

MEMBERS

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STATE CONTRACTORS BOARD

**MINUTES OF THE MEETING
MAY 6, 2003**

1. CALL TO ORDER:

The meeting of the State Contractors Board was called to order by Chairman Michael Zech 8:46 a.m., Tuesday, May 6, 2003, State Contractors Board, Reno and Henderson, Nevada. Exhibit A is the Meeting Agenda and Exhibit B is the Sign In Log.

BOARD MEMBERS PRESENT:

Mr. Michael Zech – Chairman – via video conference
Mr. Douglas W. Carson – via video conference
Ms. Margaret Cavin
Mr. David W. Clark
Mr. Spiridon G. Filios – via video conference
Mr. Jerry Higgins
Mr. Randy Schaefer – via video conference – left at 1:45 p.m.

BOARD MEMBERS ABSENT:

None

STAFF MEMBERS PRESENT:

Ms. Margi Grein, Executive Officer
Ms. Nancy Mathias, Licensing Administrator
Mr. George Lyford, Director of Investigations
Mr. Frank Torres, Deputy Director of Investigations

LEGAL COUNSEL PRESENT:

Ms. Carolyn Broussard, In House Counsel
Mr. Bruce Robb, Legal Counsel (Walter Bruce Robb)

Ms. Grein stated that Gary Leonard had posted the agenda in compliance with the open meeting law on April 30, 2003 at the Washoe County Court House, Washoe County Library, and Reno City Hall. The agenda was also posted in both offices of the Board, Reno and Henderson, and on the Board's Internet web page.

It was learned there were 12 items on the amended agenda, each item of an emergency nature

It was moved and seconded to hear the amended agenda. THE MOTION CARRIED.

2. APPROVAL OF MINUTES:

Chairman Zech called for a motion to approve the minutes of April 22, 2003.

It was moved and seconded to approve the minutes of April 22, 2003. THE MOTION

CARRIED.

3. LEGISLATIVE DISCUSSION:

A. REPORT AND DISCUSSION -AMERICAN STRATEGIES: AB 220, SB 241, SB 371, AB 262, AB 316, SB 131, SB132, SB 206, SB273, SB 310, SB 437

Mr. Buzz Harris and Mr. Jay Parmer of American Strategies, Inc. were present and provided the Board with an update on legislative bills that may affect the Board.

The following legislative bills were discussed: AB 190, AB 216, AB 220, AB 262, AB 316, AB 347, AB 373, SB 124, SB 131, SB 132, SB 173, SB 229, SB 241, SB 250, SB 273, SB 310, SB 329, SB 364, SB 378, SB 389, and SB 437.

4. FINANCIAL DISCUSSION:

A. FY 2002-03 AUDIT-SOLARI & STRUMMER:

Mr. John Solari and Ms. Mary Martini were present.

Mr. Solari outlined the process of the 2002-2003 audit.

The Board requested Mr. Solari to schedule quarterly reviews with the Financial Subcommittee.

B. FINANCIAL REPORT 03/31/03:

Ms. Sue Rudic, Accounting Manager, presented the Board with the Financial Report for period ending March 31, 2003.

It was moved and seconded to approve the March 31, 2003 Financial Statement. THE MOTION CARRIED.

5. EXECUTIVE SESSION:

B. CUSTOMER SERVICE PROGRAM:

Mr. Bart Thurgood, Human Resources and Ms. Sonya Ruffin, Public Information provided information concerning the customer service-training programs.

D. LEGAL REPORT:

Ms. Broussard provided a status report concerning legal matters.

7. DEPARTMENT REPORTS:

C. HUMAN RESOURCES:

Mr. Bart Thurgood, Human Resources, reported that all open positions have been filled and some of the investigative staff was currently attending CLEAR training in Sacramento.

The remaining items in the Executive Session were continued to the May 20, 2003 Las Vegas Board Meeting.

8. APPLICATION INTERVIEW:

NEVADA ELECTRIC COMPANY, NECO LAMON MURRAY, OWNER:

Neco Murray, Owner of Nevada Electric Company and Licensing Supervisor Pat Potter were present.

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

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

It was moved and seconded to approve the license application, Nevada Electric Company, classification C-2 with a monetary limit of \$5,000 and a bond \$2,000 with a financial review at time of renewal. THE MOTION CARRIED.

9. ADVISORY OPINIONS:

A. WASHOE COUNTY SCHOOL DISTRICT – What license classification would be required for site grading, building pad and utilities for Spanish Springs Middle School – Phase 1?

Based upon the information provided, the Board opined that a licensee holding an A (General Engineering) or an AB (General Engineering and Building) would be required to perform the work.

B. J K ENTERPRISES – Does painting parking lot striping, lettering, and guidance arrows fall within the scope of the C-4 (a) license currently held by J K Enterprises?

Based upon the information provided, the Board opined that painting parking lot striping, lettering, and guidance arrows would fall within the scope of the C-4 (a) license currently held by J K Enterprises.

C. ANTHONY & SYLVAN POOLS – Can a licensee holding an A-10 classification license subcontract to perform only the pool excavation work?

Based upon the information provided, the Board opined that a subcontractor with an A-7 (Excavating and Grading) or an A-12 (Excavating, Grading, Trenching and Surfacing) classification license would be required to perform the excavation work.

10. APPLICATIONS:

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

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

NEVADA PAINTING CO., LLC, LICENSE #49275 (ONE TIME RAISE IN LIMIT, RECONSIDERATION)

Mr. William Penzel, Member of Nevada Painting Co., LLC was present. The Board informed Mr. Penzel that the one time raise in limit was granted for a \$325,000 and he must provide a payment and performance bond. The raise in limit is contingent upon Mr. Penzel personally indemnifying the license.

NORTHSTAR STUCCO, INC., (C-17 LATHING & PLASTERING) NEW APPLICATION, RECONSIDERATION OF CLASSIFICATION

Mr. Keith Crockett, President of Northstar Stucco, Inc. was present. The Board informed Mr. Crockett that the license application had been granted for a C-40 (Designated for EFIS Systems Only) classification with a \$50,000 monetary limit and a bond of \$5,000.

T S REVLIS, (B-1 PREMANUFACTURED HOUSING) NEW APPLICATION

Mr. Alan Barber, President of T S Revlis and Ms. Kathy Barber were present. The Board informed Mr. and Mrs. Barber that the license application (B-1 Premanufactured Housing) was granted with a \$100,000 monetary limit and a bond of \$50,000 with a financial statement upon renewal.

THUNDER ROOFING, LLC, (C-15A ROOFING) NEW APPLICATION

Mr. Dana McEvers, Member of Thunder Roofing, LLC was present. The Board informed Mr. McEvers that the license application (C-15A Roofing) was granted with a \$30,000 monetary limit and a bond of \$5,000, contingent upon Mr. and Mrs. McEvers personal indemnification of the license and a financial statement.

WASHOE CONSTRUCTION, LLC, (C-3A CARPENTRY, REPAIR & REMODELING) NEW APPLICATION, RECONSIDERATION

Mr. Richard Clark, Manager of Washoe Construction, LLC was present. The Board informed Mr. Clark that the license application (C-3A Carpentry, Repair & Remodeling) had been granted with a \$50,000 monetary limit and a bond of \$15,000 with a financial statement upon renewal.

ANKER MECHANICAL CONTRACTING, (A-40 UNCLASSIFIED) NEW APPLICATION, RECONSIDERATION

Mr. Peter Gascoyne, Owner of Anker Mechanical Contracting was present. The Board informed Mr. Gascoyne that the license application had been granted for an A-22 (Designated for Food Process Piping Only) classification with a \$50,000 monetary limit and a bond of \$5,000.

B M B ELECTRIC, LLC, LICENSE #55805 (C-2 ELECTRICAL CONTRACTING) RECONSIDERATION, CONDITIONAL LICENSE, BOARD DECISION

Mr. Craig Bixman, Manager; Mr. David Modica, Manager; Mr. Steve Braverman, Manager; and Mr. Keith Gregory, attorney for B M B Electric, LLC were present. The Board informed Mr. Bixman, Mr. Modica, and Mr. Braverman that the reconsideration of the previous Board decision was denied.

It was moved and seconded to reactivate the license upon receipt of document removing Mr. Braverman as a Manager; written confirmation of Mr. Bixman's testimony regarding Mr. Braverman's duties and authority; personal indemnification of the license by Mr. Bixman and Mr. Modica; and a financial review in October 2003 and at time of renewal.

COMBINED DESIGN, LLC, (A-22 WATERFALLS/ WATERSCAPES/ ROCKSCAPES) NEW APPLICATION, BOARD DECISION CLASSIFICATION

Mr. Michael Huntsman, Manager of Combined Design, LLC was present. The Board informed Mr. Huntsman that the license application (A-22 Waterfalls/ Waterscapes/ Rockscapes/ Theming) had been granted with a monetary limit of \$300,000 and a bond of \$15,000.

ERRETT CONSTRUCTION, LICENSE #47819 (B - GENERAL BUILDING) RENEWAL OF EXPIRED LICENSE

Mr. Arnold Bruneau, employee of Errett Construction who has power of attorney for Mr. Errett, was present. The Board informed Mr. Bruneau that this matter was tabled for 60 days to allow Mr. Errett to furnish a current financial statement and bank verification form, if not received license to remain suspended.

SURVEILLANCE CAMERA SYSTEMS, (C-2E SIGNAL SYSTEMS) NEW APPLICATION

Mr. Keith Gregory, attorney for Surveillance Camera Systems was present. The Board informed Mr. Gregory that the license application (C-2E Signal Systems) was granted with a \$50,000 monetary limit and a bond of \$10,000.

The remainder of the applications on the agenda were reviewed and discussion occurred on the following: Nos. 1, 2, 3, 4, 5, 8, 9, 10, 11, 12, 13, 14, 15, 16, 19, 20, 21, 22, 23, 24, 51, 53,54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 72, 73, 74, 75, 76, 77, 78, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 91, 92, 93, 94, 95, 96, 97, 98, 99, 100, 101, 102, 103, 104, 105, 106, 107, 108, 109, 110, 111, 112, 113, 114, 115, 117, 118, 120; and on the amended agenda: Nos. 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12,

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

B. RATIFICATION OF LICENSE APPLICATIONS, CHANGES OF LICENSURE, REINSTATMENTS OF LICENSURE:

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

11. DISCIPLINARY HEARING:

SIERRASAGE, LLC., LICENSE NO. 52571 (CONTINUED FROM OCTOBER 22, 2002, NOVEMBER 6, 2002, DECEMBER 4, 2002, JANUARY 7, 2003, JANUARY 28, 2003, FEBRUARY 11, 2003, MARCH 11, 2003 and APRIL 8, 2003)

Craig Hamilton, Sierrasage, LLC; William Rheinschild, Sierrasage, LLC; Don Enemark, Sierrasage, LLC; Kathryn and Leonard Pugh, Homeowners; Mark Anderson, Homeowner; Kathy Stewart, Licensing Supervisor; Nancy Mathias, Licensing Administrator; Frank Torres, Deputy Director of Investigations; George Lyford, Director of Investigations; and Investigator Gary Hoid were sworn in. Mr. Mark Gunderson, attorney for Sierrasage, LLC and Mr. Eric Stovall, attorney for Mr. and Mrs. Pugh were present.

Mr. Gunderson stated that the Respondent would stipulate to the 3rd, 16th, 17th, 18th and 19th causes of action.

Ms. Broussard informed the Board that the answer to the 4th Amended Complaint had been received today.

The hearing was for possible violations of NRS 624.3012 (2); NRS 624.302 (5); NRS 624.700 (1)(a)(b); NRS 624.301 (5); NRS 624.3013 (3); NRS 624.3016 (1); NRS 624.3013 (5) pursuant to NRS 624.407 (1); NRS 624.3013 (5) pursuant to NRS 624.3016 (7); NRS 624.3016 (8); NRS 624.3013 (5); pursuant to NRS 624.283 (2)(c); NRS 624.3013 (5) pursuant to 624.520 (1); and NRS 624.3018 (2).

The Board Hearing File, including but not limited to the Notice of Hearing and Complaint, were entered into the record as Exhibit 3.

Mr. Pugh testified that he entered into an agreement with Respondent for the construction of a single-family residence for a total contract price of \$259,950 of which he has paid \$103,000. The Respondent stopped work in November 2001. Mr. Pugh further testified that when

applying for a new loan, it was discovered that there was approximately \$60,000 in liens against the property, so they were unable to get a new loan at that time. Mr. Pugh stated that a new contractor was hired to finish the project and the home was completed in March 2003. The cost to complete the home exceeded the original contract that Sierrasage provided.

Investigator Hoid testified that he had reviewed the Pugh contract provision that stated the building would be completed within 180 days after the permit was obtained. Investigator Hoid further testified that the Respondent entered into the contract prior to being licensed.

Mr. Anderson testified that he had entered into an agreement with Respondent for the construction of a single-family residence for a total contract price of \$328,700. The project was to be completed by November 7, 2001, however the Respondent stopped work when the project was 40% complete. Mr. Anderson stated that there are liens against the property, which had not been cleared.

Investigator Hoid testified that he had reviewed the Anderson contract dated September 2000, however the Respondent was not licensed until September 4, 2001. Also, the project was not completed within the 180-day timeframe called for in the contract.

Investigator Hoid testified that he had reviewed the Sedano contract dated May 2001 for the construction of a single-family residence for a total contract price of \$267,450. The Respondent was not licensed until September 4, 2001.

Ms. Stewart testified that a compiled financial statement dated December 31, 2002 had been received May 6, 2003.

Investigator Hoid testified that he had reviewed the agreement between Respondent and Premier Landscaping. Payments made to Premier Landscaping had been returned for insufficient funds.

Investigator Torres testified that he had reviewed the contract between the Respondent and D & D Overhead Door dated January 25, 2001, for the purchase and installation of overhead garage doors, and specialty items located at the Meritage subdivision. To date the Respondent owes D & D Overhead Door \$22,202.

Investigator Hoid testified that a settlement agreement had been received on May 5, 2003 between Respondent and D & D Overhear Door.

Mr. Enemark testified that he has been the General Manager for Sierrasage LLC since January of 2003. He stated that he had reviewed the Sedanos contract with Sierrasage.

The purchase and sales agreement and the escrow instructions for the Sedanos were entered into the record as Exhibit 4.

Mr. Rheinschild testified that he is a Manager of Sierrasage and does not act for Solano Development. Mr. Rheinschild further testified that Solano Development does not have an interest in Sierrasage. He stated that he had resigned from Solano Development in August 2002 and had submitted his resignation to his attorney, Mr. Gunderson.

The letters of resignation from Solano Development for Rudolph Rheinschild dated August 7, 2002 and Gregory Rawlings dated August 23, 2002 were entered into the record as Exhibit 5a and Exhibit 5b respectively.

Ms. Mathias testified that the Board had received a letter from Walter Stockman in October 2002 regarding the resignation of Mr. Rheinschild and Mr. Rawlings. Staff requested that Solano Development submit a change of member application in October 2002 and again in December 2002. The application was not received until January 2003. It was withdrawn April 2003 due to Respondent's failure to provide the requested information. Solano

Development's license was suspended for failure to maintain the required bond as of February 16, 2003.

Mr. Rheinschild stated that he has invested over \$1.2 million in Sierrasage and would consider personally indemnifying the license. Mr. Rheinschild further stated that everyone involved in the day to day running of Sierrasage has been replaced and that Sierrasage is trying to take care of all the old business with Solano Development.

Mr. Gunderson stated that Mr. Rheinschild is not managing Solano Development, however, he is trying to take care of past issues with Solano Development.

The evidentiary portion of the hearing was closed.

Mr. Gunderson summarized that Sierrasage was troubled during the time Mr. Grimshaw was General Manager, however, the old claims have been taken care of except for the Pughs and Andersons.

It was moved and seconded to summarily suspend license #52571, Sierrasage, LLC. The license is subject to reinstatement upon receipt of a personal indemnification and financial statement from Mr. Rheinschild. This matter was referred to Formal Findings of Fact Conclusions of Law. THE MOTION CARRIED.

Board Member Randy Schaefer was not present for this hearing. He will not participate in the decision of this case or in any future decisions regarding this case.

12. PUBLIC COMMENT:

Mr. and Mrs. Leonard Pugh stated they were unhappy with the outcome of the Sierrasage hearing and would like there to be further investigation into the activities of Sierrasage.

Mr. Eric Stovall expressed concern regarding the outcome of the Sierrasage hearing.

Mr. Craig Hamilton of Sierrasage, LLC stated that they were working on resolving all problems.

13. ADJOURNMENT:

There being no further business to come before the Board, the meeting was adjourned by Chairman Michael Zech at 3: 50 p.m.

Respectfully Submitted,

Melinda Mertz, Recording Secretary

APPROVED:

Margi A. Grein, Executive Officer

Michael Zech, Chairman

DISCIPLINARY HEARINGS:

ADJUDICATING BOARD MEMBER: DAVID W. CLARK

17. DEFAULT ORDER:

ALL SEASONS CONCRETE COMPANY, LICENSE NO. 40313

No one from All Seasons Concrete Company was present.

The hearing was for possible violations of NRS 624.3017 (1); NRS 624.3013 (5), as set forth in NAC 624.700 (3)(a); NRS 624.3013 (5), as set forth in NAC 624.640 (5); NRS 624.3015 (2); NRS 624.3013 (5) pursuant to NRS 624.520 (1); NRS 624.3017 (7); NRS 624.3013 (5), as set forth in NAC 624.700 (3)(a); NRS 624.3013 (5), as set forth in NAC 624.640 (5); NRS 624.3016 (1); NRS 624.3012 (3); and NRS 624.3013 (5) pursuant to NRS 624.520 (1).

The Board Hearing File, including but not limited to the Notice of Hearing and Complaint, were entered into the record as Exhibit 1.

Hearing Officer Clark found the Respondent in default and adopt the Findings of Fact Conclusions of Law as set forth in the Administrative complaint; revoked license number 40313, All Seasons Concrete Company; to require full restitution to the damaged parties; and recover the Investigative Costs of \$6,733.00 plus any expenses that may be paid out of the Residential Fund prior to consideration of future licensure.

Due to the time limitations, the Disciplinary Hearings were continued to May 29, 2003.

18. ADJOURNMENT:

There being no further business to come before the Board, the meeting was adjourned by Adjudicating Board Member David Clark at 3:58 p.m.

Respectfully Submitted,

Melinda Mertz, Recording Secretary

APPROVED:

Margi A. Grein, Executive Officer

David W. Clark, Adjudicating Board Member