July 23, 1999, consisting of pages 1-14, had been sent certified mail. The return receipt was dated July 30, 1999. The notice of continued hearing had been sent certified mail on August 12, 1999 and September 13, 1999. The return receipt was dated September 17, 1999.

The hearing was for possible violation of NRS 624.3014 (2), misuse of license; evasion of law; NRS 624.3014 (3), any attempt by a licensee to assign, transfer or otherwise dispose

of a license; and NRS 624.3013 (5), as set forth in NRS 624.305, failure to comply with law or regulations of board, unlawful use, assignment or transfer of license. The hearing notice was entered into the record as EXHIBIT 1.

Danny Brown, Owner, and Joe Brown, Step Father, were sworn in and the stipulation was signed.

Mr. Taylor questioned Danny Brown who indicated he had previously been known as Danny Tomaro. He said he was the sole proprietor of Rite-Way but he was living in Pittsburgh. He had made an agreement with Patrick Wright to handle the day to day operations of the license and, in turn, Mr. Brown was paid \$.50 on the dollar for every yard of stucco installed. Mr. Wright was not on the license nor was he an employee.

Mr. Joe Brown explained that Danny was his step-son. Upon the death of Mrs. Brown, Danny's mother, Danny had returned to the Pittsburgh area. At that time, he had reached an agreement with Patrick Wright to have Mr. Wright maintain the business aspect of the license during his absence and contingent upon his return to the Pahrump area. Thereafter, extenuating circumstances had delayed his return. As soon as the complaint against the license had been brought to his attention, Danny Brown initiated the action to start incorporating his license, based upon correspondence received from the board. Subsequently, however, a second complaint had been initiated against Mr. Brown.

Danny Brown was willing to do whatever was necessary to put the matter to rest, even if it meant shutting the business down if no Qualified Employee could be found. When asked if Patrick Wright had a contractors' license in the state of California, Mr. Brown replied it was expired. The Board then asked Mr. Brown why he didn't put Patrick Wright on the license as the Qualified Employee. He said Mr. Wright feared the test.

The evidentiary was closed.

MR. LINDELL MOVED TO FIND LICENSE #39740, RITE-WAY STUCCO & DRYWALL SYSTEMS, IN VIOLATION OF ALL CHARGES AS STATED IN THE NOTICE OF HEARING.

MR. CARSON SECONDED THE MOTION.

THE MOTION CARRIED.

It was learned that Mr. Brown's natural father had filed the complaint against him.

MR. CARSON MOVED TO SUSPEND THE LICENSE UNTIL SUCH TIME AS THE BOARD BELIEVED THAT THERE WAS A PROPER CORPORATION, A PROPER QUALIFIED EMPLOYEE THAT HAD PASSED THE TEST, THAT THE FINANCIAL RESPONSIBILITY REQUIREMENTS HAD BEEN MET, AND THAT THE INVESTIGATIVE COST OF \$1,387.50 HAD BEEN RECOVERED.

MR. ZECH SECONDED THE MOTION.

THE MOTION CARRIED.

### **EXECUTIVE SESSION**

**UNFINISHED BUSINESS** - FROM AUGUST 24, 1999 AND SEPTEMBER 7, 1999

### **ELECTION OF OFFICERS**

MR. CARSON MOVED TO RE-ELECT KIM GREGORY AS CHAIRMAN, MR. ZECH AS VICE-CHAIRMAN, AND MS. SHELTRA AS SECRETARY.



MS. SHELTRA SECONDED THE FIRST TWO CANDIDATES IN THE MOTION AND MR. ZECH SECONDED THE THIRD.

THE MOTION CARRIED.

## **REVIEW AND CONSIDERATION OF COMPENSATION AND BENEFIT PACKAGE**

Continued.

## **STRATEGIC PLANNING SESSION**

Ms. Grein discussed the protocol policy adopted by the Board in January, 1996, and communication with Board Members, staff, and Board attorneys. Although the policy has been in place for several years, Ms. Grein thought it was appropriate to revisit the issue. The Board concurred.

Mr. Gregory stated the importance of acting as a Board and not as individuals. Decisions needed to be made by the majority of the Board, and no one member should attempt to influence a decision or action. He stressed that this type of conduct would harm the Board as a whole, and the improvements that they are trying to make. He also cautioned against becoming involved in cases that were, or may someday, be before the Board.

The protocol policy was to be re-distributed to Board Members, staff, and Board legal counsel as a reminder.

## **LEGAL SERVICES**

There was a discussion concerning the quality of service provided by the Northern Nevada firm. With the change in the direction of the Board, it was necessary to have counsel that supported that mission. Appropriate protocol for legal counsel was discussed, and concern expressed regarding Mr. Reese's failure to keep Ms. Grein and the Board informed of his actions. Ms. Grein noted that frequently, Mr. Reese had dealt directly with staff on issues without her knowledge or approval.

Mr. Reese had submitted a proposed hourly contract for review.

MR. LINDELL MOVED TO ACCEPT THE HOURLY RATE AS PROPOSED ON AN "AS NEEDED" BASIS FOR A ONE (1) YEAR TERM AND TO CONSIDER AN ALTERNATE SOURCE FOR LEGAL SERVICES IN THE NORTHERN NEVADA AREA.

MR. ZECH SECONDED THE MOTION.

THE MOTION CARRIED.

Mr. Gregory added that the contract would be subject to review by Ms. Grein, and approval by the Board of Examiners and the Attorney General's office. The increase in the hourly rate would be effective upon approval by the Board of Examiners.

## **DISCIPLINARY HEARINGS**

**KEVCO CONSTRUCTION & DESIGN** #30505 - DISCIPLINARY HEARING

**HUNTER ELECTRIC** #38140 – DISCIPLINARY HEARING

**YUKON AIR #47964 – DISCIPLINARY HEARING**

Kevin Lee Robinson, Owner, Jeffrey & Susan Schyman, Complainants, and Bob Macke, Investigator, were sworn in

The notice of hearing, dated August 18, 1999, consisting of pages 1-18, had been sent certified mail and the return receipt was dated August 21, 1999. The notice of continued hearing, dated September 13, 1999, had been sent certified mail, both return receipts were dated September 14, 1999.

The hearing was for possible violation of NRS 624.3017 (1), substandard workmanship, workmanship which is not commensurate with standards of the trade in general or which is below the standards in the building or construction codes adopted by the city or county in which the work is performed; NRS 624.3013 (5), as set forth in NAC 624.700 (3) (a), failure to comply with law or regulations of the board, failure to comply with the notice to correct; and NRS 624.3018 (2), certain persons prohibited from serving as officer, director, associate or partner of licensee. The hearing notice was entered into the record as EXHIBIT 1 and the stipulation was signed.

Mr. Taylor questioned the Schymans and learned they had entered into a contract with Kevco to build them a home. The contract was for \$460,000, which was the combined cost of the home and the land. But that amount had not been paid to the licensee. The total paid to the licensee was \$25,000 under a cost plus contract. On or about June, 1994, the Schymans noticed problems with the stucco, cracking throughout the building and on the walls around the property. Additionally, there was leakage of water from the exterior of the house to the interior of the house. Kevco had come out to inspect the stucco, but Mr. Robinson did not believe he needed to correct the problem and said if the contractor's board was notified he believed they would agree with him. After the board became involved, some repairs were made. However, the same problems arose again. The Schymans had received a \$10,000 estimate to correct the matter using regular paint. If Elastameric paint was used, the cost would be considerably more. Mrs. Schyman stated that Kevco should have advised them of the difference in paint in the first place.

Mr. Macke noted that the original case in 1995 had been his. When the case was reopened, another investigator had performed the investigation. Subsequently, on August 3, 1999, Mr. Macke had conducted an on-site investigation and had taken six photographs of the exterior cracking. He validated the cracking and said it was not within the industry standards. Mr. Macke then detailed what had been wrong with the house when the original complaint had been submitted. At that time, it had taken nine months to repair. The complaint had been reopened on September 25, 1998 with the same stucco type problems. The cracks, from hairline to substantial, covered the entire house. Some of the cracks were the same ones as in the original complaint. The house had been painted when it had been completed.

When asked if he had received the notices to correct, Mr. Robinson explained he had received the notice of November 12, 1998. He did not address the final notice of December 31, 1998. Upon receipt of the November 12, 1998 notice, he had called the board to inform them of a death in the family and he had asked for time to take care of that situation. Thereafter, he had received a notice for the hearing before the Board. At that point, he decided it was best to appear before the board because he wanted the opportunity to say what he believed was right or wrong.

The current status of the license was inactive, not renewed. His renewal application was on the application agenda for consideration.

Mr. Robinson detailed what had occurred in the original complaint and explained what he had done to correct the matter the first time. The house had a three coat stucco system, comprised of white, light sand. Cracks would show the most because it was pure white

paint. Nonetheless, the corrections had been made and the case had been closed. He said the Schymans had been made aware of Elastimeric paint when he performed the corrections the first time and could have opted for it then. After Mr. Macke had validated the work and closed the complaint, Mr. Robinson had asked Mr. Macke what would happen if the complaint was reopened. Mr. Robinson contended that Mr. Macke had informed him that if he fixed the cracks the case was closed. Now, three years later, Mr. Robinson said he received a letter indicating that the case had been reopened. Subsequently, he called Clark Thomas, the investigator assigned to the complaint, four times but did not have any of his calls returned. After making a couple of trips into the office to speak with Mr. Thomas, he finally found him in and set up an appointment to review the Schyman residence. Mr. Robinson noted that there was one item listed in the complaint, which should not have been validated. It was the block wall. He didn't build it, a neighbor did. Mr. Macke had concurred with him on the original complaint that the crack on the fence should not have been validated.

Discussion then occurred regarding whether the Schymans had been given the option to choose Elastimeric paint; the cracks that had appeared on the windows; the fact that all stucco cracked; and who had provided the drawings for the house. Mr. Robinson submitted his contract into the record as EXHIBIT A. It indicated the warranty was for one year. Mr. Robinson and Mr. Macke concurred that the cracks were the same cracks as in the first complaint. It was learned water leakage had not been involved in the first complaint. Steve Roland of Jankins Plastering had been hired as a subcontractor. It was pointed out that the inherent problem with the stucco might not be related to the quality of the stucco itself but to the expansion joints. Mr. Carson was not sure if the problem was a workmanship issue, noting it could be as much of a design issue as workmanship. Mr. Lindell stated the stucco was not deteriorating, it was not crumbling and falling off through workmanship. Structurally, the house was moving. Stucco, being a cementitious material, was cracking when the house moved. Mr. Gregory added the stucco would continue to shrink just as concrete did. He said the solution in this matter was to caulk it and to repaint the house with Elastimeric paint.

The evidentiary was closed.

MS. SHELTRA MOVED TO DISMISS THE CHARGES AGAINST LICENSE #30505, KEVCO CONSTRUCTION & DESIGN, #38140, HUNTER ELECTRIC AND #47964, YUKON AIR INC..

MR. LINDELL SECONDED THE MOTION.

Mr. Robinson said the one thing that had distressed him was that the Schymans had not contacted him before they filed their second complaint. The Schymans agreed they had not contacted Mr. Robinson. When asked if they would allow the licensee to correct the work, Mr. Schyman replied yes. Mr. Carson pointed out that the house was now six years old and he did not think it was fair to ask the licensee to repaint the house. Mr. Schyman said he didn't want Mr. Robinson to repaint the house, he wanted him to repair the cracks.

MR. LINDELL WITHDREW HIS SECOND TO THE MOTION.

THE MOTION DIED FOR A LACK OF A SECOND.

MS. SHELTRA MOVED TO ORDER THE REPAIR OF THE EXISTING CRACKS AND TO DISMISS THE CHARGES.

THE MOTION DIED FOR A LACK OF A SECOND.

Mr. Schyman said he only wanted the cracks repaired. He had the paint. Mr. Robinson said he had already sent his employees over and they had caulked the cracks with silicone and Elastimeric paint, but Mr. Robinson admitted he had not inspected the job site. The

work had been performed in November during the time he had experienced the death in his family. Mr. Carson said Elastameric caulking needed to be used with the Elastameric paint. Mr. Schyman confirmed the cracks had been caulked with silicone.

Mr. Lindell stated he did not believe the contractor was 100% responsible for repainting the Schyman house.

MS. SHELTRA MOVED TO HOLD THE MATTER IN ABEYANCE AND TO DISMISS THE CHARGES BASED UPON A FAIR RESOLUTION OF THE MATTER WITHIN THE NEXT 30 DAYS.

MR. LINDELL SECONDED THE MOTION.

THE MOTION CARRIED.

### A A A HEATING & AIR #37606 - DISCIPLINARY HEARING

### SUN STAR AIRE #29664 – DISCIPLINARY HEARING

The status of license #37606 was suspended for no bond as of October 12, 1998, and the status of license #29664 was inactive, not renewed, as of April 1, 1996. Both notices had been returned.

The notice of hearing, dated August 20, 1999, consisting of pages 1-82, had been sent certified mail. No return receipt had been received. The envelopes had been returned by the post office stating "Attempted Not Known" and "Box Closed No Order." The notice of continued hearing had been sent by certified mail on September 13, 1999 with the same results.

The hearing was for possible violation of NRS 624.3012 (2), failure to pay for materials or services; NRS 624.301 (4), willful failure to comply with terms of contract or written warranty; NRS 624.3013 (3), failure to establish financial responsibility; NRS 624.3016 (1), fraudulent or deceitful acts whereby substantial injury is sustained by another; NRS 624.3013 (5), as set forth in NAC 624.640 (3) and NAC 624.720, failure to comply with law or regulations of the board, duties concerning licenses, notice of impaired financial responsibility or violation of law; and NRS 624.3018 (2), certain persons prohibited from serving as officer, director, associate or partner of licensee. The hearing notice was entered into the record as EXHIBIT 1.

Neither Daniel J. Gaddis, President, nor Donald Gaddis, Treasurer, A A A Heating & Air, and Donald Wayne Gaddis, Owner, Sun Star Aire, were present for the hearing and no one was present to represent either of the two companies.

Mr. Gregory asked if all of the complaints had been confirmed and validated by staff. Mr. Taylor replied that was correct. He then asked to enter two items into the record. One regarded Mr. Piper and the second regarded Ms. Booth and indicated additional evidence of payment. Both items were entered into the record respectively as EXHIBIT 2 and EXHIBIT 3. Mr. Hauer, Carson Sales, was present to testify that the invoices reflected in the hearing file as pages 16-19 had been hand delivered to the licensee on the date indicated on each invoice.

MR. LINDELL MOVED TO ACCEPT THE FILE AND ADDITIONAL EVIDENTIARY AS FORMAL FINDINGS OF FACT, CONCLUSIONS OF LAW.

MR. ZECH SECONDED THE MOTION.

THE MOTION CARRIED.

The evidentiary was closed.

MR. CARSON MOVED TO FIND LICENSE #37606, A A A HEATING & AIR, AND LICENSE #29664, SUN STAR AIRE, IN VIOLATION OF ALL THE CHARGES AS STATED IN THE HEARING NOTICE.

MR. LINDELL SECONDED THE MOTION.

THE MOTION CARRIED.

Penalty phase.

MR. CARSON MOVED TO REVOKE LICENSE #37606, A A A HEATING & AIR, AND LICENSE #29664, SUN STAR AIRE, AND TO REFER THE MATTER TO THE DISTRICT ATTORNEY'S OFFICE FOR CRIMINAL PROSECUTION.

MR. LINDELL SECONDED THE MOTION.

THE MOTION CARRIED.

Mr. Lindell pointed out that there was a \$10,000 bond in place and encouraged the complainants to file claims.

**DESIGNER RUGS PLUS** #43526 - DISCIPLINARY HEARING (Continued from 6/22 & 8/24/99)

Greg Mincheff, Investigator, reported that Mr. Ortega, the homeowner, had been unable to attend the hearing due to a delay in the board schedule. He confirmed that the licensee had a company scheduled to perform the repair work last month but the company had backed out at the last moment. Another company had then been scheduled by the licensee to perform the work on a Saturday. The Ortegas had declined that appointment.

Gary F. Barton, Owner, Designer Rugs Plus, said the Ortegas had claimed the appointment was unacceptable because it was a Saturday. The next appointment was now set for Oct 4. But Mr. Ortega had said the work would only happen if the licensee provided him with a \$1,400 cashier's check.

Mr. Mincheff said that Mr. Ortega had requested the \$1,400 based on numerous delays. Mr. Ortega had informed him that he did not mind if the case did not continue past this day. Mr. Mincheff related that he had advised Mr. Ortega that if the licensee was not allowed to finish the project, there was nothing more the board could do for him. Mr. Mincheff said Mr. Ortega was under the assumption that he would collect from Mr. Barton's bond. Mr. Ortega and the bonding company were merely awaiting the board's decision.

Mr. Barton added that a cash settlement from his bond would be less than \$600. He preferred to let the bonding company settle with Mr. Ortega than to pay him \$1,400 and to make the needed repairs. It was pointed out to Mr. Barton that he might want to consider settling with Mr. Ortega for a known amount rather than allowing Mr. Ortega go after his bond.

Mr. Mincheff pointed out that Mr. Ortega had been here earlier, but due to the delay in the schedule, it appeared he had left. He added that the material for the repair was on the job site.

MR. CARSON MOVED TO CONTINUE THE HEARING TO THE NEXT LAS VEGAS MEETING.

MR. ZECH SECONDED THE MOTION.

THE MOTION CARRIED.

**RHODES HOMES #28530 –STAFF STATUS REPORT**

The matter was continued to the next Reno meeting.

**AEGIS CONTRACTING INC. #41273 - DISCIPLINARY HEARING**

The notice of hearing, dated August 18, 1999, consisting of pages 1-34, had been sent certified mail to the last known address of record. No return receipt had been received. On September 16, 1999, the post office returned the hearing notice with a new address stamped on the envelope. On September 17, 1999, the notice of hearing and the notice of continued hearing was hand delivered to Donald Purdue's work address, which was that of Rhodes Homes, and it was sent certified mail to the address supplied by the Post Office.

The hearing was for possible violation of NRS 624.301 (1), abandonment or failure to complete or prosecute diligently project for construction; NRS 624.301 (3), willful failure to comply with terms of contract or written warranty; NRS 624.3017 (1), substandard workmanship; NRS 624.3012 (2), failure to pay for materials or services; NRS 624.3013 (3), failure to establish financial responsibility; and NRS 624.3013 (5), as set forth in NAC 624.700 (3) (a) and NAC 624.640 (5), failure to comply with law or regulations of the board, failure to comply with the notices to correct, and failure to include his license number on all bids or contracts. The hearing notice was entered into the record as EXHIBIT 1. The hand service delivery of the notice was entered into the record as EXHIBIT 2.

The stipulation was signed and Donald Purdue, President, Aegis Contracting Inc., Gerri Shat, Complainant, and Greg Mincheff, Investigator, were sworn in.

Mr. Taylor questioned Mrs. Shat and learned that on or about May 4, 1998 she had entered into a contract with Aegis to construct a patio cover. The licensee had been paid \$9,000 less 5% or \$8,500. The licensee had commenced work in May, 1998 and was last on the job in August, 1998. The job had been 95% completed. Thereafter, Mr. Purdue failed to return to the job site. Mrs. Shat confirmed that page 2-3, items 7a to 7m, of the hearing notice were in fact the items comprising her complaint and that they had been validated by the board investigator. She said the city had rejected the patio cover because two main vents had been left off.

Mr. Purdue asked Mrs. Shat if an arrangement had been made for financial restitution in her case. Mrs. Shat said yes. The arrangement called for Mr. Purdue to pay Mrs. Shat a balance of \$1,500 by September 1, 1999. Mrs. Shat said she had called Mr. Purdue on September 1st when she had not seen him. Later in the day, Mr. Purdue had come to her house with ½ of the money and with a promissory note stating that the rest would be paid to her on October 1, 1999.

Mr. Gregory clarified that a financial arrangement had been made with Mr. Purdue and that once Mrs. Shat had been paid, she would be satisfied. Mrs. Shat said yes. To date, she had been paid \$750. The balance was due on October 1, 1999. This payment arrangement had been entered into outside of small claims court where B & H Roofing had taken her. B & H Roofing was the company responsible for putting the lien on her house.

Mr. Purdue said that at the same time he had entered into the payment arrangement with Mrs. Shat, he had also entered into a payment arrangement with B & H Roofing to pay off his debt and he was current on the account, but Mr. Purdue did not believe B & H Roofing had removed the lien on Mrs. Shat's house.

Mrs. Shat stated the lien, including legal fees, amounted to approximately \$1,900. She



added that she never knew a lien had been placed on the property. She had never been told. She had inadvertently found out about the lien through a title company some eight months after the fact.

Mr. Purdue commented that the payment arrangement with B & H Roofing had been recorded with the court clerk and filed with the court. If the amount was not paid, Mr. Purdue was liable, not Mrs. Shat. Mr. Griffy pointed out that the lien could not be removed until B & H Roofing was paid in full.

Mr. Mincheff then clarified why the city had rejected the patio cover. Two notices to correct had been issued to the licensee, who had failed to comply with the notices. Mr. Mincheff then validated the items as listed in the hearing notice, noting the licensee had failed to pay B & H Roofing \$1,215.00. Mr. Mincheff said a request for a financial statement had been made but, to date, none had been received.

Speaking to the Kathryn Desmond complaint, Mr. Mincheff validated the charges.

Mr. Purdue then described the circumstances which had caused him financial difficulty and of his efforts to pay off the debts of his company. He also spoke to the quality of his workmanship, saying the job had been beautifully done, but B & H had failed in their workmanship causing some of the stucco damage. Mr. Purdue was informed he could have filed a complaint against B & H Roofing.

The current status of the license was suspended for no bond as of December 28, 1998.

Mr. Purdue then spoke to the Kathryn Desmond complaint. When the complaint had been brought forward, Mr. Purdue had paid Ms. Desmond her money back, \$1,150 had been repaid 3 months ago. Mr. Mincheff stated that he believed restitution had been made. Mr. Purdue had a signed document from Kathryn Desmond accepting the payment and releasing him from his obligations. The document was entered into the record as EXHIBIT 3.

MR. ZECH MOVED TO FIND LICENSE #41273, AEGIS CONTRACTING INC., IN VIOLATION OF NRS 624.301 (1).

MS. SHELTRA SECONDED THE MOTION.

THE MOTION CARRIED.

MR. ZECH MOVED TO FIND LICENSE #41273, AEGIS CONTRACTING INC., IN VIOLATION OF NRS 624.301 (3),

MS. SHELTRA SECONDED THE MOTION.

THE MOTION CARRIED.

MR. ZECH MOVED TO FIND LICENSE #41273, AEGIS CONTRACTING INC., IN VIOLATION OF NRS 624.3017 (1).

MS. SHELTRA SECONDED THE MOTION.

THE MOTION CARRIED.

MR. ZECH MOVED TO FIND LICENSE #41273, AEGIS CONTRACTING INC., IN VIOLATION OF NRS 624.3012 (2).

MS. SHELTRA SECONDED THE MOTION.

THE MOTION CARRIED.

MR. ZECH MOVED TO FIND LICENSE #41273, AEGIS CONTRACTING INC., IN VIOLATION OF NRS 624.3013 (5), AS SET FORTH IN TO NAC 624.700 (3) (A) AND NAC 624.640 (5).

MS. SHELTRA SECONDED THE MOTION.

THE MOTION CARRIED.

Penalty phase.

MR. ZECH MOVED TO PLACE A PERMANENT LETTER OF REPRIMAND INTO THE LICENSE FILE OF AEGIS CONTRACTING INC., LICENSE #41273, THE LICENSE WAS TO REMAIN SUSPENDED UNTIL RESTITUTION HAD BEEN MADE AND THE LIENS REMOVED, AND THE INVESTIGATIVE COST OF \$2,083.80 RECOVERED. ALL MATTERS WERE TO BE RESOLVED WITHIN 6 MONTHS OR THE LICENSE WOULD BE REVOKED.

**FRADELLA IRON WORKS #15772 - DISCIPLINARY HEARING (Continued from 8/24/99)**

Pete Aguilar, President, Fradella Iron Works, Rick Fradella, and Keith Gregory, Legal Counsel, were present.

It was learned Mr. Aguilar had passed the test to be the qualified employee on the license.

Mr. Fradella stated he had had Fradella Iron Works for 21 years and had never been before the Board. Additionally, he had had R & D Construction for 10 years prior to XLA, and it too had operated without any complaints. It wasn't until he brought in 2 partners that his problems started. He explained how the issue of XLA had manifested itself and that he had immediately resigned from the company upon learning what his 2 partners were doing. He said he had turned something into the Board indicating his resignation but the local office had not been able to locate his resignation, informing him that it might have been sent to the Reno office. Since that time, he had spent a little over \$49,000 to rectify some of the problems XLA had left behind. He maintained he was an honorable person and had never been in trouble in his life. He just wanted the Board to know that.

Mr. Zech asked to have the record show he was abstaining.

Mr. Lindell maintained that in harmony with the previous hearing, the licensee should switch from Rick Fradella, Qualified Employee, to Pete Aguilar as the Qualified Employee and Mr. Fradella should resign. Mr. Lindell pointed out that Mr. Fradella was still a 25% stock holder.

MR. LINDELL MOVED TO DISMISS THE CHARGE AGAINST FRADELLA IRON WORKS BASED ON THE RESIGNATION OF RICK FRADELLA.

MR. CARSON SECONDED THE MOTION.

THE MOTION CARRIED. (MR. ZECH ABSTAINED)

**LICENSE APPLICATIONS (Continued)**

The following motion closed the meeting to the public.

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

MR. ZECH 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).

**C & C CONTRACTORS** (C4 – Painting & Decorating) NEW APPLICATION

Lee Christensen, Owner, was present. Ms. Mathias explained Mr. Christensen had been licensed previously and all three of the licenses had experienced financial difficulties. As a result, claims had been paid from each of the license bonds. The Board had disciplined one of the licenses in 1990.

Mr. Gregory explained to Mr. Christianson why the Board was concerned. Mr. Christensen pointed out that he had access to a \$40,000 equity line of credit. Mr. Christensen was asked to either provide the Board with new financial information or consider the possibility of adding a personal indemnitor to the license.

A motion was made, seconded, and carried to table the license application for new financial information.

**EFFICIENT ENERGY INC** (C21 – Refrigeration & Air Conditioning) NEW APPLICATION

Richard Forbes, President, was present. Ms. Mathias asked the Board to table the application for an accurate financial statement or continued investigation of the status of the accounts on Mr. Forbes credit report.

When asked what kind of work he intended to do, Mr. Forbes said he was applying for a \$150,000 limit to perform light commercial work such as strip malls.

The license application was tabled for financial information and Mr. Forbes was asked to provide a copy of his wife's bankruptcy.

**FAIRCHILD GROUP LLC** (C2A – Electrical Wiring) NEW APPLICATION

Gerri Rhae Sillonis, Manager/Member, Charles Fairchild, Member, and Howard Ostfeld, Qualified Employee, were present. Ms. Mathias told the Board the Qualified Employee, Howard Ostfeld, had previously been licensed with the Board. Bankruptcy documents pertaining to Howard Ostfeld had been requested and the documents had been provided. The attached investigative report was related to Cyberus Pyrotronics and Siemens Corp. Cyberus no longer existed because it had been purchased by Siemens. Therefore, the investigation was no longer being pursued. Mr. Ostfeld had been the Qualified Employee for Cyberus and for Grinnell Corporation.

Mr. Ostfeld stated he had resigned from Cyberus and Grinnell. He had given the board notice at that time. Mr. Ostfeld pointed out that the company was looking for a full C2 license, not a C2A, and that he had passed the test for the full C2 license.

MR. LINDELL MOVED TO APPROVE THE LICENSE APPLICATION FOR A C2 LICENSE WITH A LIMIT OF \$200,000 AND A \$20,000 BOND.

MR. ZECH SECONDED THE MOTION.

THE MOTION CARRIED. (MS. SHELTRA WAS OPPOSED)

**I & S INSULATION INC** (C3D – Insulation) NEW APPLICATION

Gary Cochran, President, and Harry Rogers, Trade Qualifier, were present and notified the

license application had been approved with a limit of \$20,000, a \$5,000 bond, with a financial review required upon renewal in 2000.

**COLLINGS INCORPORATED OF NEVADA #40481 (C3C – Cabinets & Millwork) RAISE IN LIMIT**

David Collings, President was present and notified the raise in limit had been approved for \$3 million, and a \$30,000 bond.

The remainder of the applications on the agenda were reviewed and discussion occurred on the following: Nos. 3, 6, 8, 10, 13, 16-17, 22, 50-52, 61, 65, 75, 77, 80-84, 91-92, 95-96, 100, 103, 105-107, 109, 112, 115, and 121-122. On the amended agenda: Nos. 1, 6-7, 9-10, 12-14, 18, 21, 25, 28-29, and 34.

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

MR. LINDELL SECONDED THE MOTION.

THE MOTION CARRIED.

**PUBLIC COMMENT**

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

There being no further business to come before the Board, the meeting was adjourned by Chairman Gregory at 5:07 p.m.

Respectfully Submitted,

Betty Wills, Recording Secretary

APPROVED:

Margi Grein, Executive Officer

Kim Gregory, Chairman